



ក្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ជី ប៊ី អ.ក
G B MICROFINANCE INSTITUTION PLC.



ANNUAL REPORT 2021



#J-37, Street Lum, Sangkat Tonle Bassac, Khan
Chamkamorn, Phnom Penh City, Kingdom of Cambodia.



(+855)23 977 778 / 99 570 555



info@gbmfi.com.kh



www.linkedin.com/g-b-microfinance-institution-plc-1893ba1b6



www.gbmfi.com.kh



www.facebook.com/gbmicrofinance

TABLE OF CONTENTS

1. Profile of G B Microfinance Institution Plc	01
2. Chairman’s Message	02
3. CEO’s Message	03
4. Our Vision	04
5. Our Mission.....	05
6. Our Core Values.....	06
7. Organization Chart	07
8. Board of Directors.....	08
9. Management Team.....	12
10. Products & Services	19
11. Laws and Regulations	21
12. Social and Charitable Activities.....	22

SECTION OF AUDITED REPORT OF THE FINANCIAL STATEMENT OF THE YEAR 2021

13. Directors’ Report.....	24
14. Independent Auditors’ Report.....	26
15. Statement of Financial Position.....	29
16. Statement of Comprehensive Income.....	30
17. Statement of Change in Equity.....	31
18. Statement of Cash Flow	32
19. Chairman Declaration	34
20. Net Worth.....	35
21. Solvency Ratio	36
22. Liquidity Ratio	37
23. Classification and Allowance for Impairment Loss on Loans and Advances Loans	38
24. Foreign Currency Net Open Position	39



G B MICROFINANCE INSTITUTION PLC.

G B MICROFINANCE INSTITUTION PLC was established by Mr. TANG KUONGHOW and Mrs. HSU, CHIA CHIA as a public limited company that has its head office in Phnom Penh, Kingdom of Cambodia.

G B Microfinance Institution Plc was registered a certificate of incorporation No. 00043909, dated 21 June 2019 by the Ministry of Commerce of the Kingdom of Cambodia.

G B Microfinance Institution Plc was licensed by National Bank of Cambodia No. M.F 92, dated October 22, 2019. G B MFI PLC became a member of the Cambodia Microfinance Association (CMA), certificated No.122/20CMA, dated January 30, 2020.

G B Microfinance Institution Plc happily contributes financial services to improve the living conditions of low-income to up-level people in the country and also support to the National Green Growth Strategy 2013-2030 of the Government of the Kingdom of Cambodia.



HEAD OFFICE:
KOH PICH, PHNOM PENH.



គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ជី បី ម.ក





Oknha Tang Kuonghow
Chairman of the Board of Directors
G B Microfinance Institutions Plc.

According to the World Bank's report, Cambodia's economy is expected to recover from 4% in 2021 after declining by 3.1% in 2020. This recovery is due to the return of global demand.

In particular, the inflow of foreign direct investment remained stable and helped support the real estate and construction sectors and foreign trade during the impact of the global pandemic of virus Covid-19.

In the meanwhile of the pandemic of virus Covid-19 in Cambodia, G B Microfinance Institution Plc has been involved in providing financial solutions to clients whom businesses were affected by the virus Covid-9 through the provision of restructuring of their loans and provided free of charge on other fees and services.

G B Microfinance Institution Plc will continue to provide financial solutions with high-quality and reliable financial services to customers with good credit, legitimate occupations and ability to repay.

MESSAGE FROM THE CHAIRMAN

Our business strategy is to bring value to the community and provide customers with the financial products they need in an honest, upright and trusting manner.

Our management team will continue the cooperation to encourage customers in Cambodia to access home loans with loan amounts up to 100% of the property value, which are used by partners to develop projects for buying houses and villas.

Thank you for taking your valued time to read our annual report and visiting our website. Good Luck and Happy New Year.

Thank You!

Oknha Tang Kuonghow

Chairman





MESSAGE FROM CHIEF EXECUTIVE OFFICER

On behalf of the Management of G B Microfinance Institution Plc, I would like to thank to Samdach, Excellencies, Lok Oknhas, Lok Chumteavs, Ladies and Gentlemen and dear customers for taking your valued time to read our report and being service with our institution.

Indeed, microfinance institutions are now part of the growing economy and as financial intermediaries to help people with their financial needs in the country.

In fact, in 2021, the global epidemic of Virus Covid-19 still continue and also impacting many sectors of the Cambodian economy, including the daily lives of the people.

G B Microfinance Institution Plc has been providing financial solutions to clients who was impacting the business income by Covid-19 through the provision of restructuring of loans and waived other fees etc.

We aim to continuously improve our financial services and service innovation to our customers by encouraging our clients to grow wealth through financial solutions and improve the financial services in the long term as well as

Improving life conditions of low - upper people in the country and to support the strategies of the Government of Kingdom of Cambodia.

I would like to express my sincere thanks to our dear clients who are currently having financial services and customers who plan to have services with G B Microfinance Institution Plc for a family growth in the future.

At the same time, I would like to express my sincere thanks to the authorities at all levels, including the National Bank of Cambodia for their cooperation and support in managing our customers' good and transparent activities and going forward.

Wishing you success, happiness and prosperity forever. Happy New Year!

Sincerely Yours,

CHET KIMCHIN
Chief Executive Officer



**TO BE A WIDE-NATIONALLY RECOGNIZED INSTITUTION AS ONE OF
LARGE HOME LOAN FINANCERS IN THE KINGDOM OF CAMBODIA.**



A high skill and knowledgeable home loan provider in the field.



Establish continuously standards for developing home loan services in the country.



Operate online with advanced technology to provide quick loan approval and real-time finance accessibility to the customers.



BE GREAT PLEASURE TO MOTIVATE CLIENTS, STAKEHOLDERS AND PARTNERS WITH A GROWTH OF SELF-WORTH.



Maintain convenience and legal requirements to get credit approval quickly.



Provides free legal consultation on property ownership.



Flexibly facilitate on the repayment to the customers.



Offers benefits to stakeholders, customers and partners.

CODE OF ETHICS FOR THE BENEFIT OF COMMUNITY.



Helping people who starts new family forming with a residency ownership solution.



Free advice on how to get a home loan.



Prioritize opportunity's positioning upgrade to internal staffing before outsourcing selection.



Helping adult who looks for work experience to have career opportunity.



Promote good practices and good competition in the home loan financing industry.





