Green Central Micro Finance Ltd

Annual Report 2014

HEAD OFFICE:
Address: 640 E,F, Street 271, Sangkat Psar Deum Thkov,
Khan Chamkamorn, Phnom Penh, Cambodia.
Tel: 023 994 455 / 023 994 477
Email: green.mfi.info@gmail.com / www.greencmf.com

KEY PERFORMANCE HIGHLIGHTS

OPERATION HIGHLIGHTS	2009	2010	2011	2012	2013	2014
Number of Operating Area						
Nb. of branches	1	1	4	4	4	4
Nb. of provinces and cities	0	0	1	1	1	3
Nb. of District	19	21	26	31	18	21
Nb. of Villages	177	274	377	388	284	499
Number of Borrowings						
Nb. of Group Loan Borrowing	160	175	167	217	325	475
Nb. of Individual Loan Borrowing	708	1,236	2,002	2,687	2,964	3,300
Loan Portfolio in USD						
Group Loan	41,566	47,546	232,042	58,083	93,868	142,144
Individual Loan	1,213,992	2,799,048	4,557,179	5,378,134	6,529,189	7,612,247
FINANCIAL HIGHTLIGHTS						
Profit after income tax in USD	(74,247)	66,387	233,195	189,847	128,359	480,240
Return on Assets (ROA)	(47.16%)	2.13%	4.57%	3.16%	16.84%	5.52%
Return on Equity (ROE)	(8.87%)	3.49%	6.41%	4.96%	3.25%	10.83%

Corporate Information

Company	:	*GREEN CENTRAL MICRO FINANCE LTD*
Registration No	:	*Co-4987E/2008*
Registered office	:	*No. 640E,F, Street 271, Village 06* *Sangkat Phsar Doeum Thkov,* *Khan Chamcarmon, Phnom Penh*
Shareholders	:	*Common Central Holding Ltd*
Board of Directors	:	*Mr. Koo Bon Kwang* Chairman *Mr. Choi Geum Il* Director, non executive *Ms. Kim Sook Yuh* Director, non executive *Ms. Seo Hyun Sook* Director, executive
Executive Managements	:	*Ms. Seo Hyun Sook* *Executive Director*
Auditors	:	*PricewaterhouseCoopers (Cambodia) Limited*

CONTENTS

VISION

Serving its clients and providing exceptional service, the institution of Green Central Micro Finance Ltd hopes to expand its operation and strives to be the leading micro-finance institution in the Kingdom of Cambodia.

MISSION

The institution will provide small loan services to the general public, who want to pursue a new business or expand their existing ones successfully. The institution will provide trust, honesty, and a forever smile with high morality and professionalism. The institution will try its best to gain trust and love from the public within the financial markets of the Kingdom of Cambodia.

Green Central Micro Finance Ltd. ("GCMF") is a financial institution licensed by the NBC on 24 October 2008, and GCMF was established with registered capital of 400 Million Riel (US$100,000.00) by its main Korean Shareholder with 100% shares called Common Central Holding Ltd. The overall purpose of the institution is to strengthen and expand healthy microfinance services to the Cambodian people and to participate in the healthy development of micro and small enterprises, and to boost the growth of Cambodian's economy.

ព្រះរាជាណាចក្រកម្ពុជា
KINGDOM OF CAMBODIA
ជាតិ សាសនា ព្រះមហាក្សត្រ
Nation Religion King

National Bank of Cambodia
N° : M.F 19

LICENSE TO CONDUCT MICRO FINANCE BUSINESS

THE NATIONAL BANK OF CAMBODIA

allows **Green Central Micro Finance Ltd.**, with head office at N° 640 EF, Street 271,Village 06, Sangkat Phsar Doeum Thkov, Khan Chamcarmon, Phnom Penh to conduct business as Micro Finance Institution.

The Micro Finance Institution **Green Central Micro Finance Ltd.**, shall abide by the Law on Banking and Financial Institutions and any prakas, regulations, circulars, and conditions prescribed by the National Bank of Cambodia.

Phnom Penh, 24 October ,2008

Governor

Signed and sealed.

- This license is valid from the signing date.
- This license shall be displayed in public at all times.

MESSAGE FROM CHAIRMAN

Mr. Koo Bon Kwang

I am very happy to report another year of achievement from Green Central Micro Finance Ltd. Year 2014 is the seventh operational year of Green Central Micro Finance Ltd and is a year of over expected achievement and strong standings.

We believe that Green Central Micro Finance Ltd creates opportunities for people that have little or no access to financial services and provides continual income for the institution in always maintaining our mission.

We have achieved the first step of vision in becoming a financial solver for those people who have not yet access to financial services. We plan on creating new development plans for other service products and also we would like to apply for a deposit license as well as open new branches around Phnom Penh city and provinces in order to provide our financial services to rural areas.

Overall, I would like to express my thankfulness to all the employees, the management, board of directors of Green Central Micro Finance Ltd for their hard work in improving the quality of financial services to people that have little or no access to financial services in Cambodia. Clients are the centre of our focus and work. At Green Central Microfinance Ltd., we always try our best to serve our clients' needs and look out for their welfare.

Mr. Koo Bon Kwang
Chairman of the Board of Director

Mr. Koo Bon Kwang
Chairman

Mr. Koo Bon Kwang was appointed as a member of Board of Directors in June 2008 and became Chairman of Board of Directors in February 2010. From January 1986 to May 2003, he was the Chairman of the Board of Directors of Livestock Industry Part Company. From April 2004 to date, he is the Chairman of Board of Directors of the Industrial Park Company. From July 2009 to date, he is the Chairman of the Board of Directors of Joong Ang Development Limited Company and Central Gold Club.

Mr. Choi Geum Il
Director

Mr. Choi Geum Il received Bachelor Degree in Business Administration from Kyoung Ki University, Korea, in 1976. From March 1972 to July 1994, he was a Director of Hana Bank Yonshinnae Branch. On January 1995, he was a Director in charge of Finance Department of Joong Ang Breeding Co., Ltd. On January 2005, he was the Chief Executive Officer of New York Sports Center Co., Ltd. On February 2010, he became a member of the Board of Directors of Green Central Microfinance Ltd in Cambodia.

