



ANNUAL REPORT | 2022





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សូមអបអរសាទរ Congratulations

អតិថិជនកើនលើសពី **11K** ពាន់ នាក់ គិតត្រឹមចុងឆ្នាំ ២០២២
Customers over **11K** By the end of 2022



ចំណុះត្រួតពនាទានច្រើនជាង
LOAN OUTSTANDING OVER

\$20 MILLION

គ្រឹះស្ថានឯកជន

OPERATIONAL HIGHLIGHTS



BAMBOO Finance Plc. OPERATIONAL HIGHLIGHTS As of 31 December 2022

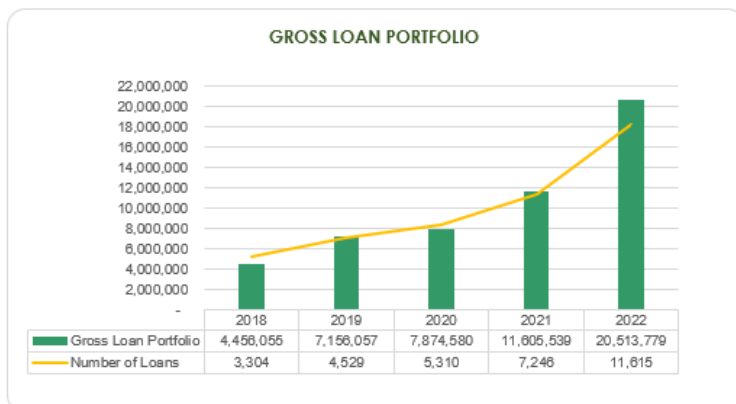


US\$ 20.51 Million
Gross Loan Portfolio



11,615
Number of Loans

1. Gross Loan Portfolio

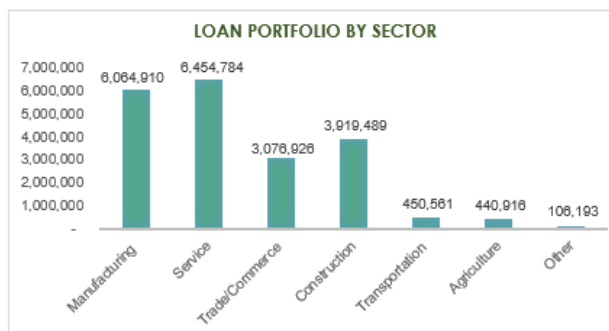
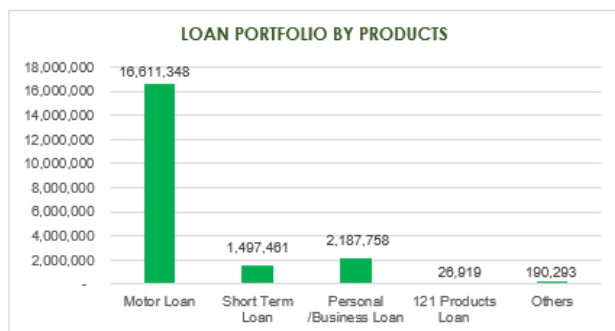


Total Disbursed Amount
US\$ 17.85 Million

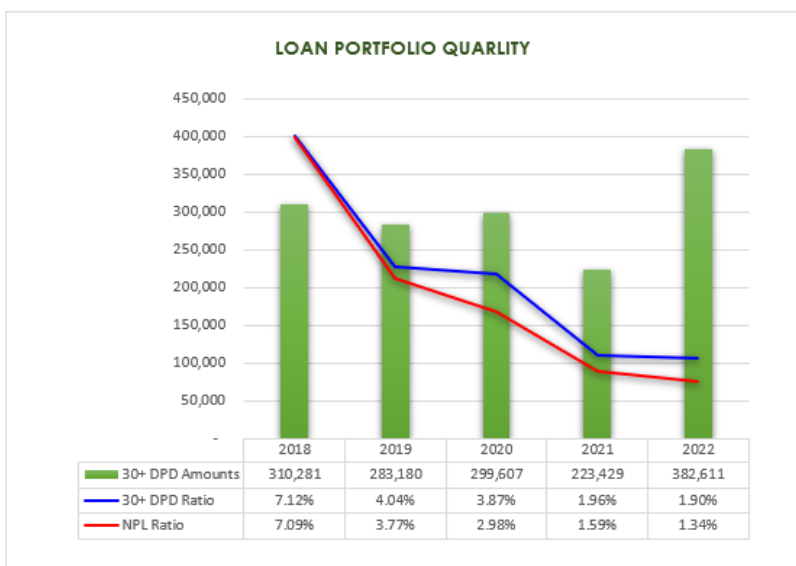
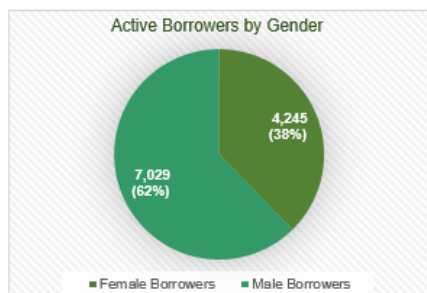
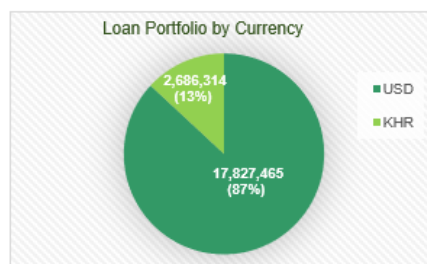
Number of Loans Disbursed
7,681

Gross Loan Portfolio
US\$ 20.51 Million

2. Loan Portfolio by Product and Economic Sector



3. Loan Portfolio by Currency, Active Borrowers by Gender and Loan Portfolio Quality



FINANCIAL HIGHLIGHTS

Amounts in US\$

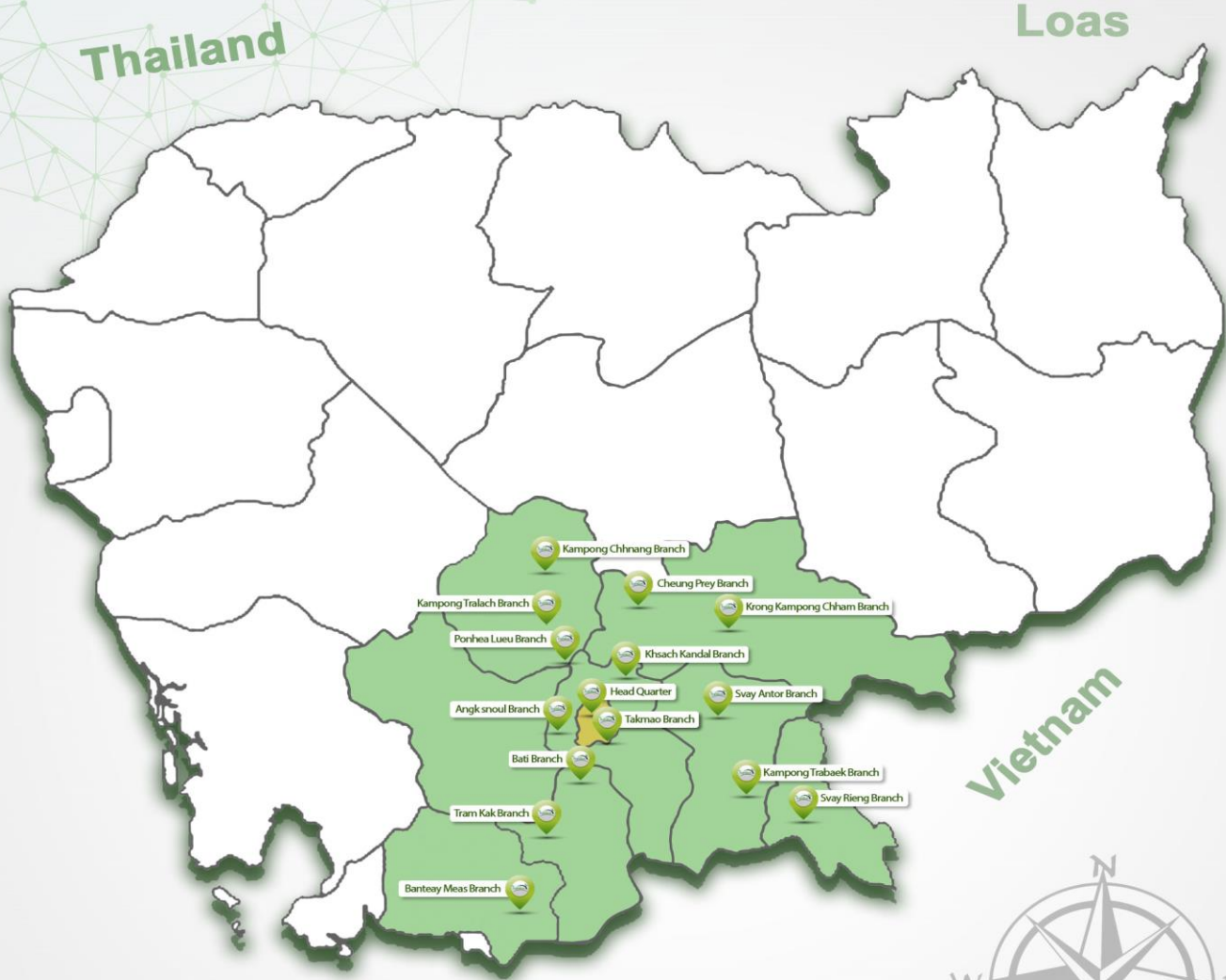
(CIFRS for SMEs)	2022 Audited	2021 Audited	2020 Audited	2019 Audited	2018 Audited	Change (%) ¹
Selected financial data						
Assets	20,984,374	12,314,189	8,834,515	7,689,065	4,815,496	70%
Loans to customers-net	20,396,128	11,519,026	7,731,692	6,944,899	4,233,382	77%
Liabilities	18,173,459	9,834,803	6,578,551	5,477,846	2,880,928	85%
Borrowings	15,689,806	9,595,086	6,450,653	5,329,655	2,798,671	64%
Subordinated debts	2,025,028	-	-	-	-	-
Share Capital	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	0%
Shareholders' Equity	2,810,915	2,479,386	2,255,964	2,211,219	1,934,568	13%
Gross Income	3,914,841	2,447,119	1,882,105	1,410,741	695,753	60%
Profit Before Income Tax	424,741	265,484	63,479	290,905	106,603	60%
Net Profit After Tax	331,529	223,422	44,745	276,651	99,410	48%
Earnings per share	13.26	8.94	1.79	11.07	3.98	48%
Key Ratio Indicators						
Return on Assets	2%	2%	1%	4%	2%	
Return on Equity	12%	9%	2%	13%	5%	
Solvency Ratio	23.46%	20.86%	24.08%	28.06%	41.15%	
Net Operating Margin	10.72%	10.33%	10.25%	10.26%	6.11%	
Operating Cost Ratio	10.44%	12.21%	13.31%	11.12%	13.51%	
Cost to Income Ratio	77.70%	81.27%	85.87%	65.73%	82.46%	
Employee Productivities Ratio	2,225	2088	503	4,256	3,550	
Number of Loans	11,615	7,246	5,310	4,529	3,304	
Number of Staff	149	107	89	65	28	

⁽¹⁾ Change from 2021 to 2022.