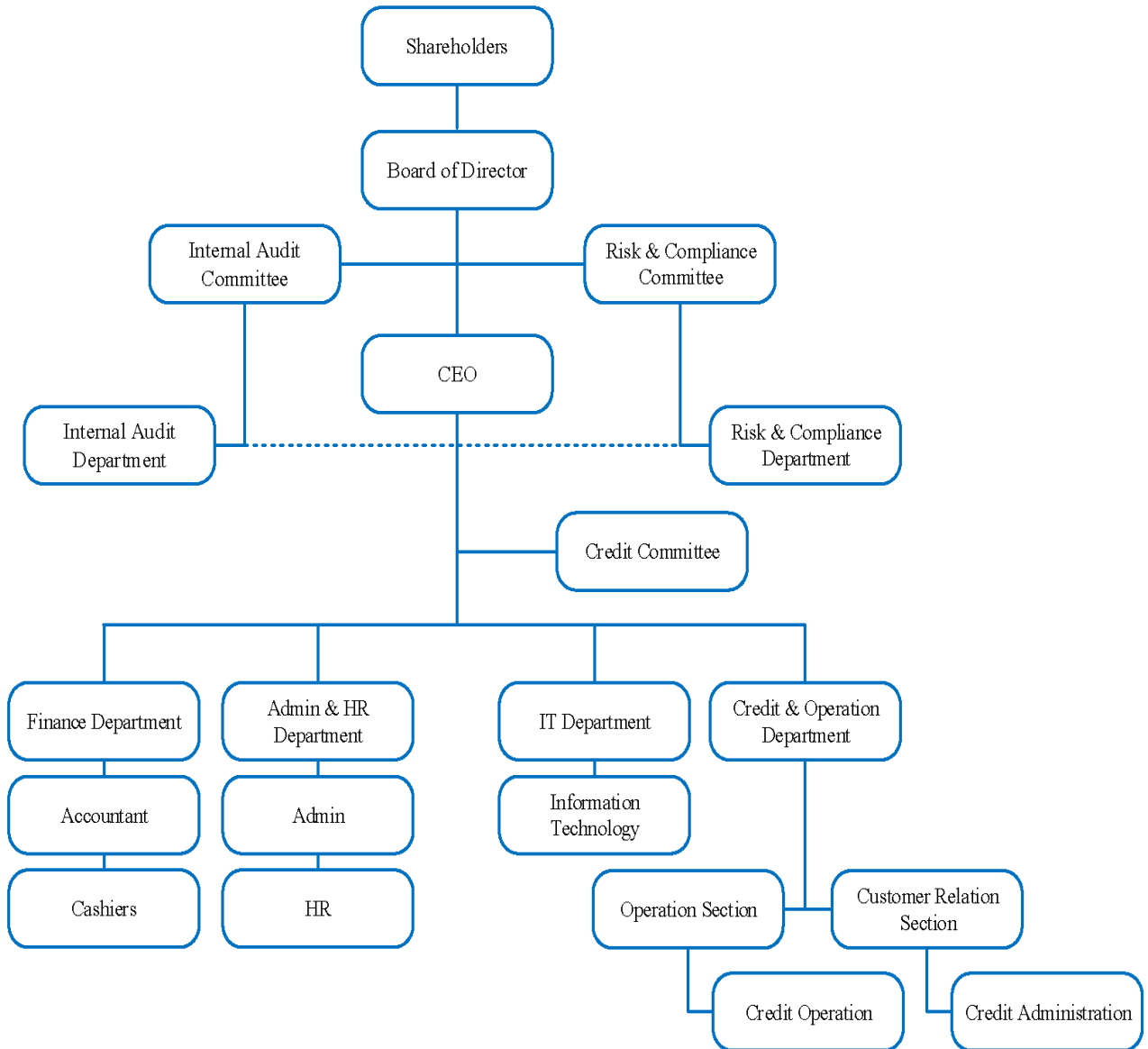
THE PURPOSE OF THE STRATEGY IS TO FOLLOW THE CORE VALUES OF WHAT IS DESIGNED TO CREATE A MANAGEMENT APPROACHING AND DEVELOPMENT THAT MAINTAINS TRUST FROM CUSTOMERS AND STAKEHOLDERS.





ក្រុមហ៊ុនមីក្រូហិរញ្ញវត្ថុ ភី ប៊ី ម.ក
G B MICROFINANCE INSTITUTION PLC.

ORGANIZATION CHART



G B Microfinance Institution Plc : No. J-37, Street Lum, Sangkat Tonle Bassac, Khan Chamkamorn, Phnom Penh City, Kingdom of Cambodia. Telephone: (+855) 23 977 778 / 99 570 555. E-Mail: info@gbmfi.com.kh; Facebook Page: <https://www.facebook.com/gbmicrofinance>



OKNHA TANG KUONGHOW

Chairman of the Board of Directors of
G B Microfinance Institution Plc.

OknhaTang Kuonghow is passionate about contributing to Cambodia's societal development through bringing business opportunities for the community and supporting the strategies of the Royal Government of the Kingdom of Cambodia.



Oknha Tang Kuonghow is a co-shareholder of G B Microfinance Institution Plc and co-make core decisions such as accepting investments from local and foreign investors, increasing the working capital for the institution, and expanding business operations across the wide nation and outside Cambodia.

In addition, he has invested in other business sectors such as mining and marble factories, real estate, housing development, agricultural industry and financial services industry that encompasses various sectors under an intellectual right of brand name of G B which the G B Microfinance Institution Plc is a part of the name.



Mrs. HSU, CHIA-CHIA

Vice Chairwoman of the Board of Directors, G B Microfinance Institution Plc.

In addition, she has invested in other business sectors such as Hotel (A+), real estate, housing development, agricultural industry.

Mrs. Hsu, Chia-Chia also has a vision about contributing to Cambodia's societal development through encouraging and bringing more overseas investors to invest in new business opportunities in Cambodia and supporting the strategies of the Royal Government of the Kingdom of Cambodia.



Mrs. Hsu, Chia-Chia is a co-shareholder of the G B Microfinance Institution Plc and co-make core decisions such as accepting investments from local and foreign investors, increasing the working capital for the institution, and expanding business operations across the wide nation and outside Cambodia.