Ms. Kim Sook Yuh
Director

Ms. Kim Sook Yuh graduated from Ehwa Women's college, Korea, in 1959. From May 1996 to date, she is the Chief Executive Officer of Jungang Investment Co., Ltd. On May 2011, she became a member of the Board of Directors of Green Central Microfinance Ltd in Cambodia.

Ms. Seo Hyun Sook
Executive Director

Ms. Seo Hyun Sook graduated in Business Administration and Information Statistics from Korea National Open University, Korea, at the end of 2012. From January 1991 to date, she is auditor of the Jongang Jongchook Co., Ltd. On May 2011, she was appointed as Independent Director. On March 2014, she was appointed as Executive Director of GCMF in Cambodia.

Ms. Seo Hyun Sook
Executive Director

Ms. Seo Hyun Sook was graduated in Business Administration and Information Statistics from Korea National Open University, Korea, at the end of 2012. From January 1991 to date, she is auditor of the Jongang Jongchook Co., Ltd. On May 2011, she was appointed as Independent Director. On March 2014, she was appointed as Executive Director of GCMF in Cambodia.

Ms. Eileen Cheng
Independent Director

Miss. Cheng Eileen received Bachelor Degree in History and Urban Studies from New York University, USA in 2001. She received Juris Doctorate degree from New York Law School, USA in 2005. She has worked in several law firms as well as a public organization in New York, USA since 1998. On 12 March 2014, she was appointed as Independent Director of GCMF in Cambodia.

Mr. Heng Vuthy
Operation Department Manager

Mr. Heng Vuthy was appointed to be Operation Department Manager of GCMF on September 2011. He received Bachelor Degree in Enterprise Management from Royal University of Law and Economics in 2003. From 2003 to October 2008, he had worked as a Medium Loan Credit Officer of Acleda Bank Plc. On October 2008, he became a Credit Officer of GCMF's Loan Service Department and was appointed to be Manager of Loan Service Department of GCMF on December 2010.

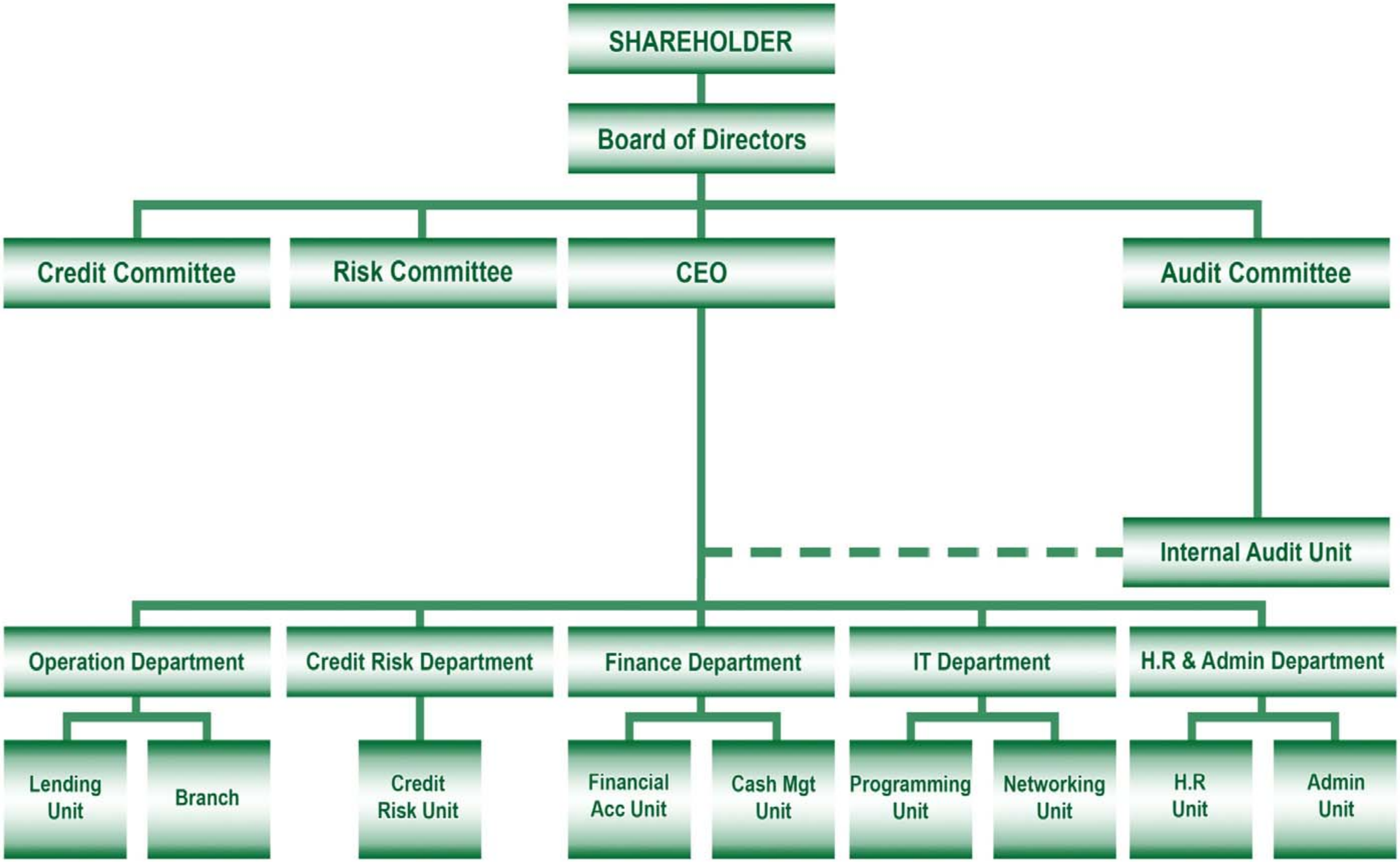
Mr. Ouk Torona
Finance Department Manager

Mr. Ouk Torona was appointed to be Finance Manager of GCMF on July 2012. He holds Master Degree in Financial Management and Bachelor Degree major of Accounting, from Royal University of Law and Economics. He is currently pursing ACCA qualification from CamEd Business School. Previously he worked as Senior Auditor of external audit firm (Certified Public Accountant Firm), from 2006 to June 2012. He has about six years' experience in the field auditing, taxation, finance and accounting management relating to financial institutions such as Micro Finance, Commercial banks, Specialized banks and compliance as well.