HIGHLIGHTS OF 2022

- Assets rose by 70% from US\$12.31M to US\$20.98M.
- Loans to customers(net) grew by 77% to US\$20.40M.
- Borrowings increased by 64% to US\$15.69M
- Shareholders' Equity grew by 13% from US\$2.48M to US\$2.81M.
- Net profit after tax was US\$331,529.

OPERATION NETWORKS



Number of Offices
15

Number of Provinces in Operation
8

OPERATION NETWORKS

HEADQUARTER

Address: Building No 03, Phnom Penh-Hanoi Friendship Blvd., Phum Rong Chakr, Sangkat Kouk Khleang, Khan Sen Sok, Phnom Penh

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 011 777 173/ 070 367 943

OPERATION OFFICE

Address: # 10A, Street 598, Village 3, Sangkat Boeung Kak II, Khan Touk Kork, Phnom Penh.

Tel: 070 367 931

ANGK SNUOL DISTRICT BRANCH

Address: National Road No 4, Angk Snuol Ti Muoy, Peuk Commune, Angk Snuol District, Kandual Province.

Tel: 070 367 924

KRONG TA KHMAU BRANCH

Address: No 13, Street No 115, Phum Ta Kdol, Sangkat Ta Kdol, Krong Ta Khmau, Kandal Province.

Tel: 070 363 849

KAMPONG TRALACH DISTRICT BRANCH

Address: National Road No 5, Ka At Village, Peani Commune, Kampong Tralach District, Kampong Chhang Province.

Tel: 070 367 876

KHSACH KANDAL DISTRICT BRANCH

Address: Street No 381, Preaek Ta Meak Village, Preaek Ta Meak Commune, Khsach Kandal District, Kandal Province.

Tel: 070 367 954

KAMPONG TRABEAK DISTRICT BRANCH

Address: Street No 317, Prasat Village, Prasat Commune, Kampong Trabaek District, Prey Veng Province.

Tel: 070 366 700

CHEUNG PREY DISTRICT BRANCH

Address: National Road No 6, Skon Village, Soutib Commune, Cheung Prey District, Kampong Cham Province.

Tel: 070 366 400

BAMBOO's OFFICES

PONHEA LUEU DISTRICT BRANCH

Address: National Road No 5, Tep Pranam Village, Vihear Luong Commune, Ponhea Lueu District, Kandal Province.

Tel: 070 259 070

BATI DISTRICT BRANCH

Address: National Road No 2, Chak Village, Trapeang Sab Commune, Bati District, Takeo Province.

Tel: 070 245 070

TRAM KAK DISTRICT BRANCH

Address: National Road No 3, Angk Ta Saom Village, Angk Ta Saom Commune, Tram Kak District, Takeo Province.

Tel: 070 433 797

KRONG KAMPONG CHAM BRANCH

Address: No 95 & 97 E0-E1, Khemarak Phoumint Street, Phum Ti Prampir, Sangkat Kampong Cham, Krong Kampong Cham, Kampong Cham Province.

Tel: 070 768 874

KRONG SVAY RIENG BRANCH

Address: National Road N° 1, Phum Rub Kou, Sangkat Prey Chhlak, Krong Svay Rieng, Svay Rieng Province

Tel: 070 701 975 / 070 756 166

SVAY ANTOR DISTRICT BRANCH

Address: Road No11, Pou Chentam Village, Svay Antor Commune, Svay Antor District, Prey Veng Province.

Tel: 070 364 283 / 070 212 499

KRONG KAMPONG CHHNANG BRANCH

Address: National Road N° 5, Phum Srae Pring, Sangkat Kampong Chhnang, Krong Kampong Chhnang, Kampong Chhnang Province

Tel: 070 259 799 / 070 232 799

BANTEAY MEAS DISTRICT BRANCH

Address: Road N° 31, Tuk Meas Village, Tuk Meas Khang Lech Commune, Banteay Meas District, Kampot Province

Tel: 070 240 499 / 070 247 499

CORPORATE INFORMATION



About Us

Bamboo Finance PLC., ("Bamboo") was established in Cambodia on March 22, 2015. Bamboo aims to become one of the leading microfinance institutions (MFIs) in Cambodia, with offices in three provinces. Bamboo has been officially recognized by the National Bank of Cambodia and obtained its legal license on May 07, 2015.

Bamboo currently provides its primary service designed to contribute Micro, Small, and Medium-sized financial credits sector which has been under-served by financial institutions. We aim at the productivity of our clients to enable them to achieve their full potential which has previously been elusive due to the perceived risky nature of providing financial services to the Micro, Small and Medium-sized financial credits.

We achieve this by emphasizing the immense benefits of empowering our clients through a discipline of consistent and deliberate manners to achieve both short-term and long-term goals. The products we offer will enable our clients to satisfy their needs and to promote their standard of living with a dignified, flourishing, and an adequate quality of their status in life.

BAMBOO'S VISION & MISSION



Vision Statement

Bamboo Finance Plc., will shape the bright future for Cambodia society as a result of our contribution as a player in the national financial to our customer.



Mission Statement

Bamboo Finance Plc., will set a goal to be an Excellent Company which is always the best services provider in the National Financial Field, not by its size but its Excellent of Operation.



Our Slogan

"Your trusted partner"

BAMBOO'S CORE VALUES



Bamboo's Core Values

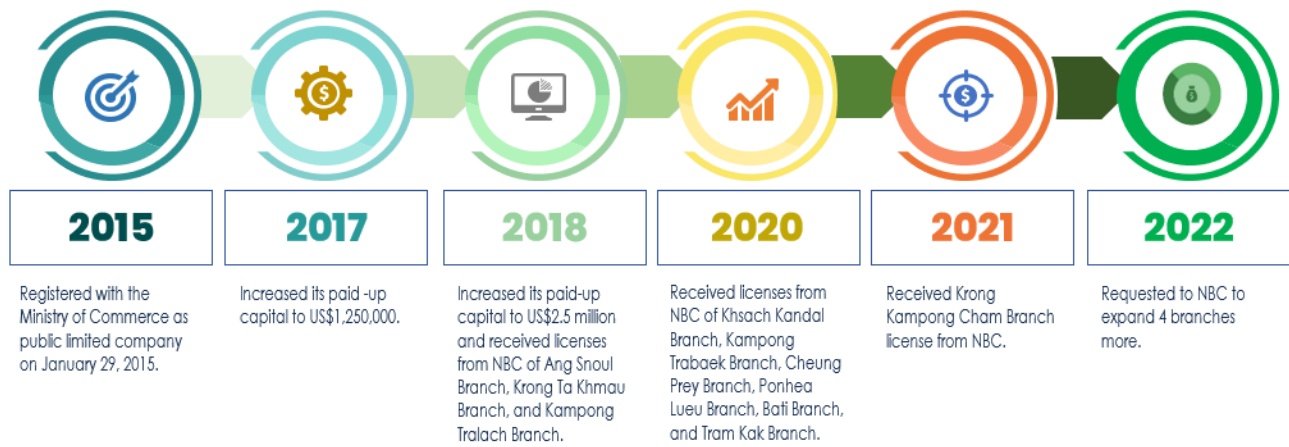
Our 9 core values are the principles that guide our behaviour and decisions on a daily basis. Our values help us to conduct ourselves and make decisions that facilitate the attainment of our vision of developing the present and next generation of entrepreneurs.





Key Milestones

Bamboo's Key Milestones





"I have the privilege to present you the Annual Report and Audited Financial Statement for the year-end of 31 December 2022, **a remarkable year of excellence achieving results.**"



Message from the CEO

Bamboo Finance Plc., continues to grow successfully every year. The success of 2022 was the right-defined operation plan and implementation with the efforts of staff at all levels, the high level of trust from customers and business partners, and the full support from the board of directors.

Main Achievements in 2022

As of December 31, 2022, Bamboo has achieved 48 percent year-on-year growth in Net Profit After Tax to reach US\$331,529 (2021: US\$223,422) despite the challenging operating environment. This generated a Return on Equity of around 12 percent and a Return on Assets of around 2 percent.

With high-quality internal control, Bamboo can maintain its loan portfolio growth. Total loans outstanding increased by 77% to reach US\$ 20.5 million, while the portion of the portfolio at risk for more than 30 days was only 1.90 percent. The number of borrowers increased by 60% to around 11.27 thousand.

Bamboo focuses on providing financial leasing for new and second-hand motorbikes, that played a vital role in providing mobility and access to opportunities for many Cambodians. Since 2018, loans of over \$43 million have been disbursed to approximately 20,000 beneficiaries in key economic sectors such as manufacturing, service, trade and commerce, construction, transportation, and agriculture that can enable clients of these sectors to enhance their productivity and expand their businesses.

The loan has been distributed to different geographical areas across multiple provinces, such as Takeo, Kandal, Kampong Speu, Kampong Cham, Svay Rieng, Prey Veng, Kampong Chhnang, Phnom Penh, Kampot, and other provinces, that these areas have a higher demand for motorbikes or are key economic hubs where transportation plays a crucial role.

Furthermore, Bamboo's motorbike loans also impact the economy, enable employment opportunities, social and individual lives, local commuting, and engaging in income-generating more effectively and especially fostering social cohesion and community development.

This outstanding achievement is the result of, adhering to the principles of effective leadership, good governance, integrity, excellence, and trustworthiness, as well as high commitment and perseverance.

Finally, I would like to express my sincere thanks to our customers, board of directors, management, and staff for their support, hard and smart work, and highly committed to performing their work with integrity, ethics, professionalism, and accountability in anticipation of happy and prosperous coming years.

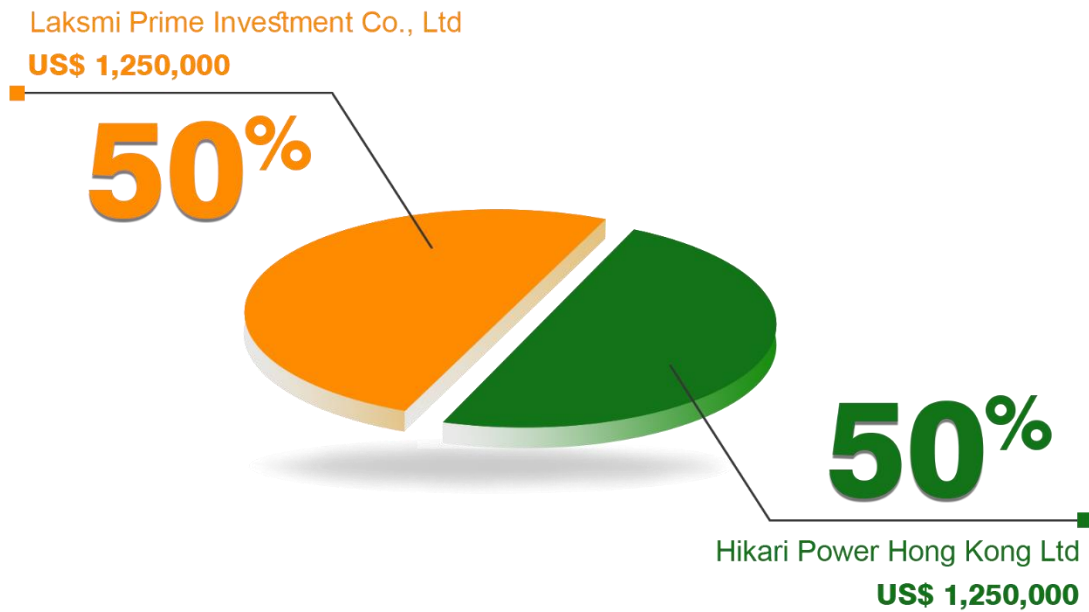
KEO Sokha
Chief Executive Officer



BUSINESS REVIEW

Shareholders

The paid-up capital of the Bamboo Finance Plc. as at 31 December 2022 is US\$2,500,000 with a par value US\$100 per share, and has the structure as follows:



អបអរសាទរ ខួប១០ឆ្នាំ
ក្រុមហ៊ុន លក្សី ប្រាយម៍ អ៊ិនវេសមេន

2012 - 2022



ដោយកិត្តិយស

គណៈគ្រប់គ្រង និងបុគ្គលិក នៃគ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ប៊ែមប៊ូ ហ្វាយនែន ភីអិលស៊ី



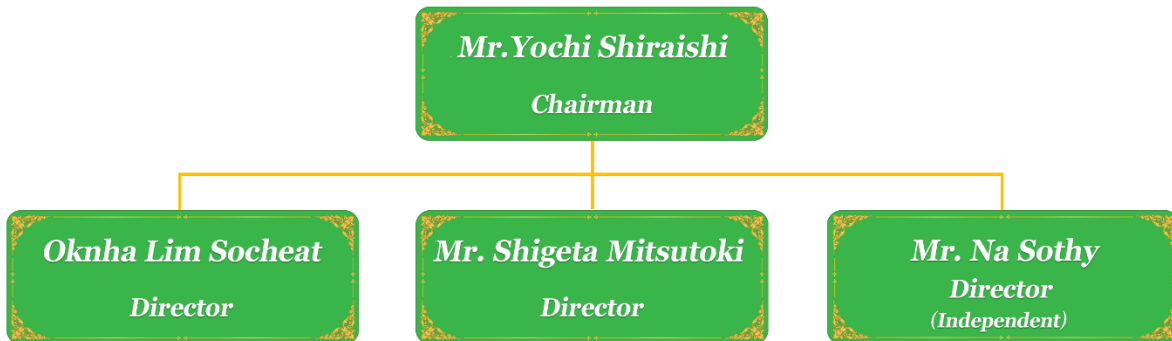


BOARD OF DIRECTORS

Board of Directors:

Mr. Yoichi Shiraishi
Oknha LIM Socheat
Mr. Mitsutoki Shigeta
Mr. Na Sothy

Chairman
Director
Director
Independent Director



Oknha LIM Socheat
Board of Director



Oknha Lim Socheat is a highly accomplished executive director and serial investor as CEO of LAKSMI Prime Investment who successfully identifies and secures new business opportunities. Since the inception of the investment firm in 2012, Socheat has been managing over US\$47 million investment portfolio in a multitude of new ventures in Finance, Fintech, Real Estate, Equity Investment, E-Commerce, and Logistics Service, among others, which have employed over 700 people and thousands of associates and agents in total, under Socheat's leadership and governance, the investments have been appreciated to a market value over US\$100 million.

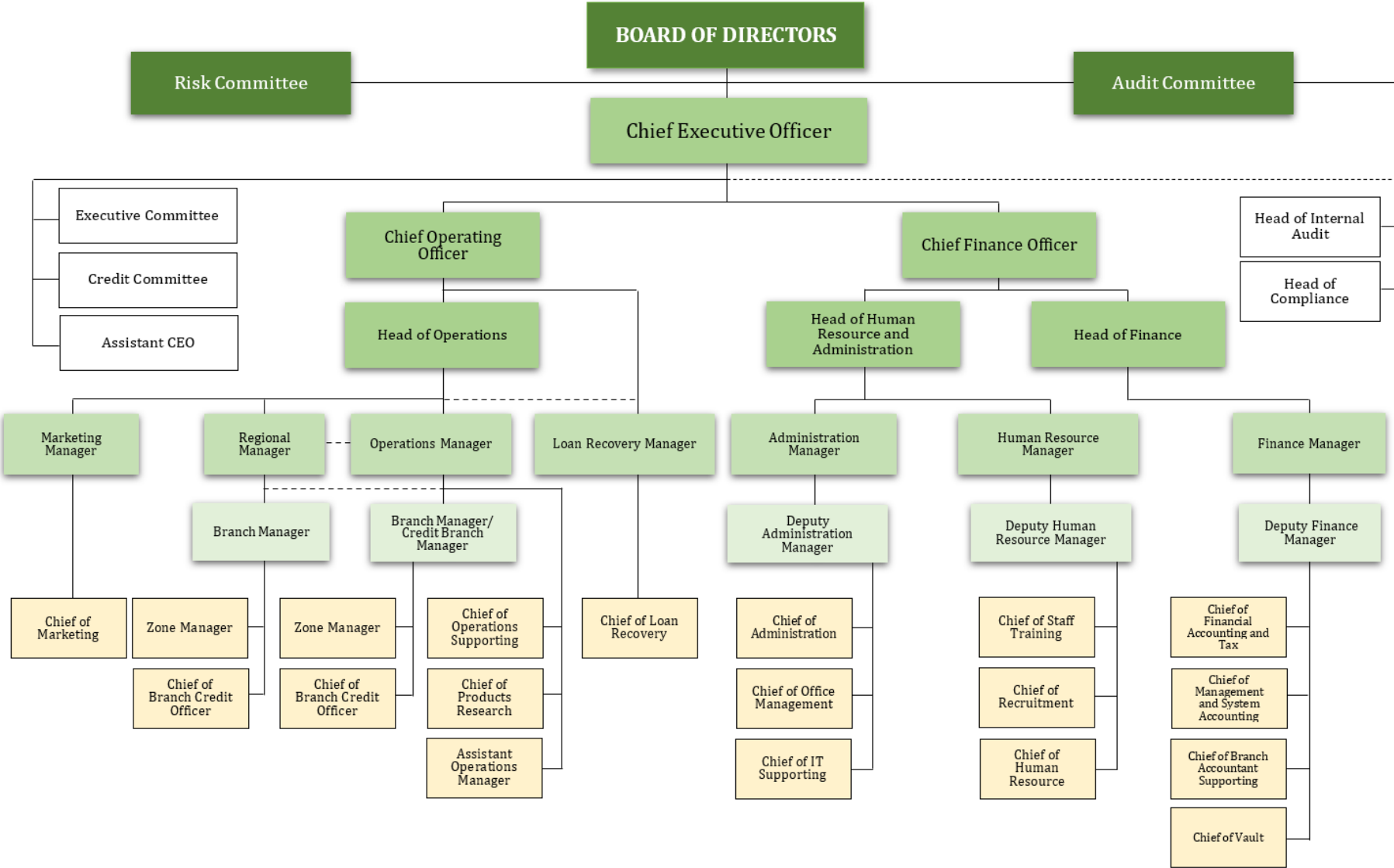
Such achievement has been obtained through his vision to build companies that are responsive to Cambodia's market environment while delivering market-fit services and products to customers. His compassion in nurturing the next business leaders to bring innovative business entities to the market.

In addition to his leadership role, Socheat is actively driving industry developments at the policy level with the following roles: Board Member and Chair of the Risk Committee at Cambodia Investment Club; VP in charge of SME development at Young Entrepreneurs Association of Cambodia; and Elected Board Member of the prestigious Cambodia Chamber of Commerce. He was also a Board Member and Chair of the Financial Leasing Club at Cambodia Microfinance Association until 2020.

Socheat holds a Master of Science in Professional Accountancy from the University of London in 2017, The ACCA Qualification in 2010 (Association of Chartered Certified Accountants), CPA Australia Qualification (Certified Public Accountants) in 2009.

BAMBOO FINANCE PLC

ORGANIZATION CHART



Mr. KEO Sokha
Chief Executive Officer



Mr. KEO Sokha has more than 16 years of experience in banking and financial institution as an executive, financial analyst, and company governance. He is serving as Chief Executive Officer at BAMBOO Finance Plc. and has since brought the company to new heights after restructuring its operations. Sokha has been a critical leader in the company and championed the company's shared values of honesty, integrity, respect, and leadership at the core of every decision powered by a people-driven, customer-focused culture and spirit of innovation.

In addition, he was appointed the Chief Finance Officer at LAKSMI PRIME INVESTMENT CO., LTD in August 2016. He oversees the financial control, analysis, and strategy, as well as finding funds for many projects invested by the company.

Sokha holds an MBA in Finance Management, earned Bachelor's degree in Banking and Finance, and Diploma in Accounting "Diplôme Universitaire de Comptabilité" from the Royal University of Law and Economics ("RULE"). He also attended many training courses and workshops related to financial management, and ethical management.



Mr. PEN Boran
 Head of
 Compliance

Mr. NGOY Mao
 Head of
 Operation

Mr. OEURN Silen
 Chief of
 Operation Officer

Mr. KEO Sokha
Chief of
Executive Officer

Mr. TEK Prathna
 Head of
 Finance

Ms. PROM Chheamantha
 Head of HR &
 Administration

Mr. TEP Sarith
 Head of
 Internal Audit

Mr. OEURN Silen
Chief of Operation Officer



Mr. OEURN Silen joined Bamboo Finance Plc., as Internal Audit Manager in September 2016. Silen was promoted to Head of Internal Audit in January 2018 to ensure the internal audit function is closely aligned with the institution's best practices in executing the duties across the Bamboo Finance Plc., business and financial operations, works to ensure roles, responsibilities, and results are efficiently coordinated and collectively optimizing the effectiveness of risk management, internal control and governance of the company. In July 2020, Silen was promoted to Chief of Operation Officer to lead and manage the credit

operation of Bamboo Finance Plc. following the growth and business strategy of the MFI. Prior to joining Bamboo Finance, Silen had experiences with ACLEDA Bank Plc, for more than thirteen years in various positions related to accounting, risk management, and internal audit function. Silen obtained a Master's Degree in Financial Management in 2012, a Bachelor Degree in Enterprise Management in 2003, and a Diploma of Accounting in 2000 respectively from Royal University of Laws and Economics in 2012. He has completed many training courses related to Accounting, Management, Administration, Law, Marketing, Taxation, and Information Technology.



Mr. Leom Lyda
 Regional Manager



Mr. Pen Pichphirun
 Regional Manager



Mr. Trav Sokkheng
 Loan Recovery
 Manager



Mr. OEURN Silen
 Chief of Operation
 Officer



Mr. NGOY Mao
 Head of Operation



Mr. Bun Sorphea
 Regional Manager



Mr. Ngeav Chandara
 Regional Manager

Mr. TEK Prathna
Head of Finance



Mr. TEK Prathna obtained his Master's Degree in Finance and Banking at Build Bright University in 2008. He received his Bachelor's Degree in Economics Science, majoring in Finance and Banking at the Royal University of Law and Economics in 2003. He has attended numerous training courses such as Risk Management and Basel II & III Accord with the support from National Institute of Bank Management - NIBM (India), and several other workshops and training courses in the areas of financial management, risk management, preparing financial reports by CIFRS, CAS, and CIAS.

He worked with ACLEDA Bank Plc. for over 15 years from 2004 to 2019 with several positions as a credit officer from the start (2003 – 2006), an accountant (2006-2009), Assistant Manager of the Management Accounting Unit (2009 – 2012), Manager of the Management Accounting Unit (2012 – 2013), and Assistant Senior Vice President of Finance Division (responsible for management accounting unit) from 2013 to 2018. In 2018, he was promoted to be Vice President and Head of the Management Accounting Department. He also worked with Ly Hour PayPro as Head of Finance from 2019 to 2020. Prathna started working with Bamboo Finance Plc in January 2021 as a Head of Finance till present.