MR. TANG KAOKEAT

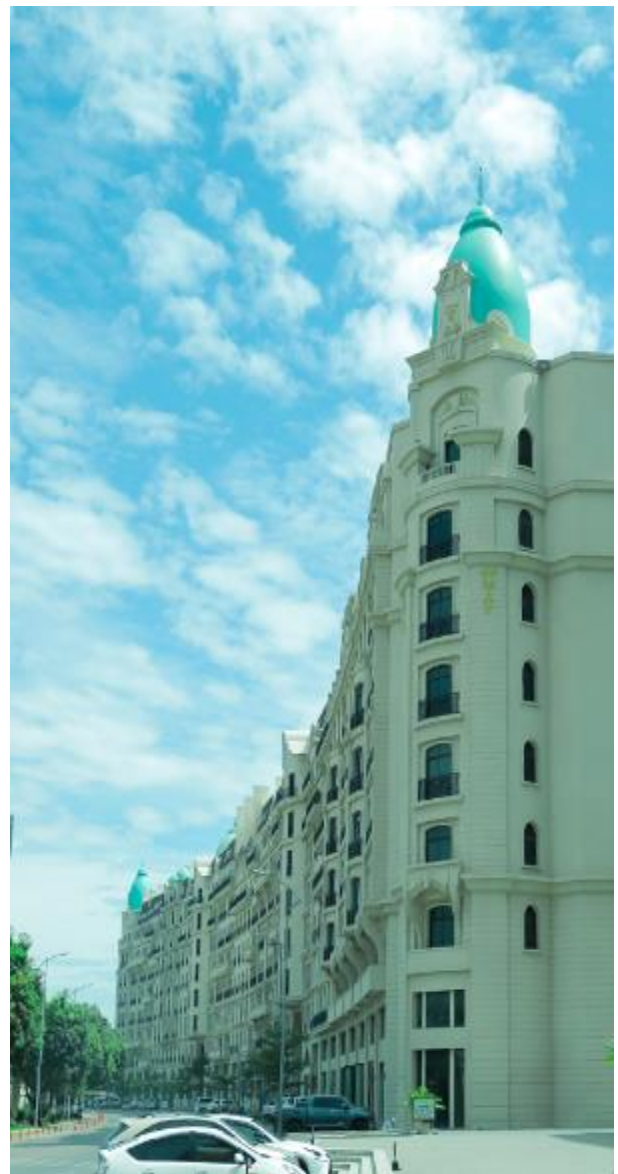
Member of the Board of Directors,
G B Microfinance Institution Plc.

Besides, he has vast experiences in businesses such as logistics and construction, financial services industry, management of subsidiary companies, international relations management that can ensure the company towards the right vision and mission and the sustainability of the company in the future.



Mr. Tang Kaokeat is a member of the Board of Directors of G B Microfinance Institution Plc. He is a Company advisor of the institution with his role to join monitoring, provide advice and recommendation and support to ensure the instruction's successes.

Mr. Tang Kaokeat is currently a General Manager of Five Star Residence SR Co., Ltd and the Director of G B Residence Co., Ltd.



MR. MAK CHAMROEUN
Independent Board of Directors of
G B Microfinance Institution Plc.



Mr. Mak Chamroeun is the Independent Board of Directors of G B Microfinance Institution Plc. He participates in deciding and co-approving of the business plan, policies, business vision and operation of the company.

Moreover, he recommends to the board meeting on the Company's financial mechanism, financial risk management, and operational policies include delimitation of the powers of the Chairman and CEO to settle corporate debt, doubtful loans, and other financial risks.

Mr. Mak Chamroeun is currently a Chairman of AGRIBEE (CAMBODIA) PLC, Vice-President, and CEO of FinTech Smile Shop E-Commerce Platform.

He was a Vice President, Head of Organizational Development and Employee Relations, and Head of Marketing Communication at CIMB Bank Plc from 2014 to 2016 and he was a President of Khmer Youth Association (KYA) from 2011 to 2014.



MR. CHET KIMCHIN
CHIEF EXECUTIVE OFFICER



Mr. CHET KIMCHIN Joined G B Microfinance Institution Plc in September 2019 as Chief Executive Officer who was accredited by National Bank of Cambodia.

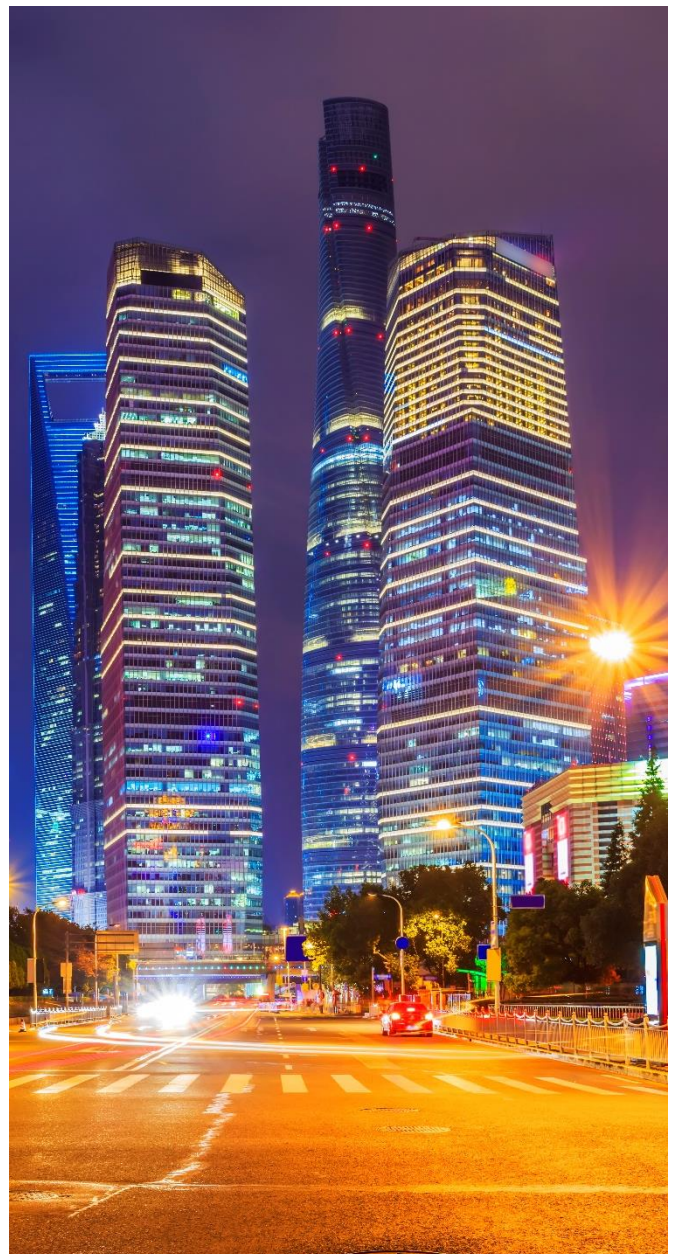
He has vast experiences and knowledges in the financial services industry with over 20 years of experience in various capacities, including business development, sales & marketing, lending, finance and banking.