Mr. Phan Sophea
IT Department Manager

Mr. Phan Sophea was appointed to be IT Department Manager of GCMF on September 2011. He received Bachelor Degree in Information Technology from Royal University of Phnom Penh in 2011. From June 2008, he has worked as IT Officer of GCMF's General Affairs Department and was appointed to be Manager of IT Unit on February 2011.

ORGANIZATION CHART



Head Office

Kien Svay Branch

Por Senchey (Dangkor) Branch

Ang Snuol Branch

Kompong Speu Branch

	2014	2013	2012	2011	2010	2009
	December	December	December	December	December	December
Loan Portfolio (in '000 USD)	7,851	6,687	5,483	4,656	2,847	1,256
Number of Borrowers	3,775	3,289	2,904	2,169	1,411	868
Staff	104	102	90	66	33	28
Offices	4	4	4	3	1	1

Green Central Microfinance currently offers two credit products: individual loan and group loan.

The feature of Individual Loan:

- Loan Size : USD100 to USD25,000 or Equivalent
  KHR 400,000 to KHR 100 millions
- Terms : 12 Months - 48 Months
- Repayment Condition : Declining
- Mortgage : Collateral and Guarantor
- Interest Rate : State period and Declining

The Feature of Group Loan

- Loan Size : KHR 400,000 to KHR 2,000,000
- Terms : 6 Months - 10 Months
- Repayment Condition : Declining
- Mortgage : Collateral and Guarantor
- Interest Rate : State period and Declining

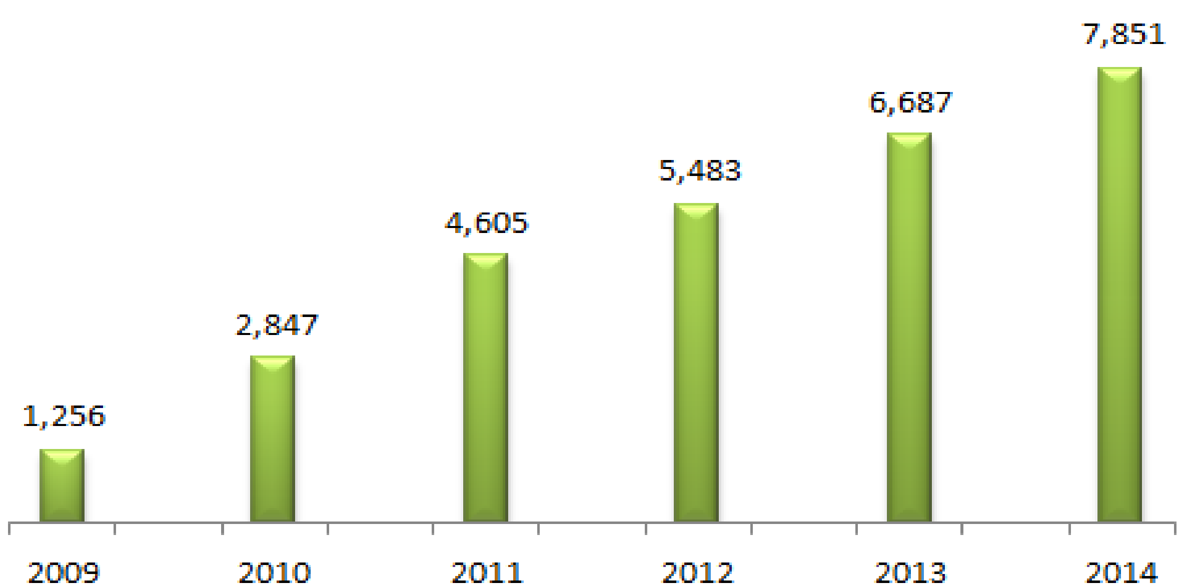
GCMF has been delivering comprehensive credit products such as group loans and individual loan fulfilling the need of people around the country for future development and lifestyle improvement. This year, GCMF successfully reached our target lending to potential customers by serving our best services.

Loan Portfolio

GCMF's loan portfolio grew 17 %, mainly driven by increasing group credit products (51%). Individual lending performance also improved compared to 2013 (up 17% in volume). However, GCMF maintained a healthy loan portfolio with decreasing a PAR30 of 0.06% in 2014, comparing to PAR30 of 0.36% in 2013. This reflected our commitment to fully implementing our credit policies, procedures and guidelines to providing Cambodia a high quality loan portfolio.

The figure shown as in Thousand USD

	2009	2010	2011	2012	2013	2014	Change In	
	December	December	December	December	December	December		
Loan Portfolio	**1,256**	**2,847**	**4,605**	**5,483**	**6,687**	**7,851**	**1,165**	**17%**
Group Loan	**42**	**48**	**48**	**58**	**94**	**142**	**48**	**51%**
Portfolio in KHR	0	0	0	49	94	142		
Portfolio in USD	42	48	48	9	0	0		
Individual Loan	**1,214**	**2,799**	**4,557**	**5,378**	**6,529**	**7,612**	**1,083**	**17%**
Portfolio in KHR	0	0	0	12	15	19.52		
Portfolio in USD	1,214	2,799	4,557	5,366	6,514	7,593		
Staff Loan	**0**	**0**	**0**	**47**	**64**	**97**	**33**	**52%**
Staff in USD	0	0	0	47	64	97		