Mr. TEK Prathna
Head of Finance



Ms. Chan Sreyleak
Finance Manager

Ms. PROM Chheamantha
Head of HR & Administration



Ms. PROM Chheamantha has joined Bamboo Finance Plc. on February 10, 2020, as Human Resource Manager. As Head of HR & Administration, she is responsible for strategic planning in the human resources management, especially in recruiting and training for effectively working with ethical and professionals. Moreover, she has been elected as a member of the Executive Committee of Bamboo Finance Plc. on February 10, 2020.

Chheamantha has more than 23 years of experiences related to human resource management while working at ACLEDA Bank Plc. She had been as a credit officer for three months, cashier for two years, district team leader for five years, and branch manager for more than 16 years. Chheamantha holds a Bachelor's Degree of Management from Phnom Penh International University in 2008 and had attended a short course at Gramming Bank, Bangladesh in 1996.



Ms. PROM Chheamantha
Head of HR & Administration



Mr. Nop Samoeun
Human Resource Manager

Mr. NGOY Mao
Head of Operation



Mr. NGOY Mao obtained a Bachelor's Degree in Economics from the Cambodian University for Specialties in 2007 and an Associate Degree in Marketing in 2005. He has attended many training courses and seminars related to banking and finance, management, and marketing in Cambodia. He worked with TPC Cambodia for more than 3 years from 2011-2015 in the position of Credit Officer from 2011-2013 and as Chief Credit Officer from 2013-2015. He also worked at Funan Microfinance Institution as Branch Manager from 2015-2018. He started working with Bamboo Finance Plc in June 2018 as Branch Manager, and then in 2020 he was promoted to Operations Manager, and as Head of Operation in 2022 until now.

Mr. PEN Boran
Head of Compliance



Mr. PEN Boran obtained his Bachelor's degree in Law from the Royal University of Law and Economics in 2014. He has attended many training courses related to AML / CFT, he received the Certificate of Education on AML / CFT from ACLEDA Institute and Business in 2018 and the Regulatory Compliance certification from the Institute of Banking and Finance in 2019. He worked with the Ministry of Planning for four years, from 2013 to 2017 as Data Entry and Data Collector officer. He started working with Bamboo from April 2017, to April 2018 as Administrative Officer, from April 2018 to November 2018 as Internal Audit Officer, from November 2018 to November 2019 as a Compliance officer, from November 2019 to February 2021 as Senior Compliance Officer, from February 2021 to February 2022 as Chief of Compliance, and from February 2022 to the present as Head of Compliance.

Mr. TEP Sarith
Head of Internal Audit



Mr. TEP Sarith obtained his Bachelor's Degree in Teaching English as a foreign language at the Human Resource University in 2018 and Bachelor's in Computer Science and Engineering at the Royal University of Phnom Penh in 2014. He has attended numerous training courses such as Practical and Internal Audit Control Systems, Management and Leadership, Professional Accounting Skill & Duties Responsibilities of Tellers, Protocol, Guiding of Tourism, Galileo Reservation System, Securities Market Securities Business and law enforcement, and several other workshops and training courses in the areas of Internal Audit Management and Leadership. He worked with several positions as a Credit officer, Chief of Credit officer, Branch Manager, and Chief of Internal Audit. Sarith worked for Bamboo from December 2018 to 2020 in several positions as Supervisor of Internal Audit and Chief of Internal Audit. In the year 2020 until now, he was promoted to Head of Internal Audit.

Products and Services

Bamboo is the Microfinance institution got license from National Bank of Cambodia in 2015 by providing financial service to the public as below:



Motorbike Loan

This loan has been arranged to enable individual such as retail seller at markets and downtowns or staff of companies, public civil servant, garment/construction worker, Moto taxi driver... which have sufficient income and need cash to buy motorcycle for using in daily life.



Short-term Loan

For small retailers and individuals with regular income who have collateral mainly as movable assets to purchase necessities or consumable items and personal spending in a short-time period.



Personal Loan

For individuals with regular income that need loans for personal spending, and have immovable assets for collateral such as house, land, or shop titles with hypothec contracts. This product mainly provides to retail sellers at markets and downtowns or staff of companies, garment/construction workers, and motor taxi drivers.



Business Loan

For an individual or business partner who owns a business and has a franchise agreement with the parent company of the MFI to expand its business via using the loan to buy products to sell to clients with the loan.



121 Products Loan

For individuals who need money to buy electronic commodities at 121 SHOPPE, such as refrigerators, laundering machines, air conditioners, iron, fan, and television.

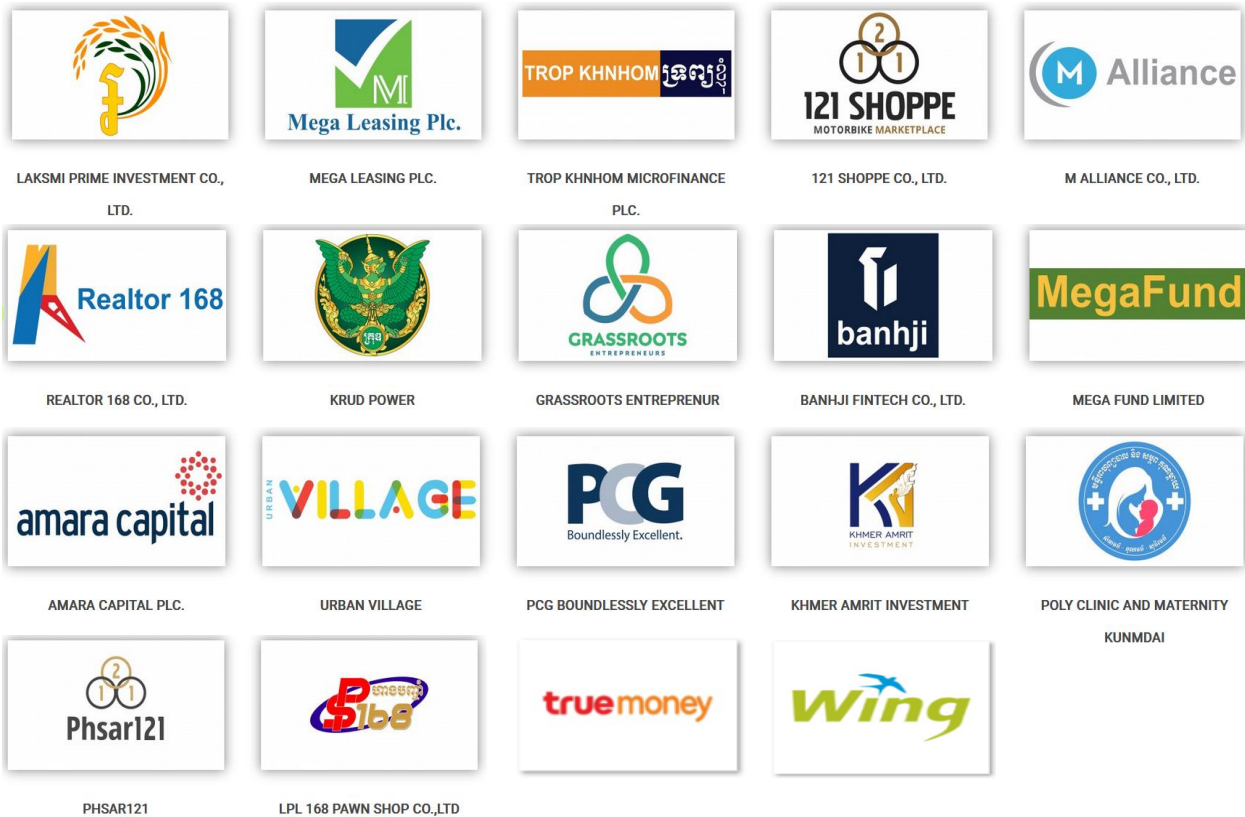


Staff Loan

For staff at all levels of Bamboo Finance Plc, who have full capacity and need the cash to enhance leaving standard in daily life.

Our Partners

We work together, we grow together, and we fight together with our partners:



With the ease of access, Bamboo Finance Plc.'s customers make loan repayments through TrueMoney and Wing network of more than 18,000 Cash Xpress outlets across Cambodia, which means time-saving and money.



“Training is one of the most important parts of Bamboo's overall strategy and goal.”

KEO SOKHA
CEO of Bamboo Finance Plc.

Bamboo Finance's staff were equipped with various training that has enabled them to improve their skills and capacity to carry out their tasks. New credit officers/staff received an orientation at the head office, where they were trained in Bamboo's vision, mission, core values, various policies, and practices, and then followed by on-the-job training at branch offices or relevant departments where they shadowed existing credit officers/staff, received guidance from Branch Manager/supervisors and got practical lessons from the job. Besides internal training, Bamboo also engages with external trainers to deliver customized training courses to staff.

In addition to in-person training, Bamboo also provides digital learning options to staff through Zoom, where a trainer in one place can connect to participants in different locations. Bamboo's staff also receive regular refresher training from relevant departments at the head office about policies, procedures, technical skills, and soft skills.

Bamboo also provides internship opportunities for students in order to help them get knowledge and job experience by learning other skills for a professional career and get job opportunities with Bamboo if they prove to have the capacity.



Human Resource Development

In 2022, the Human Resource Department has offered 11 orientation courses for 123 new staff to show sufficient care to each new staff member and make sure that each of them has received enough basic knowledge, ability, and



skill to fulfil their roles and responsibilities in their current positions, and also organized 31 refresher courses, with participation of 535 staff.



We have provided internship opportunities to 6 students from different fields and all of them get job opportunities with Bamboo Finance.



In addition, Bamboo conducted two soft skill training courses for our management about **"Recruitment, organization, keeping of staff"** and **"Roles and responsibility of leadership"** participated from the honorable speaker, Mr. Chan Serey.





BAMBOO'S CORPORATE SOCIAL RESPONSIBILITY

IMPLACT OF BAMBOO'S MOTOBIKE LOAN



Cambodia is a country where transportation infrastructure is still underdeveloped, and motorbikes are the most popular mode of transport. The availability of affordable motorbike loans has made it possible for many Cambodians to own a motorbike, which has greatly improved their mobility and access to opportunities.

Bamboo Finance's motorbike loans have had a positive impact on the social and economic wellbeing of Cambodians. The loans made it possible for people who travel to work, school, and healthcare facilities, improving their productivity and income-generating opportunities.



BAMBOO'S CORPORATE SOCIAL RESPONSIBILITY

The loans have helped to stimulate local economic activity by creating new opportunities for small businesses such as taxi services, repair shops, motorbike washing and spare parts vendors.



The loans are tailored to meet the needs of low-income customers who often lack collateral or

credit history, and application process is straightforward and transparent, and the interest rates are affordable.



Furthermore, Bamboo Finance's motorbike loans have been designed in a way that is inclusive and responsible.



The loans are also accompanied by financial education and support services, which help customers to manage their finances effectively and improve their financial literacy.