KIMCHIN started to work in the financial sector as a Dealing Officer in a Commercial Bank located in Phnom Penh in 1999. He gained his career as Branch Manager of the Commercial Bank in 2007.

He became Chief Executive Officer of Leasing Company and Microfinance Institutions in Phnom Penh in 2014 and following years.

KIMCHIN holds a Bachelor of Economic Development from International Institute of Cambodia in 2003 and Master of Finance and Banking from Singapore International Institute of Cambodia in 2006.

KIMCHIN was numerous certified on training courses and workshops that related to financial services, commercial industry in Cambodia. He also joined few training courses and workshops related to financial sectors, international business and trade finance in Thailand, Malaysia, Vietnam and China.



MRS. BUON CHANSOPHEA FINANCE MANAGER



Mrs. BUON CHANSOPHEA has over 14 years working experience with Accounting and Financial job, including 12 years involved with bank and MFI.

CHANSOPHEA was an Accountant for NGO in 2004 and she joined Aceda Bank Plc as an accountant from 2007 to 2016.

CHANSOPHEA moved to Prasethpheap Finance Plc as a Chief Accountant in 2016 and promoted to be Head of Finance in November 2017.

CHANSOPHEA has experience in financial service sectors such as financial project planning, business plan, and budget analysis.

She is also familiar with work of tax declaration to the General Department of Taxation of Cambodia. She is responsible for preparing financial reports for National Bank of Cambodia (NBC), Shareholders and Board of Directors' Meeting. Moreover, she has extensive skills in developing Finance & Accounting Policy and Procedure for the institution.

CHANSOPHEA was graduated Bachelor of Business Administration in Accounting field from National University of Management (NUM) in 2006 and certified an Advance Diploma in English from Paññāsāstra University of Cambodia (PUC) in 2012.

In addition, she has attended many courses and workshops related to bank and MFI duties at both national and international levels.

CHANSOPHEA joined G B Microfinance Institution Plc (G B MFI Plc.) as Finance Manager in September 2019.



MR. HORT SOVANNDY
ADMIN & HR MANAGER

SOVANNDY has been graduated with a Bachelor of Business Administration in Accounting and Finance in 2007 from Build Bright University and was certificated High Diploma of English from the Institute of Cambodian Education in 2008. In addition, he has also attended numerous training courses and workshops related to Human Resources Management, Human Resources Compliances, and other soft skills.

Mr. HORT SOVANNDY joined G B Microfinance Institution Plc as Administration and Human Resource Department Manager in December 2021.



Mr. HORT SOVANNDY has over fourteen years of working experience with Human Resources and Administration jobs. Starting as Admin officer in charge of Payroll Administration in Garment and Manufacturing factories for around four years. He has moved to join an International Telecommunications Company for around six years in the position as a Human Resource Specialist (Compensation & Benefits) and Assistant Human Resources Manager. Four years later, he became Department Head of Human Resources & Administration with Group Company of Private sector.



MR. PAY LATEN
ACTING IT MANGER



Mr. Pay Laten has experience in the development of programming systems and management of technology systems for more than 6 years. Relating to this aforementioned field, he worked in MEF in the program of reforming public financial management for 3 years. Moreover, he has taken over the project as a programming developer and Web Application designer for a private company.

Laten has graduated with a computer science certificate from the Royal University of Phnom Penh in 2017. Furthermore, he is under pursuing a master's degree in Information Technology at Asia Europe University from the year 2020 to 2022.

Laten also has participated in some training courses such as Global Leadership Program in Singapore, information technology risk management, information technology management, Web Application / Web-design, Integration and Administration ED3, PeopleSoft Integration Tools Rel8.53, Oracle Database 12c Release, PeopleSoft Lifecycle Management, and Update Manager, Oracle Database Security Release 2, Microsoft O365, Training Engineering and leadership and Android App Development (CKCC).

He has joined G.B Microfinance Institution Plc in the position of Acting Manager of Information Technology in October 2021.

INFORMATION TECHNOLOGY

Security Management



MR. LENG SOVANNARATH
RISK & COMPLIANCE MANAGER



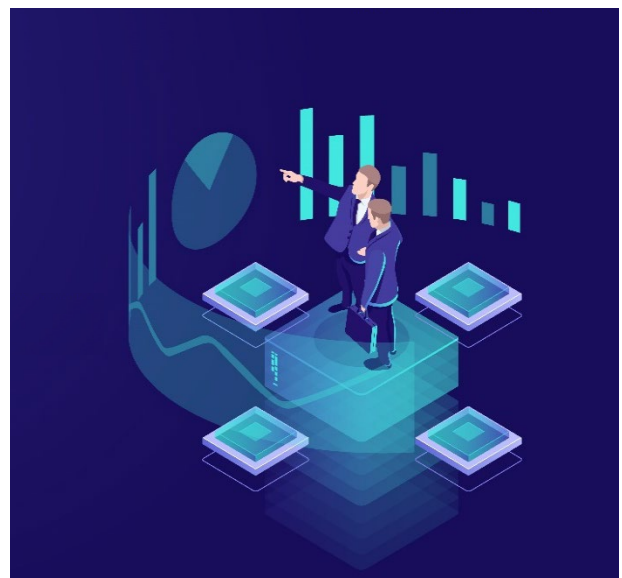
Mr. Leng Sovannarath joined G B Microfinance Institution Plc. In November 2021 and was recognized by the National Bank of Cambodia as a qualified candidate for the role function as Risk and Compliance Department Manager in the institute.

Mr. Leng Sovannarath has experience of more than 18 years old in Banking and Finance Risk Management, Legal Compliance, Anti-Money Laundering and Anti-Terrorism, and Foreign Account Tax Compliance Act (FATCA) for U.S person in the top first commercial bank in Cambodia.

Mr. Leng Sovannarath graduated with a Master of Finance in March 2012, Bachelor of Accounting and Finance in July 2003 from the National University of Management. In 2019, he attended several training courses related to banking and financial management, risk management, and compliance recognized by the Institute of Banking and Finance (IBF).

In addition, Mr. Leng Sovannarath attended several training and workshops on risk management and compliance policy, social performance management strategy from the Philippines, financial lease product management, global financial system and financial market management, the power of money exchange exposure, forecasting and management of the global economic system, Cambodia tax management, and tax law, professional development skill in the financial sector, Bank assets and liabilities management, develop the International Financial Reporting Standards (IFRS) system, mutual evaluation and national risk assessment with the World Bank and the APG Working Group.