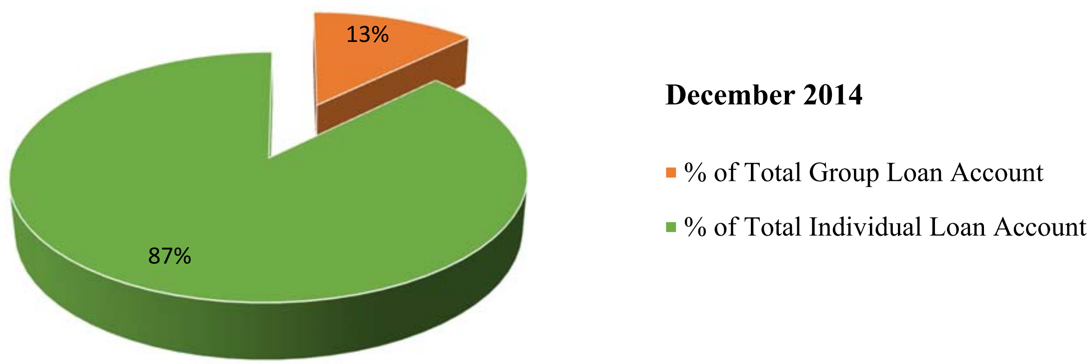


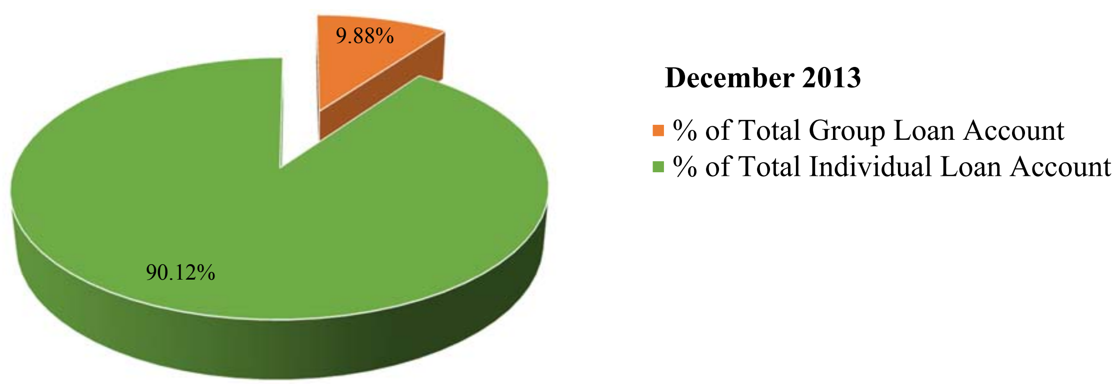
Trend of Lending Performance

Outreach

GCMF has served the best services to the people to meet with their demands and improved Cambodian standard of living. In 2014, GCMF had a total number of loan accounts of 3,775 which have grown by 15%, in comparison to 2013 which our loan accounts totaled 3,289.

	2009 December	2010 December	2011 December	2012 December	2013 December	2014 December	Change In	
Total Number of borrows	868	1,411	2,169	2,904	3,289	3,775	486	15%
Group Loan	160	175	167	217	325	475	150	46%
Individual	708	1,236	2,002	2,687	2,964	3,300	336	11%





Mr. Suor Kimnheing, a local business owner, living in Tnoat Chrum village, Boeung Chompun commune, Mean Chay district, Phnom Penh city. Mr. Suor Kimnheing runs a small business which sell clothes to customers since 2007. For the past, he had neither borrowed funds from other private companies nor other financial institutions. By seeing our promotion brochure and meeting with GCMF's staff, he decided to request for a loan at GCMF for business improvement.

In 2013, Mr. Suor Kimnheing had used GCMF's individual loans. The first loan of USD 4,000 was used to increase his business's capital to support his business operations.

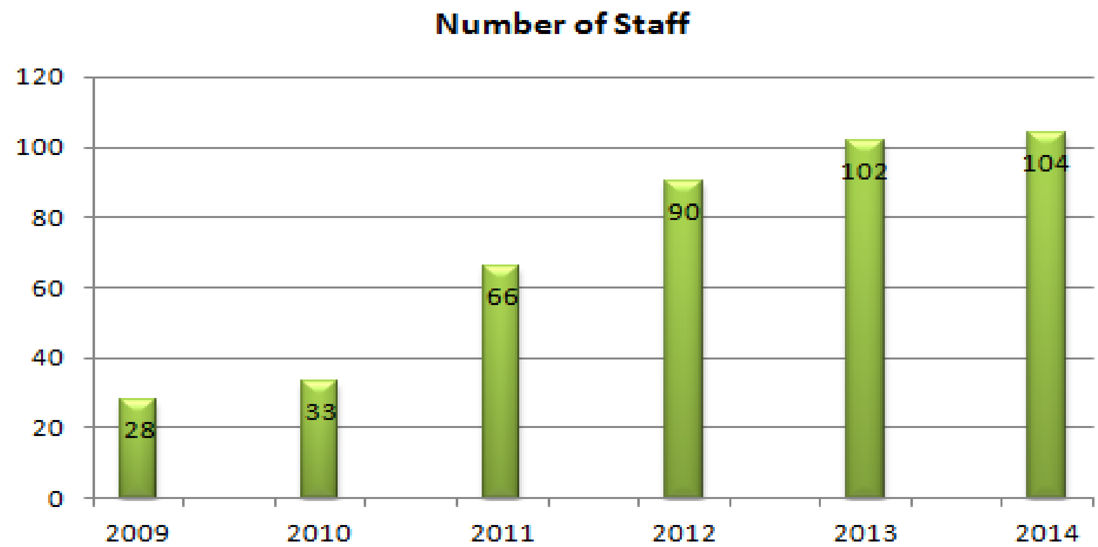
He said that "I have been using the same loan product for two cycles and it has helped to improve my family's lifestyle to be better than before and also it helped me to expand my business. For the second loan, I requested more to purchase more clothes to meet my customer's demands in the market". He added that "I would like to express my gratefulness to GCMF for lending me this loan with fast and easy service, which has helped me to continuously grow my business."

Mrs. Meng Theary, a local business owner, living in Takmoa village, Takmoa commune, Takmoa city, Kandal province. Mrs. Meng Theary runs a small shop in the province which sells beverages and snacks to customers since 1988. By seeing our promotion brochure and meeting with GCMF's staff, she was interested in applying for a loan at GCMF for improvement of her small shop.

In 2011, Mrs. Meng Theary had been approved for USD 5,000 from GCMF to enlarge her business operations and support her business transactions.

She has continuously used Green's products and services. She is now in her third cycle. By using the loan from GCMF, her business and family's living conditions are more profitable and have improved greatly. As result from the business improvement, there have been many customers coming to buy her products.

As of 31 December 2014, Green Central Microfinance had a total staff number of 104; 26 % of which were women.



Staff Development

In order to build the capacity of staff, Green Central Microfinance has focused on quality internal training where all staffs are given an opportunity to develop both functional and soft skills for their current roles and for potential future development. In 2014, there were 12 internal trainings that have been provided to staff within different courses and topics

Annual Workshop

In 2014, Green Central Microfinance held a workshop which was located at the Elephant Mekong Restaurant for all managers and staff. The workshop aimed to promote staff motivation, offering the chance to enhance communication between all staff, enhance team building activities and improve inter-staff relationships.