BAMBOO'S CORPORATE SOCIAL RESPONSIBILITY

CLIENT PROTECTION PRINCIPLE

Bamboo has developed the client protection principle for the purpose as follows:

- To establish standards for protecting clients' benefits with good quality, professionalism, virtue, sophistication
- To participate in the prevention and protection of fraud, theft, and concealment of clients' assets
- To participated in developing credit sector in Cambodia for prosperity and perpetuity.

These principles are: (1) Appropriate products design and delivery (2) Prevention of over-indebtedness (3) Transparency (4) Responsible pricing (5) Fair and respectful treatment of clients (6) Privacy of client data (7) Mechanisms for complaint resolution.

ENVIRONMENTAL AND SOCIAL EXCLUSION LIST

BAMBOO is committed to avoid offering loans to any client who has a business in the below list:

- Production or activities involving harmful or exploitative forms of forced labor or child labor
- Production or trade in weapons and munitions
- Gambling, prostitution, wildlife trade, illegal logging, and fishing
- Production, processing or distribution of illegal drugs and tobacco
- Production or trade that prohibited by law of the Kingdom of Cambodia

OTHER INITIATIVES AND SUPPORT:

Bamboo's CSR activities have made a significant contribution to the local community in Cambodia. The company's efforts to support underprivileged communities and to combat the COVID-19 pandemic are particularly noteworthy.

❖ Blood Donation



The management and staff of Bamboo participated in a voluntary blood donation organized by the Union of Youth Federations of Cambodia and the Cambodian Microfinance Association in the campaign "Save My Life" on 12 May 2022 under the topic "One Blood Donor, We Donate 40,000 Riels to Kantha Bopha Hospital".



Bamboo continues to support and actively participate in all social activities, and this blood donation is made to contribute to the blood supply to hospitals that need blood every day, as well as to save the lives of victims and people in need of blood.

BAMBOO'S CORPORATE SOCIAL RESPONSIBILITY

❖ Donation for fighting against COVID-19

Bamboo Finance's involvement in combating the COVID-19 pandemic by donating to the Cambodia Microfinance Association (CMA) and coordinating with the government showcases their responsiveness to societal challenges.



❖ Garbage Collection Campaign

at Koh Ton Say, Kep Province, this activity is important for maintaining cleanliness and environmental hygiene.



❖ Agency 's Capacity Building

Bamboo Finance has provided training to individuals in rural areas, such as the Basic Sale training for Lease consultants in Prey Lvea village, Prey Kabbas district, Takeo province. This initiative is a step towards empowering individuals with skills and knowledge that can improve their livelihoods.



BAMBOO'S CORPORATE SOCIAL RESPONSIBILITY

❖ Donations to Sala Doung orphanage



To support underprivileged communities and orphans, Bamboo donated to Kirirom's Coconut School (Sala Doung), a school made from garbage that located at Treng Trayeung Commune, Phnom Srouch District, Kampong Speu Province.

❖ Donations to religious institutions

To provide valuable support to the local communities, Bamboo donated to Trapeang Krapeu Pagoda that located at Krang Dei Vay Commune, Phnom Srouch District, Kampong Speu Province.



❖ Participate in Career and Productivity Fair

One more evening!!!
Don't miss this wonderful opportunity!!!
Don't forget to include your CV!!!
Opportunity to work with Bamboo.

Bamboo, Your trusted partner!



BAMBOO FINANCE PLC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
AND
REPORT OF THE INDEPENDENT AUDITORS

Corporate information

Company:	Bamboo Finance Plc.	
Registration No:	00012949	
Registered office:	No. 3, Phnom Penh-Hanoi Friendship Blvd., Phum Roang Rong Chakr, Sangkat Kork Khleang, Khan Sen Sok Phnom Penh, Kingdom of Cambodia	
Shareholders:	Laksmi Prime Investment Co., Ltd Hikari Power Hong Kong Limited	
Board of Directors:	Mr. Yoichi Shiraishi Oknha Lim Socheat Mr. Mitsutoki Shigeta Mr. Na Sothy	Chairman Director Director Independent Director
Principal bankers:	National Bank of Cambodia ACLEDA Bank Plc. Chief (Cambodia) Commercial Bank Plc Advanced Bank of Asia Limited Prince Bank Plc. Hong Leong Bank Cambodia Kookmin Bank Cambodia Plc	
Auditors:	Fii&Associates Co., Ltd.	

Bamboo Finance Plc.

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Report of the Board of Directors

The Board of Directors (the “Board” or “Directors”) hereby submit their report together with the audited financial statements of Bamboo Finance Plc. (“the Company”) for the year ended 31 December 2022 (the “financial year” or “year”).

Principal activities

The Company’s corporate focus is to provide reliable and affordable access to financial services to micro-entrepreneurs, small, and medium-sized financial credits in the sectors which have been under served by financial institutions. There have been no significant changes in the nature of principal activities during the financial year.

Financial performance

The financial performance of the Company was as follows:

	2022		2021	
	US\$	KHR’000 (Note 2.4)	US\$	KHR’000 (Note 2.4)
Profit before income tax	424,741	1,735,917	265,484	1,079,989
Income tax expense	(93,212)	(380,957)	(42,062)	(171,108)
Net profit for the year	<u>331,529</u>	<u>1,354,960</u>	<u>223,422</u>	<u>908,881</u>

Dividends

No dividend was declared or paid and the Directors do not recommend any dividend to be paid during the financial year.

Share capital

The paid-up capital of the Company as at 31 December 2022 is US\$2,500,000 (2021: US\$2,500,000) with a par value US\$100 per share. Refer to Note 15 for the detailed Company’s share capital and shareholding structure.

Reserves and provisions

There were no material transfers to or from reserves and provision during the financial year other than amount as disclosed in the financial statements.

Bamboo Finance Plc.

Report of the Board of Directors (continued)

Bad and doubtful debts

Before the financial statements of the Company were prepared, Directors took reasonable steps to ascertain that action has been taken in relation to the write off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts and that allowance need not be made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances, which would render it necessary to write off bad debts or to make allowance for doubtful debts in the financial statements of the Company, inadequate to any material extent.

Current assets

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances that have arisen the value attributed to the current assets in the financial statements of the Company misleading.

Valuation methods

At the date of this report, the Directors are not aware of any circumstances that have arisen which would render adherence to the existing methods of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate.

Contingent liabilities

At the date of this report, there does not exist:

- (i) Any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) Any contingent liability in respect of the Company that has arisen since the end of the financial period other than in the ordinary course of its business operations.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the liability of the Company to meet its obligations when they fall due.

Changes of circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in the report or in the financial statements of the Company, which would render any amount stated in the financial statements as misleading.

Bamboo Finance Plc.

Report of the Board of Directors (continued)

Items of an unusual nature

The results of the operations of the Company for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or event of material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Directors, to effect substantially the results of the operations of the Company for the financial year in which this report is made.

Events since the reporting date

At the date of this report, except as disclosed in the financial statements, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

The Board of Directors

The members of the Board of Directors holding the office during the year and at the date of this report are:

Mr. Yoichi Shiraishi	Chairman
Oknha Lim Socheat	Director
Mr. Mitsutoki Shigeta	Director
Mr. Na Sothy	Independent Director

Directors' interests

None of the Directors held or dealt directly in the shares of the Company during the year.

Directors' benefits

During and at the end of the financial year, no arrangement subsisted to which the Company is a party with the object of enabling Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Directors of the Company have received or become entitled to receive benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by Directors) by reason of a contract made by the Company with the Directors or firm of which the director is member, or a Company in which the Directors has a substantial financial interest, other than as disclosed in the financial statements.

Statements of Directors' responsibility in respect of financial statements

The Board of Directors is responsible to ascertain that the financial statements presented fairly, in all material respects, the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs").

Bamboo Finance Plc.

Report of the Board of Directors (continued)

Statements of Directors' responsibility in respect of financial statements (continued)

In preparing those financial statements, the Board of Directors is required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with CIFRS for SMEs, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) oversee the Company's financial reporting process and maintain adequate accounting records and effective system of internal control;
- (iv) assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and
- (v) effectively control and direct the Company in all material decisions affecting the operations and performance and ascertain that such has been properly reflected in the financial statements.

The Board of Directors confirms that they have complied with the above requirements in preparing the financial statements.

Approval of the financial statements

The Board of Directors hereby approve the accompanying financial statements as set out on pages 8 to 40 which present fairly, in all material respects, the financial position of Bamboo Finance Plc. as at 31 December 2022, and its financial performance and its cash flows for the year then ended, in accordance with CIFRS for SMEs.



Mr. Yoichi Shiraishi
Chairman

Phnom Penh, Kingdom of Cambodia
21 April 2023

Report of the Independent Auditors

To the shareholders

Bamboo Finance Plc.

Opinion

We have audited the financial statements of Bamboo Finance Plc. (“the “Company”), which comprise the statement of financial position as at 31 December 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 40.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRS for SMEs”).

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors’ report is the information included in the Report of the Board of Directors as set out on pages 1 to 4, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors (continued)

To the shareholders

Bamboo Finance Plc.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with CIFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Report of the Independent Auditors (continued)

To the shareholders

Bamboo Finance Plc.

Auditors' Responsibility for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or condition may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **Fii&Associates Co., Ltd.**

The image shows a handwritten signature in blue ink on the left, followed by a blue circular stamp. The stamp contains the text 'ព្រះរាជាណាចក្រកម្ពុជា' at the top, 'Fii & Associates Co., Ltd' in the center, and 'ស្ថាប័នកម្រិត ២' at the bottom.

Seng Chanthan
Audit Partner

Phnom Penh, Kingdom of Cambodia

21 April 2023

Bamboo Finance Plc.

Statement of financial position as at 31 December 2022

	Note	2022		2021	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
ASSETS					
Cash on hand	4	17,294	71,199	21,119	86,039
Deposits and placements with the NBC	5	132,560	545,750	132,101	538,179
Deposits and placements with banks	6	72,660	299,141	323,467	1,317,805
Loans to customers	7	20,396,128	83,970,859	11,519,026	46,928,512
Other assets	8	240,979	992,110	249,361	1,015,897
Property and equipment	9	109,708	451,668	53,879	219,503
Intangible assets	10	15,045	61,940	15,236	62,071
TOTAL ASSETS		20,984,374	86,392,667	12,314,189	50,168,006
LIABILITIES AND EQUITY					
Liabilities					
Other payables	11	400,189	1,647,578	219,778	895,376
Current income tax liability	12.1	58,436	240,581	19,939	81,231
Borrowings	13	15,689,806	64,594,931	9,595,086	39,090,380
Subordinated debts	14	2,025,028	8,337,040	-	-
Total liabilities		18,173,459	74,820,130	9,834,803	40,066,987
Equity					
Share capital	15	2,500,000	10,000,000	2,500,000	10,000,000
Regulatory reserves	16	258,797	1,055,446	173,631	707,373
Retained earnings/(Accumulated losses)		52,118	244,583	(194,245)	(762,304)
Currency translation differences		-	272,508	-	155,950
Total equity		2,810,915	11,572,537	2,479,386	10,101,019
TOTAL LIABILITIES AND EQUITY		20,984,374	86,392,667	12,314,189	50,168,006

The accompanying notes form an integral part of these financial statements.

Bamboo Finance Plc.