Mr. Leng Sovannarath has extensive experience in the banking and finance industry; and has been responsible for various functions such as accounting, operations, senior specialize of financial analysis and budgeting, risk management, anti-money laundering, and terrorist financing, legal compliance oversight, and other extensive experience with customers. His latest position was leading and managing the compliance department of a commercial bank and has been successful in leading to the development of bank strategies, policies, and procedures with AFD projects.



MR. YORK SAROEUN INTERNAL AUDIT MANAGER



Mr. YORK SAROEUN joined Microfinance Institution Plc (G B MFI Plc.) as Internal Audit Manager in September 2019. He was accredited by National Bank of Cambodia as a qualified candidate to role a function as Internal Audit Manager in the institution.

He has more than 17-year working experiences in financial service industry, including 11-year in Banks and MFIs and above 6-year in private business sectors.

SAROEUN used to be a credit officer in PRASAC MFI for two years. He joined HKL MFI as an accountant in 2010. Years after, he was promoted as chief accountant and became unit manager of financial audit in 2013 in the same institution of HKL MFI and onward.

SAROEUN worked for Phnom Penh Commercial Bank in position as assistant to finance manager in 2017. His improved skills and successful experiences were from work challenges and actual practices as well as from training and development program inside and outside the institution.

SAROEUN graduated Master Degree of Financial Management from Royal University of Law and Economics (RULE) in 2012. He graduated Bachelor of Arts in English from Norton University in 2011 as well as graduated the Bachelor Degree in Economics from Royal University of Law and Economics (RULE) in 2006.

He was also a candidate of an accountant student who graduated the Associate Degree in Accounting from Institute of Human Resources Development (IHRD) in 2004.

In addition, he has attended workshops and numerous training courses related to accounting Auditing, taxation of Bank and Microfinance sectors such as IT Audit, Advance Audit Skill, Tax, Audit & Tax Planning, Internal & External Fraud Control, and Key Risk Management etc.... at both local and international levels.



MR. EAM CHANNA
 CREDIT AND OPERATION DEPARTMENT
 MANAGER

CHANNA was one of outstanding student in term of good score rated in academic background during university-in-holding.

In addition, he has also participated in numerous practical training programs related to same & marketing, credit operation, branch management and secured lending management conducted by both internal and corporate institutes in Cambodia.



Mr. EAM CHANNA joined G B Microfinance Institution Plc as Deputy Manager of the Credit and Operation Department in December 2019. He was promoted to be a department manager of the Credit and Operation Department in January 2022. CHANNA has more than 10 years of working experience in the lending sectors and financial services industry; especially, in credit operation and branch management with banks and microfinance in Cambodia.





Housing Loan

Loan Fee **0%** Loan Term's Up To **15** Years

G B Microfinance Institution Plc has selected business partners in the field of housing development who specializes in housing construction with a wide range of infrastructure, luxury and comfortable construction. G B Microfinance Institution Plc provides home loans to customers such as residential and business houses and villas.



Small and Medium Enterprise's Loan

G B Microfinance Institution Plc provides loans to small and medium enterprises such as foods and beverage enterprises, textiles, furniture, paper products, printing and publishing companies, plastics factories, steel products and other industries.





G B Microfinance Institution Plc has developed efficient and comprehensive personal loan program to meet the needs of the customers. Personal loan of the institution is including the purchase of home materials and appliances, home renovation, small business expansion and other personal financial purposes.



G B Microfinance Institution Plc has developed an employee loan program to facilitate some essentially financial needs in the lives of employees. Through this loan, employees can access to staff loan for a house renovation, buying a house or buying land, vehicle, motorbike, car, school fee, medical treatment for family or relatives etc.



THE INSTITUTION HAS COMPLIED WITH THE LAWS AND REGULATIONS SUCH AS:

- ☞ Prakas on Licensing of Microfinance Institutions No. B7-00-06 Prokor
- ☞ Prakas on Amendment to Prakas on Licensing of Microfinance Institutions No. B7-06-209 Prokor
- ☞ Prakas on Governance in Banks and Financial Institutions, Prakas No. B7-08-211 Prokor
Prakas On Microfinance Institutions' Solvency Ratio No. B7-07-133 Prokor
- ☞ Prakas on the Calculation of Interest Rate on Microfinance Loans No. B7-01-115 Prokor
- ☞ Prakas on Liquidity Ratio Applicable to Licensed Microfinance Institutions, Prakas No. B7-02-48 Prokor
- ☞ Prakas on the Calculation of Microfinance Institution's Net Worth, No. B7-07-132 Prokor
- ☞ Prakas on Reporting Requirement for Registered NGOs and Licensed Microfinance Institutions, No. B7-02-47 Prokor
- ☞ Prakas on Reporting Date for Microfinance Institutions, No. B7-06-212 Prokor
- ☞ Prakas on Credit Risk Grading and Impairment Provisioning, No. B7-017-344 Prokor
- ☞ Circular on Implementation of Prakas on Credit Risk Grading and Impairment Provisioning, No. B7-018-001 C.L
- ☞ Prakas on Resolution of Consumer Complaints, No. B7-017-299 Prokor
- ☞ Prakas on Interest Rate Ceiling Loan, No. B7-017-109 Prokor
- ☞ Prakas On Provision of Credit in National Currency of Banking and Financial Institutions, No. B7-016-344 Prokor
- ☞ Prakas on Transparency in granting credit facilities of banks and financial institutions, No. B7-011-243 Prokor
- ☞ Prakas on Loan Policies, Procedures and Lending Authority, No. B7-05-054 Prokor
- ☞ Prakas on Credit Reporting, No. B7-020-352 Prokor
- ☞ Loans to Related Parties, Prakas No. B7-01-137, B7-02-146 Prokor
- ☞ Maintenance of Minimum Reserve Requirement. Prakas No. B7



HANDING-OVER CEREMONY OF TRADITIONAL CHINESE MEDICINE DONATION BY OKNHA TANG KUONGHOW, CHAIRMAN OF THE BOARD OF DIRECTORS OF G B MICROFINANCE INSTITUTION PLC TO THE MINISTRY OF JUSTICE OF THE KINGDOM OF CAMBODIA.



Oknha Tang Kuonghow, Chairman of the Board of Directors of G B Microfinance Institution Plc charitably donated the traditional Chinese medicine LIANHUA INGWEN JIAONANG to the Royal Government through the Ministry of Justice of the Kingdom of Cambodia under the honorable presiding of H.E Keut Rith, Minister of Justice receives 10,000 boxes of LIANHUA QINGWEN JIAONANG traditional Chinese medicine on Friday afternoon, October 22, 2021.