Annual staff part
Green Central Micro Finance Ltd.
December 2014

AUDIT OPINION ON FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2014

CONTENTS

DIRECTORS' REPORT

The Board of Directors (the Directors) hereby submits this report together with the Audited Financial Statements of Green Central Micro Finance Ltd. (the Company) for the year ending 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the provisions of micro-finance services to the rural population of Cambodia. Those services comprise of granting credit to the poor and low-income households and small enterprises operating within the Kingdom of Cambodia.

FINANCIAL PERFORMANCE

The financial performance for the year ending 31 December 2014 is set out in the Income Statement on page 20.

BAD AND DOUBTFUL LOANS

Before the Financial Statements of the Company were drawn up, the Directors took reasonable steps to ascertain the actions that had been taken in respect of writing off bad loans and allowancing for bad and doubtful loans. They were satisfied that all known bad loans had been written off and adequate allowances were made for bad and doubtful loans.

At the date of this report, the Directors were not aware of any circumstances which would render the amount written off for bad loans or the amount of allowance for bad and doubtful loans in the Financial Statements inadequate to any material extent.

ASSETS

Before the Financial Statements of the Company were drawn up, the Directors took reasonable steps to ensure that any assets unlikely to be realised in the ordinary course of business at the values shown in the accounting records be written down to an amount they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the assets in the Financial Statements of the Company misleading in any material respect.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there was:

(a) No charge on the assets of the Company that had arisen since the end of the year that secures the liabilities of any other person, and
(b) No contingent liability in respect of the Company that had arisen since the end of the year other than in the ordinary course of business.

In the opinion of the Directors 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 year that could have a material effect on the ability of the Company to meet its obligations as and when they become due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the Financial Statements of the Company which would render any amount stated in the Financial Statements misleading in any material respect.

ITEMS OF AN UNUSUAL NATURE

There were no items, transactions or events of a material and unusual nature that, in the opinion of the Directors, materially affected the financial performance of the Company for the year ending 31 December 2014.

There has not arisen in the interval between the end of the 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 current year.

THE BOARD OF DIRECTORS

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

- Mr. Koo Bon Kwang — Chairman
- Mr. Choi Geum Il — Director, non executive
- Ms. Kim Sook Yuh — Director, non executive
- Ms. Seo Hyun Sook — Director, executive

RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the Financial Statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and its financial performance and cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

i) Adopt appropriate accounting policies that are supported by reasonable and prudent judgements and estimates, and then apply them consistently.

ii) Comply with the disclosure requirements and the guidelines issued by the National Bank of Cambodia (the Central Bank) and Cambodian Accounting Standards or, if there has been any departure from such standards in the interest of fair presentation, ensure that this has 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 operations in the foreseeable future.

v) Control and direct the Company effectively and be involved in all material decisions affecting its operations and performance, and ascertain that such matters 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.

APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, were approved by the Board of Directors and present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with the guidelines issued by the Central Bank and Cambodian Accounting Standards.

Signed in accordance with a resolution of the Board of Directors.

Green Central Micro Finance Ltd.

Ms. Seo Hyun Sook
Executive Director

Phnom Penh, Kingdom of Cambodia
Date: 28 April 2015

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Financial Statements of Green Central Micro Finance Ltd. (the Company), which comprise the balance sheet as at 31 December 2014, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory notes.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the guidelines issued by the Central Bank and Cambodian Accounting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards.

For PricewaterhouseCoopers (Cambodia) Ltd.

By Lang Hy
Director

Phnom Penh, Kingdom of Cambodia
Date: 28 April 2015

BALANCE SHEET
AS OF 31 DECEMBER 2014

	Note	2014 US$	2014 KHR '000	2013 US$	2013 KHR '000
ASSETS					
Cash on hand	4	32,082	130,734	35,719	142,697
Balances with the Central Bank	5	179,437	731,206	179,336	716,447
Balances with banks	6	351,037	1,430,476	400,797	1,601,184
Loans to customers	7	7,849,284	31,985,832	6,680,821	26,689,880
Investment in Credit Bureau		5,000	20,375	5,000	19,975
Other assets	8	205,759	838,468	238,033	950,942
Property and equipment	9	61,069	248,856	82,666	330,251
Intangible assets	10	1,766	7,196	2,988	11,937
Deferred tax assets	11	21,243	86,565	17,062	68,163
TOTAL ASSETS		8,706,677	35,479,708	7,642,422	30,531,476
LIABILITIES AND EQUITY					
LIABILITIES					
Current income tax liabilities	11	108,454	441,950	30,861	123,290
Other liabilities	12	17,194	70,065	20,772	82,984
Borrowings	13	4,146,000	16,894,950	3,636,000	14,525,820
TOTAL LIABILITIES		4,271,648	17,406,965	3,687,633	14,732,094
EQUITY					
Share capital	14	3,500,000	14,262,500	3,500,000	13,982,500
Retained earnings		935,029	3,810,243	454,789	1,816,882
TOTAL EQUITY		4,435,029	18,072,743	3,954,789	15,799,382
TOTAL LIABILITIES AND EQUITY		8,706,677	35,479,708	7,642,422	30,531,476

The accompanying notes on pages 23 to 51 form an integral part of these Financial Statements.