Statement of comprehensive income for the year ended 31 December 2022

	Note	2022		2021	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest income	17	3,844,118	15,710,910	2,394,899	9,742,449
Interest expense	18	(1,771,379)	(7,239,626)	(1,001,251)	(4,073,089)
Net interest income		<u>2,072,739</u>	<u>8,471,284</u>	<u>1,393,648</u>	<u>5,669,360</u>
Other income	19	70,723	289,045	52,220	212,431
Total operating income		<u>2,143,462</u>	<u>8,760,329</u>	<u>1,445,868</u>	<u>5,881,791</u>
Personnel expenses	20	(1,228,557)	(5,021,112)	(893,527)	(3,634,868)
Impairment losses on loans to customers	7	(53,233)	(217,563)	(5,326)	(21,666)
Depreciation and amortisation	21	(40,540)	(165,687)	(26,238)	(106,736)
General and administrative expenses	22	(396,391)	(1,620,050)	(255,293)	(1,038,532)
Profit before income tax		<u>424,741</u>	<u>1,735,917</u>	<u>265,484</u>	<u>1,079,989</u>
Income tax expense	12.2	(93,212)	(380,957)	(42,062)	(171,108)
Net profit for the year		<u>331,529</u>	<u>1,354,960</u>	<u>223,422</u>	<u>908,881</u>
Other comprehensive income					
Currency translation differences		-	116,558	-	66,765
Total comprehensive income for the year		<u>331,529</u>	<u>1,471,518</u>	<u>223,422</u>	<u>975,646</u>

The accompanying notes form an integral part of these financial statements.

Bamboo Finance Plc.

Statement of changes in equity for the year ended 31 December 2022

	Share capital		Regulatory reserves		(Accumulated losses)/ Retained earnings		Currency translation differences		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)	
At 1 January 2021	2,500,000	10,000,000	72,781	294,399	(316,817)	(1,260,927)	-	91,901	2,255,964	9,125,373
Comprehensive income for the year										
Net profit for the year	-	-	-	-	223,422	908,881	-	-	223,422	908,881
Transfers	-	-	100,850	410,258	(100,850)	(410,258)	-	-	-	-
Other comprehensive income										
Currency translation differences	-	-	-	2,716	-	-	-	64,049	-	66,765
Total comprehensive income for the year	-	-	100,850	412,974	122,572	498,623	-	64,049	223,422	975,646
At 31 December 2021	2,500,000	10,000,000	173,631	707,373	(194,245)	(762,304)	-	155,950	2,479,386	10,101,019
At 1 January 2022	2,500,000	10,000,000	173,631	707,373	(194,245)	(762,304)	-	155,950	2,479,386	10,101,019
Comprehensive income for the year										
Net profit for the year	-	-	-	-	331,529	1,354,960	-	-	331,529	1,354,960
Transfers	-	-	85,166	348,073	(85,166)	(348,073)	-	-	-	-
Other comprehensive income										
Currency translation differences	-	-	-	-	-	-	-	116,558	-	116,558
Total comprehensive income for the year	-	-	85,166	348,073	246,363	1,006,887	-	116,558	331,529	1,471,518
At 31 December 2022	2,500,000	10,000,000	258,797	1,055,446	52,118	244,583	-	272,508	2,810,915	11,572,537

The accompanying notes form an integral part of these financial statements.

Bamboo Finance Plc.

Statement of cash flows for the year ended 31 December 2022

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cash flows from operating activities				
Net profit for the year	331,529	1,354,960	223,422	908,881
<i>Adjustments for:</i>				
Income tax expense	93,212	380,957	42,062	171,108
Impairment losses on loans to customers	53,233	217,563	5,326	21,666
Depreciation and amortisation	40,540	165,687	26,238	106,736
Write-off of property and equipment	-	-	78	317
	<u>518,514</u>	<u>2,119,167</u>	<u>297,126</u>	<u>1,208,708</u>
<i>Changes in:</i>				
Loans to customers	(8,929,649)	(36,495,475)	(3,792,660)	(15,428,541)
Other assets	8,382	34,257	11,353	46,184
Other payables	180,411	737,340	93,494	380,334
Cash used in operations	<u>(8,222,342)</u>	<u>(33,604,711)</u>	<u>(3,390,687)</u>	<u>(13,793,315)</u>
Income tax paid	(55,318)	(226,085)	(23,737)	(96,562)
Net cash used in operating activities	<u>(8,277,660)</u>	<u>(33,830,796)</u>	<u>(3,414,424)</u>	<u>(13,889,877)</u>
Cash flows from investing activities				
Purchase of property and equipment	(94,336)	(385,551)	(29,451)	(119,807)
Purchase of intangible assets	(1,925)	(7,867)	(891)	(3,625)
Net cash used in investing activities	<u>(96,261)</u>	<u>(393,418)</u>	<u>(30,342)</u>	<u>(123,432)</u>
Cash flows from financing activities				
Proceeds of borrowings	6,294,720	25,726,521	3,444,433	14,011,953
Proceeds of subordinated debts	2,025,028	8,276,289	-	-
Repayments of borrowings	(200,000)	(817,400)	(300,000)	(1,220,400)
Net cash generated from financing activities	<u>8,119,748</u>	<u>33,185,410</u>	<u>3,144,433</u>	<u>12,791,553</u>
Net decrease in cash and cash equivalents	(254,173)	(1,038,804)	(300,333)	(1,221,756)
Cash and cash equivalents at 1 January	351,687	1,432,773	652,020	2,637,421
Currency translation differences	-	7,496	-	17,108
Cash and cash equivalents at 31 December (Note 23)	<u>97,514</u>	<u>401,465</u>	<u>351,687</u>	<u>1,432,773</u>

The accompanying notes form an integral part of these financial statements.

Bamboo Finance Plc.

Notes to the financial statements for the year ended 31 December 2022

1. Reporting entity

Bamboo Finance Plc. (“the Company”) is a public limited company incorporated in Cambodia under registration number 00012949 (original number Co. 0419 E/2015) issued by the Ministry of Commerce on 29 January 2015. The Company obtained its license from the National Bank of Cambodia (“NBC”) to operate as a micro-finance institution on 7 May 2015.

The Company’s corporate focus is on providing reliable and affordable access to financial services to micro-entrepreneurs, Small, and Medium-sized financial credits in the sectors which have been under served by financial institutions.

The Company’s head office is located at No. 3, Phnom Penh-Hanoi Friendship Blvd., Phum Roang Rong Chakr,, Sangkat Kork Khleang, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2022, the Company had 149 employees (2021: 107 employees)

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRS for SMEs”).

Details of the Company’s significant accounting policies are included in Note 27.

These financial statements were approved by the Board of Directors and authorised for issue on 21 April 2023.

2.2 Fiscal year and reporting period

The Company’s fiscal year starts on 1 January and ends on 31 December.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.4 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Company transacts its business and maintains its accounting records in two currencies, the United States Dollars (“US\$”) and the Khmer Riel (“KHR”), management has determined the US\$ to be the Company’s functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Company.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

2. Basis of preparation (continued)

2.4 Functional and presentation currency (continued)

The financial statements are stated in the United States Dollars (“US\$”), which is the Company’s functional currency. All amounts have been rounded to the nearest dollars, unless otherwise indicated.

The translations of United States Dollars amount into Khmer Riel (“KHR”) are included solely for meeting the presentation requirements pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date, and the share capital are translated at the historical rate. The statements of comprehensive income and cash flows are translated into KHR using the average rate for the year. Exchange differences arising from the translation are recognised as “currency translation difference” in the other comprehensive income. The accumulative currency translation differences are recognised as a separate component of equity. All values in KHR are rounded to the nearest thousand (“KHR’000”), except if otherwise indicated.

The Company uses the following exchange rates:

Reporting date	Closing rate	Average rate
31 December 2022	US\$1=KHR4,117	US\$1=KHR4,087
31 December 2021	US\$1=KHR4,074	US\$1=KHR4,068

These convenience translations should not be construed as representations that the US\$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

2.5 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment during the year ended 31 December 2022 is set out in Note 3 - Critical accounting estimates and judgements.

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Notes to the financial statements (continued) for the year ended 31 December 2022

3. Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of failure events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

3.1 Income and other taxes

Taxes are calculated on the basis of current interpretation of the tax obligations. However, these regulations are subject to periodic variation and different interpretation following inspection by the tax authorities. These may result in tax increase and other retroactive tax claims. It is difficult to predict the timing and severity of these occurrences or their potential effect.

3.2 Property and equipment

Accounting for property and equipment involves the use of estimates for determining the expected useful lives of these assets. The determination of useful lives of the assets is based on Management's judgement.

3.3 Allowance for doubtful debts

Management establishes allowance for doubtful debts on a case-by-case basis when they believe collection of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial condition of customer were deteriorating, resulting in inability to make the required payments, allowance may be required to be made for such receivable.

4. Cash on hand

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
US Dollars	11,519	47,424	15,245	62,108
Khmer Riels	5,775	23,775	5,874	23,931
	<u>17,294</u>	<u>71,199</u>	<u>21,119</u>	<u>86,039</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

5. Deposits and placements with the NBC

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Capital guarantee (*)	125,000	514,625	125,000	509,250
Current account	7,560	31,125	7,101	28,929
	<u>132,560</u>	<u>545,750</u>	<u>132,101</u>	<u>538,179</u>

- (*) The capital guarantee deposit is maintained with the NBC in compliance with Prakas No. B7-00-006 on the Licensing of Microfinance Institution dated 11 January 2000, the amounts of which are determined at 5% of the Company's registered share capital. The guarantee deposit is refundable when the Company voluntarily liquidates and has no deposit liabilities.

The capital guarantee deposit earns interest at 1.19% per annum. Current account is non-interest bearing.

6. Deposits and placements with banks

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current accounts	49,972	205,735	285,606	1,163,559
Saving accounts	22,688	93,406	37,861	154,246
	<u>72,660</u>	<u>299,141</u>	<u>323,467</u>	<u>1,317,805</u>

Current and savings accounts are non-interest bearing.

7. Loans to customers

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Loans to customer at amortised costs	20,513,779	84,455,228	11,605,539	47,280,966
Less: impairment loss allowance	(117,651)	(484,369)	(86,513)	(352,454)
	<u>20,396,128</u>	<u>83,970,859</u>	<u>11,519,026</u>	<u>46,928,512</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

7. Loans to customers (continued)

Movements of impairment loss allowance are as follows:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January	86,513	352,454	142,888	577,982
Allowance for the year	53,233	217,563	5,326	21,666
Reversals	(686)	(2,804)	(190)	(773)
Written off during the year	(21,409)	(87,499)	(61,511)	(250,227)
Currency translation difference	-	4,655	-	3,806
At 31 December	117,651	484,369	86,513	352,454

Gross loans to customers are analysed as follows:

(a) By collateral:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Secured	20,455,871	84,216,821	11,551,052	47,058,986
Unsecured	57,908	238,407	54,487	221,980
	20,513,779	84,455,228	11,605,539	47,280,966

(b) By residency:

All loans are granted solely to residents.