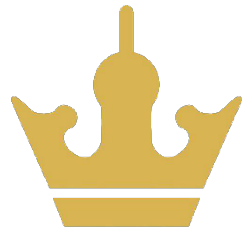


HANDING-OVER CEREMONY OF CHINESE TRADITIONAL MEDICINE DONATION BY OKNHA TANG KUONGHOW, CHAIRMAN OF THE BOARD OF DIRECTORS OF G B MICROFINANCE INSTITUTION PLC TO THE MINISTRY OF MINES AND ENERGY OF THE KINGDOM OF CAMBODIA



Oknha Tang Kuonghow, Chairman of the Board of Directors of G B Microfinance Institution Plc charitably donated the traditional Chinese medicine LIANHUA QINGWEN JIAONANG to the Royal Government through the Ministry of Mines and Energy of the Kingdom of Cambodia under the honorable presiding of H.E SUY SEM, Minister of Mines and Energy, receives 20,000 boxes of LIANHUA QINGWEN JIAONANG traditional Chinese medicine on Wednesday, August 25, 2021 in order to support the government’s mission to protect against the spreading of community pandemic of the virus Covid-19.





GIB

A decorative gold flourish consisting of a wavy line with three loops, positioned below the letters.

SECTION OF AUDITED REPORT OF
THE FINANCIAL STATEMENT OF THE
YEAR 2021

G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

DIRECTORS' REPORT

The directors hereby submit the report and the audited financial statements of the Company for the financial year ended 31 December 2021.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Mr. TANG KUONGHOW	Chairman
Mrs. HSU, CHIA-CHIA	Director
Mr. TANG KAOKEAT	Director
Mr. MAK CHAMROEUN	Independent Board of Directors

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible to ascertain that financial statements are properly drawn up so as to give a true and fair view of the financial position of the Company for the financial year ended 31 December 2021 and of the results of its operations and its cash flow for the year then ended. In preparing these financial statements, the directors are required to:

- (i) adopt appropriate accounting policies in compliance with Cambodian International Financial Reporting Standards for Small and Medium-Sized Entities (CIFRS for SMEs), supported by reasonable and appropriate judgments and estimates and then apply them consistently;
- (ii) comply with disclosure requirements of CIFRS for SMEs and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of the financial statements or, if there have been any departure in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) maintain adequate accounting records and an effective system of internal controls;
- (iv) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operation in the foreseeable future; and
- (v) control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/ or instructions have been properly reflected in the financial statements.

The directors confirm that the Company has complied with the above requirements in preparing the financial statements.

In the opinion of the directors, the accompanying financial statements of the Company are drawn up in accordance with CIFRS for SMEs so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations and its cash flows for the year then ended.



G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

DIRECTORS' REPORT

PREPARATION OF THE FINANCIAL STATEMENTS

In the preparation of the financial statements, the directors have taken regard of the following matters:-

- (i) all material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements;
- (ii) adequate allowance for impairment losses on receivables and other current and non-current assets, if required, has been made;
- (iii) known bad debts had been written off, if any;
- (iv) existing methods of valuation of assets or liabilities is not misleading or inappropriate;
- (v) there are no known circumstances that would render any amount stated in the financial statements to be misleading;
- (vi) 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 a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made;
- (vii) the results of the operations of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature;
- (viii) no contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

APPROVAL OF THE FINANCIAL STATEMENTS

The directors hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the financial year then ended in accordance with CIFRS for SMEs.



TANG KUONGHOW

Chairman

Date: 27 April 2022





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)
Company No: 00043909

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of G B Microfinance Institution Plc. ("the Company") which comprise the statement of financial position as at 31 December 2021 of the Company, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2021, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs") and guidelines of the National Bank of Cambodia.

Basis of Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISA"). Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Crowe (KH) Co., Ltd

Chartered Accountants
Member Crowe International

Unit 4B, 4th floor, K1 Building,
#148, Mao Tse Toung Blvd
(St.245) Songkat ToulTompong 2
Khan Chomkarmon,
Phnom Penh
Kingdom of Cambodia
Main +855 23 216 717
Fax +855 23 216 727
www.crowe.com.kh
info@crowe.com.kh





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

Responsibilities of Director for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with (CIFRS for SMEs) and guidelines of the National Bank of Cambodia. The directors are also responsible for such internal controls as the directors determine are 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 of the Company, the directors are responsible for assessing 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 the directors either intends to liquidate the Company or to ceases operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 CISA 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 a part of an audit in accordance with CISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- identify and assess the risks of material misstatement of the financial statements of the Company, 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 the director.
- conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.





**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
G B MICROFINANCE INSTITUTION PLC.**

(Incorporated in Cambodia)
Company No: 00043909

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements denominated in the functional currency of United States Dollar ("USD"). The translation of the financial statements from USD into Khmer Riel ("KHR") using the closing and average rates as at 31 December 2021 and for the year then ended, respectively, is presented for the purpose of additional analysis and it does not form an integral part of the audited financial statements. The translation has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express any opinion on it.

Crowe (KH) Co., Ltd.


Onn Kien Hoe
Director



Phnom Penh, Kingdom of Cambodia

Date: 27 APR 2022



G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 USD	2020 USD	2021 KHR'000	2020 KHR'000
ASSETS					
Cash on hand	5	31,842	9,203	129,724	37,226
Deposits and placement with banks	6	96,943	61,196	394,946	247,538
Loans and advances to customers	7	1,388,974	1,532,654	5,658,680	6,199,585
Other assets	8	34,203	42,293	139,343	171,075
Statutory deposit	9	100,000	100,000	407,400	404,500
Equipment	10	46,344	67,291	188,805	272,192
Intangible asset	11	50,818	67,472	207,033	272,924
TOTAL ASSETS		1,749,124	1,880,109	7,125,931	7,605,041
LIABILITIES AND EQUITY					
LIABILITIES					
Loans from third parties	12	300,000	200,000	1,222,200	809,000
Other liabilities	13	31,775	26,369	129,450	106,663
TOTAL LIABILITIES		331,775	226,369	1,351,650	915,663
EQUITY					
Share capital	14	2,000,000	2,000,000	8,000,000	8,000,000
Regulatory reserve	15	5,572	5,657	22,536	22,882
Accumulated losses		(588,223)	(351,917)	(2,384,797)	(1,423,504)
Translation reserve		-	-	136,542	90,000
TOTAL EQUITY		1,417,349	1,653,740	5,774,281	6,689,378
TOTAL LIABILITIES AND EQUITY		1,749,124	1,880,109	7,125,931	7,605,041