INCOME STATEMENT
FOR THE YEAR ENDING 31 DECEMBER 2014

	Note	2014 US$	2014 KHR '000	2013 US$	2013 KHR '000
Interest income	15	1,756,152	7,156,319	1,419,472	5,670,791
Interest expense	16	(355,441)	(1,448,422)	(277,034)	(1,106,751)
Net interest income		1,400,711	5,707,897	1,142,438	4,564,040
Provision for bad and doubtful loans	7 (a)	(12,409)	(50,567)	(25,391)	(101,437)
Net interest income after provision for bad and doubtful loans		1,388,302	5,657,330	1,117,047	4,462,603
Other income	17	110,317	449,542	66,618	266,139
Personnel expenses	18	(582,070)	(2,371,935)	(661,133)	(2,641,226)
Depreciation and amortisation charges	19	(52,478)	(213,848)	(78,516)	(313,671)
General and administrative expenses	20	(259,365)	(1,056,912)	(279,918)	(1,118,272)
Net foreign exchange losses		(1,536)	(6,259)	(431)	(1,722)
Profit before income tax		603,170	2,457,918	163,667	653,851
Income tax expense	11	(122,930)	(500,940)	(35,308)	(141,055)
Profit for the year		480,240	1,956,978	128,359	512,796

The accompanying notes on pages 23 to 51 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31 DECEMBER 2014

	Share capital US$	Retained earnings US$	Total US$
As at 1 January 2013	3,500,000	326,430	3,826,430
Profit for the year	-	128,359	128,359
As at 31 December 2013	3,500,000	454,789	3,954,789
KHR '000 equivalent	13,982,500	1,816,882	15,799,382
As at 1 January 2014	3,500,000	454,789	3,954,789
Profit for the year	-	480,240	480,240
As at 31 December 2014	3,500,000	935,029	4,435,029
KHR '000 equivalent	14,262,500	3,810,243	18,072,743

The accompanying notes on pages 23 to 51 form an integral part of these Financial Statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDING 31 DECEMBER 2014

	Note	2014 US$	2014 KHR '000	2013 US$	2013 KHR '000
Cash flows from operating activities					
Cash used in operations	21	(1,864,842)	(7,599,230)	(2,206,788)	(8,816,118)
Interest received		1,743,448	7,104,551	1,408,888	5,628,508
Interest paid		(362,725)	(1,478,104)	(282,090)	(1,126,950)
Income tax paid	11	(49,518)	(201,786)	(53,374)	(213,228)
Cash used in operating activities		(533,637)	(2,174,569)	(1,133,364)	(4,527,788)
Cash flows from investing activities					
Purchases of property and equipment and intangible assets	9,10	(29,659)	(120,860)	(6,232)	(24,898)
Cash used in investing activities		(29,659)	(120,860)	(6,232)	(24,898)
Cash flows from financing activities					
Proceeds from borrowings		3,644,400	14,850,930	3,755,000	15,001,224
Repayments of borrowings		(3,134,400)	(12,772,680)	(821,211)	(3,280,738)
Cash generated/used in financing activities		510,000	2,078,250	2,933,789	11,720,486
Net (decrease)/increase in cash and cash equivalents		(53,296)	(217,179)	1,794,193	7,167,800
Cash and cash equivalents at the beginning of the year		440,852	1,761,203	(1,353,341)	(5,406,597)
Currency translation differences		-	35,267	-	-
Cash and cash equivalents at the end of the year	4	387,556	1,579,291	440,852	1,761,203

The accompanying notes on pages 23 to 51 form an integral part of these Financial Statements.

1. BACKGROUND INFORMATION

Green Central Micro Finance Ltd. (the Company) is a private limited company established in the Kingdom of Cambodia. The Company was incorporated with the Ministry of Commerce on 10 June 2008 and obtained its licence from the National Bank of Cambodia (the Central Bank) to operate as a micro finance institution on 24 October 2008.

Under the micro finance licence, the Company is authorised to grant credit to the poor and low-income households and small enterprises operating in the Kingdom of Cambodia.

The Company's head office is located at No. 640E,F, Street 271, Village 06, Sangkat Phsar Doeum Thkov, Khan Chamcarmon, Phnom Penh, the Kingdom of Cambodia. The Company has 4 branches located in Dangkor, Phnom Penh, Kien Svay and Angsnoul, Kandal Province, and Chbar Morn, Kompong Speu province.

The Financial Statements were authorised for issue by the Board of Directors on 28 April 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Company's Financial Statements have been prepared in accordance with Cambodian Accounting Standards (CAS) and the guidelines issued by the Central Bank. In applying CAS, the Company also applies CFRS 7: Financial Instruments: Disclosures. The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The Financial Statements are not intended to present the financial position, financial performance and cash flows in accordance with jurisdictions other than the Kingdom of Cambodia. Consequently, these Financial Statements are addressed only to those who are informed about Cambodian accounting principles, procedures and practices.

The Financial Statements are prepared using the historical cost convention.

The preparation of Financial Statements in accordance with the guidelines issued by the Central Bank and CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Change in financial reporting framework

On 28 August 2009, the National Accounting Council (NAC) of the Ministry of Economy and Finance (MoEF) announced the adoption of Cambodian International Financial Reporting Standards (CIFRS) which are based on all standards published by the International Accounting Standards Board including other interpretations and amendments that may occur in any circumstances to each standard by adding "Cambodian". Public accountable entities shall prepare their Financial Statements in accordance with CIFRS for the accounting periods beginning on or after 1 January 2012.

The NAC of the MoEF through Circular No. 086 MoEF.NAC dated 30 July 2012 approves a delay of the adoption of CIFRS for banks and financial institutions until the periods beginning on or after 1 January 2016.

The first financial statement of the Company which will be prepared under CIFRS is the year ending 31 December 2016. CAS, the current accounting standard used, is different to CIFRS in many areas. Hence, the adoption of CIFRS will have significant impact on the Financial Statements of the Company.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Financial Statements are presented in US$, which is the Company's functional and presentation currency.

For the sole regulatory purpose of complying with Prakas No. B7-07-164 dated 13 December 2007 of the Central Bank, a translation into KHR is provided for the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and the notes to the Financial Statements as at and for the year ended 31 December 2014 using the average official exchange rate published by the Central Bank as at the reporting date, which was US$1 equal to KHR 4,075 (31 December 2013: US$1 equal to KHR 3,995). Such translation amounts are unaudited and should not be construed as representations that the US$ amounts represent, or have been or could be converted into KHR at that or any other rate.

(b) Transactions and balances

Transactions in currencies other than US$, the functional and presentation currency, are translated into US$ at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in currencies other than US$ are recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, the non-restricted balances with the Central Bank, balances with other banks, with original maturities of three months or less from the date of acquisition and bank overdrafts. Bank overdrafts are shown as liabilities in the balance sheet.

2.5 Loans to customers

Loans to customers are stated in the balance sheet at the amount of principal outstanding, less any amounts written off and provision for bad and doubtful loans.

Loans are written off when there is no realistic prospect of recovery. Recovery of previously written-off loans is recognised in the income statement.