(c) By economic sector:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Service	6,454,784	26,574,346	3,476,151	14,161,839
Manufacturing	6,064,910	24,969,234	3,482,524	14,187,803
Construction	3,919,489	16,136,536	2,328,807	9,487,560
Trade and Commerce	3,076,926	12,667,704	1,651,558	6,728,447
Transportation	450,561	1,854,960	197,614	805,079
Agriculture	440,916	1,815,251	253,773	1,033,871
Other categories	106,193	437,197	215,112	876,367
	20,513,779	84,455,228	11,605,539	47,280,966

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Notes to the financial statements (continued) for the year ended 31 December 2022

7. Loans to customers (continued)

Gross loans to customers are analysed as follows (continued):

(d) **By maturity:**

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Less than 1 year	1,593,792	6,561,642	1,173,073	4,779,100
1 to 5 years	18,835,797	77,546,976	10,432,466	42,501,866
More than 5 years	84,190	346,610	-	-
	<u>20,513,779</u>	<u>84,455,228</u>	<u>11,605,539</u>	<u>47,280,966</u>

(e) **By currency:**

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
US Dollars	17,827,465	73,395,673	10,428,109	42,484,116
Khmer Riels	2,686,314	11,059,555	1,177,430	4,796,850
	<u>20,513,779</u>	<u>84,455,228</u>	<u>11,605,539</u>	<u>47,280,966</u>

(f) **By relationship:**

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
External customers	20,323,486	83,671,792	11,478,955	46,765,263
Staff loans	190,293	783,436	126,584	515,703
	<u>20,513,779</u>	<u>84,455,228</u>	<u>11,605,539</u>	<u>47,280,966</u>

(g) **By interest rate (per annum):**

	2022	2021
Khmer Riels	10.00% - 18.00%	12.00% - 18.00%
US Dollars	15.00% - 18.00%	13.00% - 18.00%

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

8. Other assets

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Receivables from payment service provider	49,654	204,426	35,204	143,421
Receivable from employee	39,573	162,922	31,118	126,775
Security deposit	54,020	222,400	49,690	202,437
Prepayments	15,153	62,385	6,134	24,990
Others	82,579	339,977	127,215	518,274
	<u>240,979</u>	<u>992,110</u>	<u>249,361</u>	<u>1,015,897</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

9. Property and equipment

31 December 2022	Leasehold improvements US\$	Furniture and fixtures US\$	Computer equipment US\$	Office equipment US\$	Vehicles US\$	Total US\$	KHR'000 (Note 2.4)
Cost							
At 1 January 2022	50,588	22,758	44,342	11,805	6,198	135,691	552,805
Additions	11,578	6,348	29,968	4,982	41,460	94,336	385,551
Disposals	-	-	-	(249)	-	(249)	(1,018)
Adjustments	-	-	-	-	(4)	(4)	(16)
Currency translation difference	-	-	-	-	-	-	8,658
At 31 December 2022	62,166	29,106	74,310	16,538	47,654	229,774	945,980
Less: Accumulated depreciation							
At 1 January 2022	24,089	16,349	30,602	7,259	3,513	81,812	333,302
Depreciation for the year	10,758	3,455	15,422	2,859	5,934	38,428	157,055
Disposals	-	-	-	(170)	-	(170)	(695)
Adjustments	-	-	-	-	(4)	(4)	(16)
Currency translation difference	-	-	-	-	-	-	4,666
At 31 December 2022	34,847	19,804	46,024	9,948	9,443	120,066	494,312
Carrying amounts							
At 31 December 2022	27,319	9,302	28,286	6,590	38,211	109,708	451,668

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

9. Property and equipment (continued)

31 December 2021	Leasehold improvements US\$	Furniture and fixtures US\$	Computer equipment US\$	Office equipment US\$	Vehicles US\$	Total US\$	KHR'000 (Note 2.4)
Cost							
At 1 January 2021	37,986	20,473	31,381	11,805	8,150	109,795	444,121
Additions	17,488	2,285	17,114	615	-	37,502	152,558
Disposals	-	-	(1,605)	-	(1,950)	(3,555)	(14,462)
Adjustments	(4,886)	-	(2,548)	(615)	(2)	(8,051)	(32,751)
Currency translation difference	-	-	-	-	-	-	3,339
At 31 December 2021	50,588	22,758	44,342	11,805	6,198	135,691	552,805
Less: Accumulated depreciation							
At 1 January 2021	14,645	13,169	24,923	4,698	3,733	61,168	247,425
Depreciation for the year	9,545	3,180	9,681	2,822	1,731	26,959	109,669
Disposals	-	-	(1,528)	-	(1,949)	(3,477)	(14,144)
Adjustments	(101)	-	(2,474)	(261)	(2)	(2,838)	(11,545)
Currency translation difference	-	-	-	-	-	-	1,897
At 31 December 2021	24,089	16,349	30,602	7,259	3,513	81,812	333,302
Carrying amounts							
At 31 December 2021	26,499	6,409	13,740	4,546	2,685	53,879	219,503

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

10. Intangible assets

	Software US\$	Software under development US\$	Total US\$	Total KHR'000 (Note 2.4)
Cost				
At 1 January 2022	21,190	891	22,081	89,958
Addition	-	1,925	1,925	7,867
Currency translation difference	-	-	-	1,008
At 31 December 2022	21,190	2,816	24,006	98,833
Less: Accumulated amortisation				
At 1 January 2022	6,845	-	6,845	27,887
Change for the year	2,116	-	2,116	8,648
Currency translation difference	-	-	-	358
At 31 December 2022	8,961	-	8,961	36,893
Carrying amounts				
At 31 December 2022	12,229	2,816	15,045	61,940
Cost				
At 1 January 2021	21,190	-	21,190	85,714
Addition	-	891	891	3,625
Currency translation difference	-	-	-	619
At 31 December 2021	21,190	891	22,081	89,958
Less: Accumulated amortisation				
At 1 January 2021	4,728	-	4,728	19,125
Change for the year	2,117	-	2,117	8,612
Currency translation difference	-	-	-	150
At 31 December 2021	6,845	-	6,845	27,887
Carrying amounts				
At 31 December 2021	14,345	891	15,236	62,071

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Notes to the financial statements (continued) for the year ended 31 December 2022

11. Other payables

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Accrued expenses	185,178	762,378	118,714	483,641
Payable to 121 Shoppe	135,479	557,767	20,040	81,643
Withholding tax payable	20,108	82,785	11,627	47,368
Other liabilities	59,424	244,648	69,397	282,724
	<u>400,189</u>	<u>1,647,578</u>	<u>219,778</u>	<u>895,376</u>

12. Income tax

12.1 Current income tax liability

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January	19,939	81,231	1,614	6,529
Current income tax expense	93,212	380,957	42,062	171,108
Income tax paid	(55,318)	(226,085)	(23,737)	(96,562)
Under provision from prior year	603	2,464	-	-
Currency translation difference	-	2,014	-	156
At 31 December	<u>58,436</u>	<u>240,581</u>	<u>19,939</u>	<u>81,231</u>

12.2 Income tax expense

In accordance with Cambodian Law on Taxation, the Company has an obligation to pay corporate income tax of either the profit tax at the rate of 20% of taxable profits or the minimum tax at 1% of gross revenues, whichever is higher.

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current income tax	<u>93,212</u>	<u>380,957</u>	<u>42,062</u>	<u>171,108</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

12. Income tax (continued)

12.2 Income tax expense (continued)

The reconciliation of income tax expense computed at the statutory tax rate to the income tax expense shown in the statement of comprehensive income is as follows:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Profit before income tax	424,741	1,735,917	265,484	1,079,989
Income tax using income tax rate at 20%	84,948	347,183	53,097	215,998
Non-deductible expenses	5,816	23,770	571	2,323
Temporary differences	2,448	10,004	4,004	16,288
Utilisation of previously unrecognised tax loss	-	-	(15,610)	(63,501)
Income tax expense	93,212	380,957	42,062	171,108

The calculation of taxable income is subject to the review and approval of the tax authorities.

13. Borrowings

Borrowings comprise of:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Principal outstanding	15,495,291	63,794,113	9,459,500	38,538,003
Accrued interest payable	194,515	800,818	135,586	552,377
	15,689,806	64,594,931	9,595,086	39,090,380

Movement of outstanding principal of borrowings follows:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	9,459,500	38,538,003	6,359,500	25,724,178
Additions	6,235,791	25,485,678	3,400,000	13,831,200
Repayment	(200,000)	(817,400)	(300,000)	(1,220,400)
Currency translation difference	-	587,832	-	203,025
As at 31 December	15,495,291	63,794,113	9,459,500	38,538,003

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

13. Borrowings (continued)

The above borrowings are analysed as follows:

(a) By maturity:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current	50,000	205,850	-	-
Non-current	15,445,291	63,588,263	9,459,500	38,538,003
	<u>15,495,291</u>	<u>63,794,113</u>	<u>9,459,500</u>	<u>38,538,003</u>

(b) By relationship:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Related parties:				
Laksmi Prime Investment (LPI) (*)	50,000	205,850	-	-
Hikari Power Hong Kong Limited (HPHKL) (**)	11,459,500	47,178,762	9,459,500	38,538,003
	<u>11,509,500</u>	<u>47,384,612</u>	<u>9,459,500</u>	<u>38,538,003</u>
Non-related parties (***)				
<u>Local banks:</u>				
ACLEDA Bank	985,791	4,058,501	-	-
Kookmin Bank	1,000,000	4,117,000	-	-
<u>Oversea bank/Fl:</u>				
Samurai Asset Finance	2,000,000	8,234,000	-	-
	<u>3,985,791</u>	<u>16,409,501</u>	<u>-</u>	<u>-</u>
	<u>15,495,291</u>	<u>63,794,113</u>	<u>9,459,500</u>	<u>38,538,003</u>

(*) The repayments of interest are made on a quarterly basis based on the repayment schedule. Borrowings from Laksmi Prime Investment ("LPI") are short-term having maturity on 1 February 2023.

(**) The repayments of interest are made on a quarterly basis based on the repayment schedule for each of the borrowing agreements. Borrowings from Hikari Power Hong Kong Limited ("HPHKL") have maturity from 2032 and 2035.

(***) The repayments of principal and interest are made either on a monthly, quarterly, or annual basis based on the repayment schedule for each of the borrowing agreements. Borrowings from non-related parties have maturity up to 3 years.

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Notes to the financial statements (continued) for the year ended 31 December 2022

13. Borrowings (continued)

The above borrowings are analysed as follows (continued):

(c) By interest rate (per annum):

	2022	2021
Annual interest rate		
Secured	6.5%	Nil
Unsecured	8.5% - 10.9%	10%

14. Subordinated debts

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Principal outstanding	2,000,000	8,234,000	-	-
Accrued interest payable	25,028	103,040	-	-
	<u>2,025,028</u>	<u>8,337,040</u>	<u>-</u>	<u>-</u>

The subordinated debt from related party, LPI, with principal amount of US\$2,000,000 will be repayable no later than 1 January 2038.

This subordinated debt was approved by the NBC on 15 September 2022.

The subordinated debt bear interest at 10% of the debt annually.