G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 USD	2020 USD	2021 KHR'000	2020 KHR'000
Interest income	16	160,948	161,570	654,736	653,551
Interest expense	17	(16,229)	(3,451)	(66,020)	(13,959)
Gross profit		144,719	158,119	588,716	639,591
Other operating income	18	40	10,002	163	40,458
Personnel cost	19	(249,234)	(303,892)	(1,013,884)	(1,229,243)
Depreciation of equipment	10	(21,136)	(21,082)	(85,981)	(85,277)
Amortization expense	11	(16,654)	(15,208)	(67,748)	(61,516)
Other operating expenses	20	(92,985)	(162,822)	(378,263)	(658,615)
Allowance for impairment losses on loans	7	471	(9,767)	1,916	(39,508)
Loss before tax		(234,779)	(344,650)	(955,082)	(1,394,109)
Income tax expense	21	(1,612)	(1,610)	(6,558)	(6,512)
Loss after tax		(236,391)	(346,260)	(961,639)	(1,400,622)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the year/period		(236,391)	(346,260)	(961,639)	(1,400,622)

The comparative figures are for the period from 21.6.2019 (date of incorporation) to 31.12.2020.



G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

STATEMENT OF CHANGE IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share Capital USD	Regulatory Reserve USD	Accumulated Losses USD	Total USD
At 21.6.2019 (date of incorporation)		2,000,000	-	-	2,000,000
Loss for the period		-	-	(346,260)	(346,260)
Transfer		-	5,657	(5,657)	-
Balance at 31.12.2020/01.01.2021		2,000,000	5,657	(351,917)	1,653,740
Loss for the year		-	-	(236,391)	(236,391)
Transfer		-	(85)	85	-
Balance at 31.12.2021		2,000,000	5,572	(588,223)	1,417,349

	Note	Share Capital KHR'000	Regulatory Reserve KHR'000	Accumulated Losses KHR'000	Translation Reserve KHR'000	Total KHR'000
At 21.6.2019 (date of incorporation)		8,000,000	-	-	-	8,000,000
Loss for the period		-	-	(1,400,622)	-	(1,400,622)
Transfer		-	22,882	(22,882)	-	-
Translation differences		-	-	-	90,000	90,000
Balance at 31.12.2020/01.01.2021		8,000,000	22,882	(1,423,504)	90,000	6,689,378
Share issuance		-	-	-	-	-
Loss for the year		-	-	(961,639)	-	(961,639)
Transfer		-	(346)	346	-	-
Translation differences		-	-	-	46,542	46,542
Balance at 31.12.2021		8,000,000	22,536	(2,384,797)	136,542	5,774,281



G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

**STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 USD	2020 USD	2021 KHR'000	2020 KHR'000
CASH FLOWS FOR OPERATING ACTIVITIES					
Loss before tax		(234,779)	(344,650)	(955,082)	(1,394,109)
Adjustments for: -					
Impairment allowance	7	(471)	9,767	(1,916)	39,508
Depreciation of equipment	10	21,136	21,082	85,981	85,277
Amortization expense	11	16,654	15,208	67,748	61,516
Interest expense		16,229	3,451	66,020	13,959
Operating loss before working capital changes		(181,231)	(295,142)	(737,249)	(1,193,849)
Working capital changes:					
- loans and advance to customers	7	144,151	(1,542,421)	587,271	(6,239,093)
- other assets	8	8,089	(42,293)	32,955	(171,075)
- statutory deposit	9	-	(100,000)	-	(404,500)
- other liabilities	13	5,406	26,369	22,024	106,663
Cash used in operations		(23,585)	(1,953,487)	(94,999)	(7,901,854)
Income tax paid		(1,612)	(1,610)	(6,558)	(6,512)
NET CASH FLOWS FOR OPERATING ACTIVITIES		(25,197)	(1,955,097)	(101,557)	(7,908,366)
CASH FLOWS FOR INVESTING ACTIVITIES					
Purchase of equipment	10	(188)	(88,373)	(765)	(357,467)
Purchase of intangible asset	11	-	(82,680)	-	(334,444)
NET CASH FOR INVESTING ACTIVITIES		(188)	(171,053)	(765)	(691,911)
CASH FLOW FOR FINANCING ACTIVITIES					
Loans from third parties	12	100,000	200,000	407,400	809,000
Interest paid		(16,229)	(3,451)	(66,020)	(13,959)
Proceeds from issuance of ordinary shares	14	-	2,000,000	-	8,000,000
NET CASH FROM FINANCING ACTIVITIES		83,771	2,196,549	341,380	8,795,041



G B MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia on 21 June 2019)

Company No: 00043909

**STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

		2021	2020	2021	2020
	Note	USD	USD	KHR'000	KHR'000
INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR/PERIOD		58,836	70,399	239,058	194,764
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		70,399	-	284,764	-
TRANSLATION DIFFERENCE		-	-	848	90,000
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD		<u>128,785</u>	<u>70,399</u>	<u>524,670</u>	<u>284,764</u>

The comparative figures are for the period from 21.6.2019 (date of incorporation) to 31.12.2020.

Cash and cash equivalents comprise: -

Cash on hand	5	31,842	9,203	129,724	37,226
Deposits and placement with banks	6	96,943	61,196	394,946	247,538
Total		<u>128,785</u>	<u>70,399</u>	<u>524,670</u>	<u>284,764</u>



STATEMENT BY MANAGEMENT

We, being the management of G B Microfinance Institute Plc, do hereby state that in our option the accompanying supplementary financial information consisting in disclosures requirements set by relevant Prakas and guideline issued by the National Bank of Cambodia is properly drawn up so as to reflect fairly the required financial information of the Company as at 31 December 2021. Information and data contained herein are the responsibility of the Company's management.



Mr. Taing Kuonghow
Chairman

Date: 27 April 2022



G B MICROFINANCE INSTITUTION PLC.