2.6 Provision for bad and doubtful loans

The Company follows only the mandatory credit classification and provisioning as required by the Prakas B7-02-186 dated 13 September 2002. The Prakas requires microfinance institutions to classify their loan portfolio into the following four classes based on the number of days past due of the principal and/or interest repayment and ensure that the minimum mandatory level of specific provisioning is provided as follows:

Classification	**Number of days past due**	**Provision (%)**
Short-term loans (less than one year)		
Standard	0 - 29 days	0%
Substandard	30 - 59 days	10%
Doubtful	60 - 89 days	30%
Loss	90 days or more	100%
Long-term loans (more than one year)		
Standard	0 - 29 days	0%
Substandard	30 - 179 days	10%
Doubtful	180 - 359 days	30%
Loss	360 days or more	100%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation of property and equipment is charged to the income statement over the estimated useful lives of the assets using the straight-line method at the following rate per annum:

	Useful lives (years)
Leasehold improvement	2-3 years
Furniture & fixtures	5 years
Office equipment	4 years
Computer & IT equipment	3 years
Motor vehicles	4-5 years

Gains or losses on disposals are determined by comparing proceeds with carrying amount and recognised in the income statement.

The carrying amounts of property and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately.

Fully depreciated property and equipment are retained in the Financial Statements until they are disposed of or written-off.

2.8 Intangible assets

Intangible assets consist of computer software and license fees and are stated at cost less accumulated amortisation and accumulated impairment losses. Acquired computer software is capitalised on the basis of the cost incurred to acquire the specific software and bring it into use. Intangible assets are amortised over their estimated useful lives of three years using the straight-line method.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identified cash flows (cash-generating units).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Borrowings

Borrowings are stated at the amount of the principal outstanding.

2.11 Provisions

Provisions are recognised 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.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are re-measured at the present value of the expenditures 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 obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.12 Interest income and expense

Interest income on loans to customers, balances with the Central Bank and balances with banks are recognised on an accrual basis. Where a loan becomes non-performing, the recording of interest income on loans to customers is suspended until it is realised on a cash basis.

Interest expenses on borrowings are recognised on an accrual basis.

2.13 Fee and commission income

The Company earns fee and commission income from a diverse range of services including fee for loan reschedule, penalty fee for early payments and late payments. These are recognised on a cash basis.

2.14 Leases

Leases in which a significant portion of the risks and rewards of asset ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the leases.

2.15 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date in Cambodia where the Company operates and generates taxable income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Current and deferred income tax (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Company makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans to customers

The Company is required to follow the mandatory credit classification and provisioning in accordance with Prakas No. B7-02-186 dated 13 September 2002 on the classification and provisioning for bad and doubtful debts. The Central Bank requires microfinance institutions to classify their loan portfolios into four classes and ensure that the minimum mandatory level of specific provision is made depending on the classification concerned and regardless of the assets (except for cash) pledged as collateral. For the purpose of loan classification, the Company is required to take into account the borrower's historical payment experience and financial condition.

Management believes that the provision for bad and doubtful loans as of 31 December 2014 is adequate.

(b) Taxes

Taxes are calculated on the basis of current interpretations of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of tax expenses will be made following inspection by the tax authorities.

Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. CASH ON HAND

	2014		2013	
	US$	KHR '000	US$	KHR '000
Head office	27,712	112,926	25,980	103,790
Post offices	4,370	17,808	9,739	38,907
	32,082	130,734	35,719	142,697

For cash flow statement purposes, cash and cash equivalents comprise:

	2014		2013	
	US$	KHR '000	US$	KHR '000
Cash on hand	32,082	130,734	35,719	142,697
Balances with banks (Note 6)	351,037	1,430,476	400,797	1,601,184
Balances with the Central Bank (Note 5)	4,437	18,081	4,336	17,322
	387,556	1,579,291	440,852	1,761,203

5. BALANCES WITH THE CENTRAL BANK

	2014		2013	
	US$	KHR '000	US$	KHR '000
Statutory capital deposit (i)	175,000	713,125	175,000	699,125
Current accounts (ii)	4,437	18,081	4,336	17,322
	179,437	731,206	179,336	716,447

(i) Statutory capital deposit

In compliance with Prakas B7-06-209 dated 13 September 2006 on the licensed microfinance institutions, the Company is required to maintain a statutory capital deposit with the Central Bank of 5% of paid-up capital. This deposit is refundable should the Company voluntarily liquidate.

The statutory capital deposit earns interest ranging from 0.075% to 0.080% per annum (2013: ranging from 0.11% to 0.20% per annum).

(ii) Current accounts

Current accounts are non-interest bearing.

6. BALANCES WITH BANKS

	2014		2013	
	US$	KHR '000	US$	KHR '000
Savings accounts	348,370	1,419,608	399,259	1,595,040
Current accounts	2,667	10,868	1,538	6,144
	351,037	1,430,476	400,797	1,601,184

Current accounts are non-interest bearing. Annual interest rates on savings accounts range from 0.40% to 2% (2013: 1.5%).

7. LOANS TO CUSTOMERS

	2014		2013	
	US$	KHR '000	US$	KHR '000
Individual loans	7,612,274	31,020,016	6,529,189	26,084,110
Solidarity loans	142,144	579,237	93,868	375,003
Staff loans	96,875	394,766	63,569	253,958
	7,851,293	31,994,019	6,686,626	26,713,071
Specific provision for bad and doubtful loans	(2,009)	(8,187)	(5,805)	(23,191)
	7,849,284	31,985,832	6,680,821	26,689,880

(a) Specific provision for bad and doubtful loans

The movements in provision for bad and doubtful loans to customers are as follows:

	2014		2013	
	US$	KHR '000	US$	KHR '000
At beginning of the year	5,805	23,191	4,354	17,394
Provision for the year	12,409	50,567	25,391	101,437
Bad debts written off	(16,205)	(66,035)	(23,940)	(95,640)
Currency translation differences	-	464	-	-
At end of the year	2,009	8,187	5,805	23,191

7. LOANS TO CUSTOMERS (continued)

(b) By economic sector

	2014		2013	
	US$	KHR '000	US$	KHR '000
Services	4,228,672	17,231,838	3,416,133	13,647,451
Trade and commerce	2,458,892	10,019,985	2,373,266	9,481,198
Agriculture	1,026,971	4,184,907	778,386	3,109,652
Construction	106,242	432,936	68,571	273,941
Transportation	11,328	46,162	27,079	108,181
Other categories	19,188	78,191	23,191	92,648
	7,851,293	31,994,019	6,686,626	26,713,071