15. Share capital

	2022			2021		
	Number	US\$	KHR'000 (Note 2.4)	Number	US\$	KHR'000 (Note 2.4)
Registered:						
Ordinary shares of US\$100 each	25,000	2,500,000	10,000,000	25,000	2,500,000	10,000,000
Paid-up:						
Ordinary shares of US\$100 each	25,000	2,500,000	10,000,000	25,000	2,500,000	10,000,000

The paid-up capital of the Company as at 31 December 2022 is US\$2,500,000 (2021: US\$2,500,000) with a par value US\$100 per share.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

15. Share capital (continued)

The Company's share capital and shareholding structure are as follows:

	2022			2021		
	% of Ownership	Number of shares	Amount US\$	% of Ownership	Number of shares	Amount US\$
LPI	50%	12,500	1,250,000	50%	12,500	1,250,000
HPHKL	50%	12,500	1,250,000	50%	12,500	1,250,000
	100%	25,000	2,500,000	100%	25,000	2,500,000

16. Regulatory reserves

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Regulatory reserves(*)	258,797	1,055,446	173,631	707,373

(*) Regulatory reserves:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	173,631	707,373	72,781	294,399
Transfers	85,166	348,073	100,850	410,258
Currency translation difference	-	-	-	2,716
At 31 December	258,797	1,055,446	173,631	707,373

Transfer from retained earnings to reserve pertaining to impairment during the year when the provision under NBC requirement is higher than CIFRS for SMEs:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Impairment on credit facilities required by the NBC				
- Deposits and placements with banks	727	2,993	3,235	13,180
- Loans to customers	375,721	1,546,843	256,909	1,046,647
Impairment loss on financial assets under the NBC	376,448	1,549,836	260,144	1,059,827
Impairment loss on financial assets under CIFRS for SMEs (Note 7)	117,651	484,369	86,513	352,454
Currency translation difference	-	(10,021)	-	-
	258,797	1,055,446	173,631	707,373

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

17. Interest income

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Loans to customers	3,843,386	15,707,918	2,394,224	9,739,703
Balances with the NBC and other banks	732	2,992	675	2,746
	<u>3,844,118</u>	<u>15,710,910</u>	<u>2,394,899</u>	<u>9,742,449</u>

18. Interest expense

This represents interest expenses on borrowings and subordinated debts (Notes 13 and 14).

19. Other income

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Penalty income	21,091	86,199	16,529	67,240
Other income - net	48,601	198,632	43,397	176,539
Foreign exchange gain (loss) - net	1,031	4,214	(7,706)	(31,348)
	<u>70,723</u>	<u>289,045</u>	<u>52,220</u>	<u>212,431</u>

20. Personnel expenses

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Salaries and wages	925,603	3,782,939	665,049	2,705,419
Other short-term benefits	302,954	1,238,173	228,478	929,449
	<u>1,228,557</u>	<u>5,021,112</u>	<u>893,527</u>	<u>3,634,868</u>

21. Depreciation and amortisation

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Depreciation (Note 9)	38,424	157,039	24,121	98,124
Amortisation (Note 10)	2,116	8,648	2,117	8,612
	<u>40,540</u>	<u>165,687</u>	<u>26,238</u>	<u>106,736</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

22. General and administrative expenses

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Rental fees	104,225	425,968	88,953	361,861
Office supplies	71,356	291,632	31,867	129,635
Professional fees	40,911	167,203	18,184	73,973
Transportation and travelling	26,901	109,944	8,105	32,971
Communication	19,547	79,889	12,349	50,236
Utilities	19,186	78,413	14,118	57,432
Taxes and licenses	15,274	62,425	15,808	64,307
Repairs and maintenance	11,157	45,599	14,045	57,135
Membership and service fees	10,163	41,536	7,978	32,455
Advertising and marketing	4,670	19,086	2,858	11,626
Bank charges	3,053	12,478	2,372	9,649
Commission	33	134	396	1,611
Others	69,915	285,743	38,260	155,641
	<u>396,391</u>	<u>1,620,050</u>	<u>255,293</u>	<u>1,038,532</u>

23. Cash and cash equivalents

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cash on hand (Note 4)	17,294	71,199	21,119	86,039
Deposits and placements with the NBC (Note 5)	7,560	31,125	7,101	28,929
Deposits and placements with banks (with maturities of 3 months or less) (Note 6)	<u>72,660</u>	<u>299,141</u>	<u>323,467</u>	<u>1,317,805</u>
	<u>97,514</u>	<u>401,465</u>	<u>351,687</u>	<u>1,432,773</u>

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Notes to the financial statements (continued) for the year ended 31 December 2022

24. Related party transactions and balances

24.1 Related party transactions

Significant transactions with related parties during the year were as follows:

		2022		2021	
		US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)	
LPI	Interest and fee expense	167,698	685,382	8,122	33,040
	Proceeds from subordinated debts	2,000,000	8,174,000	-	-
	Proceeds from borrowings	250,000	1,021,750	300,000	1,220,400
	Repayment of borrowings	(200,000)	(817,400)	(300,000)	(1,220,400)
		<u>1,349,431</u>	<u>5,515,124</u>	<u>993,129</u>	<u>4,040,049</u>
HPHKL	Interest and fee expense	1,349,431	5,515,124	993,129	4,040,049

24.2 Related party balances

		2022		2021	
		US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)	
LPI	Short-term borrowings	50,000	205,850	-	-
	Accrued interest payable	25,712	105,856	-	-
		<u>75,712</u>	<u>311,706</u>	<u>-</u>	<u>-</u>
HPHKL	Long-term borrowings	11,459,500	47,178,762	9,459,500	38,538,003
	Accrued interest payable	148,773	612,498	135,586	552,377
		<u>11,608,273</u>	<u>47,791,260</u>	<u>9,595,086</u>	<u>39,090,380</u>

Compensation of key management personnel

The Company considers as key management personnel all employees holding managerial positions up to Chairman. The short-term and long-term benefits of key management personnel of the Company amounted to US\$264,053 (KHR1,079,018 thousands) and US\$195,244 (KHR794,182 thousands) in 2022 and 2021, respectively.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

25. Lease commitments

The Company has commitments in respect of the lease of buildings under an operating lease arrangement, with future minimum rental amounts as follows:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Not later than 1 year	75,480	310,751	116,748	475,631
Later than 1 year but less than 5 years	208,692	859,185	122,663	499,729
Later than 5 years	-	-	28,848	117,527
	<u>284,172</u>	<u>1,169,936</u>	<u>268,259</u>	<u>1,092,887</u>

26. Tax contingencies

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.

27. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

27.1 Basis of aggregation

The Company's financial statements comprise the financial statements of the head office and its branches. All inter-branch balances and transactions have been eliminated.

27.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost using the effective interest method in the statement of financial position.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.3 Deposits and placements with banks

Deposits and placements with banks are carried at amortised cost using the effective interest method in the statement of financial position.

27.4 Deposits and placements with the NBC

Deposits and placements with the NBC, including capital guarantee deposit, are carried at amortised cost using the effective interest method in the statement of financial position.

Capital guarantee deposit is maintained in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by defined percentages of minimum share capital as required by the NBC. Capital guarantee is not available to finance the Company's day-to-day operations hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

27.5 Loan to customers

Loans to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Loans to customers are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

27.6 Other assets

Other assets are carried at amortised cost using the effective interest method in the statement of financial position.

27.7 Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.7 Property and equipment (continued)

(ii) *Subsequent costs*

The costs of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Depreciation is charged so as to allocated the cost of assets less their residual value over there estimated useful lives. Depreciation starts when the assets is readily available for use. The annual depreciation method and useful lives for property and equipment are as follows:

Leasehold improvements	25%	Using a straight-line method or term of lease, whichever is shorter
Furniture and fixtures	25%	Using a straight-line method
Computer equipment	50%	Using a straight-line method
Office equipment	25%	Using a straight-line method
Motor vehicles	25%	Using a straight-line method

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Fully depreciated property and equipment are retained in the financial statements until disposed of or written off.

27.8 Intangible assets

Intangible assets consist of computer software license and related costs are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis at the rate of 20% per annum. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.9 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

27.10 Borrowings and other liabilities

Borrowings and other liabilities are carried at amortised cost using the effective interest method in the statement of financial position.

27.11 Subordinated debts

Subordinated debts are treated as financial liabilities when there are contractual obligations to deliver cash or financial assets to the other entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, if otherwise, it is treated as equity. The subordinated debts which are approved by the NBC are included as a Tier II line item in the calculation of the Company's net worth in accordance with the guidelines of the NBC.

Subordinated debts are stated at amortised cost.

27.12 Provisions

Provisions are recognised in the statement of financial provision when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.13 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits, including seniority indemnity obligation, is the amount of the benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

27.14 Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

27.15 Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

Other fees and commission income are recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

27.17 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences).

Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss, except that an adjustment attributable to an item of income or expense recognised in other comprehensive income shall also be recognised in other comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.18 Financial assets and financial liabilities

(i) Recognition

The Company initially recognises a financial asset or a financial liability when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

The Company classifies its financial assets and liabilities as basic financial instruments in accordance with Section 11, *Basic Financial Instruments*.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or settled, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

**Notes to the financial statements (continued)
for the year ended 31 December 2022**

27. Significant accounting policies (continued)

27.18 Financial assets and financial liabilities (continued)

(vi) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

(vii) Identification and measurement of impairment

Objective evidence of impairment

At each reporting date, the Company assesses whether there is objective evidence that financial assets that are measured at cost or amortised cost. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.18 Financial assets and financial liabilities (continued)

(vii) *Identification and measurement of impairment (continued)*

Objective evidence of impairment (continued)

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- indications that a borrower or issuer will enter bankruptcy;
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Individual and collective assessment

All individually significant assets are individually assessed for impairment.

Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

The individual component of the total allowance for impairment applies to financial assets evaluated individually for impairment, and found to be individually impaired, and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the management.

A collective component of the total allowance is established for:

- groups of homogeneous loans that are not considered individually significant; and
- groups of assets that are individually significant but that were not found to be individually impaired.

The collective allowance for groups of homogeneous loans is established using statistical methods such as roll rate methodology or, for small portfolios with insufficient information, a formula approach based on historical loss rate experience.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.18 Financial assets and financial liabilities (continued)

(vii) Identification and measurement of impairment (continued)

In assessing the collective loss allowance, management considers factors such as credit quality, portfolio size, concentrations and economic factors. To estimate the required allowance, assumptions are made to define how inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowance depends on the model assumptions and parameters used in determining the collective allowance.

Measurement

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Reversal of impairment and written off

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the entity shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account.

The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The entity shall recognise the amount of the reversal in profit or loss immediately.

The Company writes off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when the management determines that there is no realistic prospect of recovery.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2022

27. Significant accounting policies (continued)

27.19 Regulatory reserves

The NBC issued Prakas No. B7-017-344 dated 1 December 2017 on Credit Risk Grading and Provision on Impairment and Circular No. B7-018-001 dated 16 February 2018 on the Implementation of Prakas on Credit Risk Grading and Provision on Impairment, which require all banks and financial institutions (“Institution”) to measure the impairment and provide sufficient allowance for bad and doubtful loans based on the new credit risk grading and provision as follows:

Facility classification	Number of days past due	Allowance
Short-term loans (less than one year):		
Standard	0 - 14 days	1%
Special mention	15 - 30 days	3%
Sub-standard	31 - 60 days	20%
Doubtful	61 - 90 days	50%
Loss	91 - days or more	100%
Long-term loans (more than one year):		
Standard	0 - 29 days	1%
Special mention	30 - 89 days	3%
Sub-standard	90 - 179 days	20%
Doubtful	180 - 359 days	50%
Loss	360 - days or more	100%

In accordance with Article 73, the entity shall compare the provision calculated in accordance with above requirements, and the Company’s record which is under CIFRS for SMEs:

- (i) If the regulatory provision is lower, the entity records the provision calculated in accordance with CIFRS for SMEs; and
- (ii) If the regulatory provision is higher, the entity records the provision calculated in accordance with CIFRS for SMEs and transfer the difference from retained earnings into regulatory reserves in equity account.

27.20 Related parties

Enterprises and individual that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including the holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including Directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.



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