APPENDIX: SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER NOTES ON COMPLIANCE WITH THE NBC'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2021 (this does not form part of the audited financial statements)

NET WORTH

In accordance with the NBC's Prakas No. B7-00-47 dated 16 February 2000 and amended by Prakas No. B7-07-132 dated 27 August 2007; the Company should maintain a permanent net worth value to at least equal to its paid-up share capital. The Company's net worth as at 31 December 2021 is computed as follows:

	2021 USD	2021 KHR'000
CATEGORY A ITEM: ITEMS TO BE ADDED		
Capital or endowment	2,000,000	8,000,000
Reserves, other than re-evaluation reserves	-	-
Share premiums	-	-
Provision for general banking risks, with the prior agreement of the NBC	-	-
Retained earnings	-	-
Audited profit of the latest financial year	(588,223)	(2,384,797)
Dividend	-	-
Other items approved by NBC	-	-
SUBTOTAL A	1,411,777	5,615,203
CATEGORY B ITEM: ITEMS TO BE DEDUCTED		
for shareholders, directors, managers and their next of kind	17,420	70,967
<ul style="list-style-type: none"> • unpaid portion of capital • advances, loans, security and the agreement of the persons concerned as defined above 	-	-
Holding of own shares at their book value	-	-
Accumulated losses	-	-
Formation expenses	-	-
Loss determined on dates other than year End	-	-
SUBTOTAL B	17,420	70,967
C. BASE NET WORTH (A – B)	1,394,357	5,544,236
CATEGORY D ITEMS: ITEMS TO BE ADDED		
Revaluation reserves with the prior agreement of the NBC	-	-
Subordinated debts, with the prior agreement of the NBC, up to 100% of based net worth	-	-
Other items approved by the NBC	-	-
SUBTOTAL D	-	-
CATEGORY E ITEMS: ITEMS TO BE DEDUCTED		
Equity participation in banking or financial institutions	-	-
Other items: Deferred charges	-	-
SUBTOTAL E	-	-
F. TOTAL NET WORTH (C+D-E)	1,394,357	5,544,236



G B MICROFINANCE INSTITUTION PLC.

APPENDIX: SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER NOTES ON COMPLIANCE WITH THE NBC'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2021

(this does not form part of the audited financial statements)

SOLVENCY RATIO

In accordance with the NBC's Prakas No. B7-00-06 dated 11 January 2000 and amended by Prakas No. B7-07-133 dated 27 August 2007; all micro-finance institutions shall observe a solvency ratio which is the ratio of their net worth to their aggregate credit risk exposure. The result found shall not be less than 15 percent. As at 31 December 2021, the solvency ratio of the Company is 93%.

	Weighting	USD	KHR'000
NUMERATOR			
A. Net worth as at 31 December 2021		1,394,357	5,544,236
DENOMINATOR			
Cash in hand	0%	31,842	129,724
Gold	0%	-	-
Deposits with the NBC	0%	-	-
Assets collateralized by deposits lodged with the bank	0%	-	-
Claims on sovereign rated AAA to AA-	0%	-	-
Claims on sovereign rated A+ to A-	20%	-	-
Claims on bank rated AAA to AA-	20%	-	-
Claims on bank rated BBB+ to BBB-	50%	-	-
Claims on bank rated A+ to A-	50%	-	-
Other assets	100%	1,502,919	6,122,894
Off-balance sheet items	0%	-	-
B TOTAL RISK WEIGHTED ASSETS		1,502,919	6,122,894
SOLVENCY RATIO (A/B)		93%	93%



G B MICROFINANCE INSTITUTION PLC.

APPENDIX: SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER NOTES ON COMPLIANCE WITH THE NBC'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2021

(this does not form part of the audited financial statements)

LIQUIDITY RATIO

In accordance with NBC's Prakas B7-00-148 dated 25 February 2002, a licensed microfinance institution shall at all times maintain a liquidity ratio of at least 100%. As at 31 December 2021, the liquidity ratio of the Company was not applicable as there was no voluntary saving balance.

	2021 USD	2021 KHR'000
I. NUMERATOR: LIQUID ASSET(A)		
1. Treasury balance		
- Debit items		
Cash in hand	31,842	129,724
Deposits with the NBC (excluding statutory deposit and reserve)	-	-
Deposits with banks	96,943	394,946
Balance with wallet agents	-	-
Portion of lending to bank and FI with maturity up to one month	-	-
Portion of lending to customers up to one month to run	-	-
	128,785	524,670
Less:		
- Credit items		
Credit balance on site accounts maintained with the NBC, bank Or financial institution	-	-
Borrowings from the NBC and bank with more than one month to run	-	-
Net balance – Lender position	-	-
2. Lending with not more than one month to run (exclude loans with no maturity).	-	-
3. Treasury bills with not more than one month to run	-	-
	128,785	524,670
TOTAL NUMERATOR (A)	128,785	524,670
II. DENOMINATOR: ADJUSTED AMOUNT OF DEPOSIT (B)		
Voluntary saving at 25%	-	-
III. LIQUIDITY RATIO (A/B)	NOT APPLICABLE	



G B MICROFINANCE INSTITUTION PLC.

APPENDIX: SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER NOTES ON
COMPLIANCE WITH THE NBC'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2021

(this does not form part of the audited financial statements)

CLASSIFICATION OF AND ALLOWANCE FOR IMPAIRMENT LOSS ON LOANS AND
ADVANCES LOANS
AS AT 31 DECEMBER 2021

	OUTSTANDING PRINCIPAL LOAN		ALLOWANCE FOR IMPAIRMENT LOSS ON LOANS AND ADVANCES AS REQUIRED BY NATIONAL BANK OF CAMBODIA USD
	USD	RATE	USD
AS AT 31 DECEMBER 2021			
1. Loan of one year or less			
Standard	-	1%	-
Special mention	-	3%	-
Sub-standard	-	20%	-
Doubtful	-	50%	-
Loss	-	100%	-
A	-		-
2. Loan of more than one year			
Standard	1,349,326	1%	13,493
Special mention	48,944	3%	1,468
Sub-standard	-	20%	-
Doubtful	-	50%	-
Loss	-	100%	-
B	1,398,270		14,962
TOTAL	C = A+B		
	1,398,270		14,962

G B MICROFINANCE INSTITUTION PLC.

APPENDIX: SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER NOTES ON COMPLIANCE WITH THE NBC'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2021

(this does not form part of the audited financial statements)

FOREIGN CURRENCY NET OPEN POSITION

In accordance with the NBC's letter B7.020.868 dated 10 June 2020, the Company is required to maintain foreign currency net open position of the Company's net worth:

Currency	Balance sheet		Net open position	Net open position/Net worth %	Limit %	Excess %
	1	2	3			
	Assets	Liabilities and capital	+(long) or – (short)			
	+	-	(1+2)			
USD	1,684,985	(1,748,302)	(63,317)	-3.6%	20%	-

Net worth: 1,394,357





**#J-37, Street Lum, Sangkat Tonle Bassac,
Khan Chamkamorn, Phnom Penh City,
Kingdom of Cambodia.**



(+855) 23 977 778 | (+855) 99 570 555



info@gbmfi.com.kh



www.gbmfi.com.kh