(c) By relationship

	2014		2013	
	US$	KHR '000	US$	KHR '000
External customers	7,754,418	31,599,253	6,623,057	26,459,113
Staff loans	96,875	394,766	63,569	253,958
	7,851,293	31,994,019	6,686,626	26,713,071

(d) Analysis by security on performing and non-performing loans

	2014		2013	
	US$	KHR '000	US$	KHR '000
Standard loans:				
Secured	7,608,912	31,006,316	6,505,233	25,988,405
Unsecured	237,911	969,487	157,014	627,271
Sub-standard loans:				
Secured	538	2,192	7,676	30,666
Unsecured	-	-	300	1,199
Doubtful loans:				
Secured	2,824	11,508	16,280	65,039
Unsecured	-	-	-	-
Loss loans:				
Secured	-	-	-	-
Unsecured	1,108	4,516	123	491
	7,851,293	31,994,019	6,686,626	26,713,071

7. LOANS TO CUSTOMERS (continued)

(e) Interest rates

The annual interest rates that were in operation during the year are as follows:

	2014	2013
Loan in KHR	30% - 48%	30% - 48%
Loan in US$	19.2% - 42%	19.2% - 42%
Staff loans	15%	15%

8. OTHER ASSETS

	2014		2013	
	US$	KHR '000	US$	KHR '000
Accrued interest receivable	93,878	382,553	81,174	324,290
Interest in suspense	(562)	(2,290)	(3,170)	(12,664)
Net accrued interest receivable	93,316	380,263	78,004	311,626
Advances to CEO	66,900	272,618	130,030	519,470
Rental deposits*	32,626	132,949	28,850	115,256
Others	12,917	52,638	1,149	4,590
	205,759	838,468	238,033	950,942

* It represents the deposit for office rental and will be settled with last few month rental fees.

9. PROPERTY AND EQUIPMENT

	Leasehold improvement US$	Furniture & fixtures US$	Office equipment US$	Computer & IT equipment US$	Motor vehicles US$	Total US$
At 1 January 2013						
Cost	127,107	54,316	40,964	43,693	127,584	393,664
Accumulated depreciation	(76,109)	(21,418)	(25,474)	(27,729)	(89,309)	(240,039)
Net book value	50,998	32,898	15,490	15,964	38,275	153,625
Year ended 31 December 2013						
Opening net book value	50,998	32,898	15,490	15,964	38,275	153,625
Additions	-	2,607	832	480	-	3,919
Depreciation charge	(29,566)	(10,573)	(6,010)	(9,313)	(19,416)	(74,878)
Closing net book value	21,432	24,932	10,312	7,131	18,859	82,666
At 31 December 2013						
Cost	127,107	56,923	41,796	44,173	127,584	397,583
Accumulated depreciation	(105,675)	(31,991)	(31,484)	(37,042)	(108,725)	(314,917)
Net book value	21,432	24,932	10,312	7,131	18,859	82,666
Equivalent in KHR' 000	85,620	99,603	41,196	28,488	75,344	330,251

9. PROPERTY AND EQUIPMENT (continued)

	Leasehold improvement US$	Furniture & fixtures US$	Office equipment US$	Computer & IT equipment US$	Motor vehicles US$	Total US$
At 1 January 2014						
Cost	127,107	56,923	41,796	44,173	127,584	397,583
Accumulated depreciation	(105,675)	(31,991)	(31,484)	(37,042)	(108,725)	(314,917)
Net book value	21,432	24,932	10,312	7,131	18,859	82,666
Year ended 31 December 2014						
Opening net book value	21,432	24,932	10,312	7,131	18,859	82,666
Additions	13,068	4,871	3,107	4,718	3,000	28,764
Depreciation charge	(16,960)	(9,722)	(6,123)	(5,600)	(11,956)	(50,361)
Closing net book value	17,540	20,081	7,296	6,249	9,903	61,069
At 31 December 2014						
Cost	140,175	61,794	44,903	48,891	130,584	426,347
Accumulated depreciation	(122,635)	(41,713)	(37,607)	(42,642)	(120,681)	(365,278)
Net book value	17,540	20,081	7,296	6,249	9,903	61,069
Equivalent in KHR' 000	71,475	81,830	29,731	25,465	40,355	248,856

10. INTANGIBLE ASSETS

Intangible assets consist of computer software costs and licensing fees, with the details as follows:

	2014		2013	
	US$	KHR '000	US$	KHR '000
Cost				
Balance as at 1 January	21,416	85,557	19,103	76,316
Additions	895	3,647	2,313	9,241
Currency translation difference	-	1,713	-	-
Balance as at 31 December	22,311	90,917	21,416	85,557
Accumulated amortisation				
Balance as at 1 January	18,428	73,620	14,790	59,086
Amortisation charge	2,117	8,627	3,638	14,534
Currency translation difference	-	1,474	-	-
Balance as at 31 December	20,545	83,721	18,428	73,620
Net book value	1,766	7,196	2,988	11,937

11. TAXATION (continued)

(a) Deferred tax assets (continued)

The movements of net deferred tax assets are as follows:

	2014		2013	
	US$	KHR '000	US$	KHR '000
Balance at beginning of the year	17,062	68,163	10,644	42,523
Credited to the income statement	4,181	17,038	6,418	25,640
Currency translation difference	-	1,364	-	-
Balance at end of the year	21,243	86,565	17,062	68,163

(b) Income tax expense

	2014		2013	
	US$	KHR '000	US$	KHR'000
Current tax:				
Current tax on profit for the year	127,111	517,978	45,730	182,691
Prior's year over accrual of income tax liabilities	-	-	(4,004)	(15,996)
Deferred tax assets	(4,181)	(17,038)	(6,418)	(25,640)
	122,930	500,940	35,308	141,055

11. TAXATION (continued)

(b) Income tax expense (continued)

(i) Current income tax liabilities

	2014		2013	
	US$	KHR '000	US$	KHR '000
Balance at beginning of the year	30,861	123,290	42,509	169,823
Charge during the year	127,111	517,978	45,730	182,691
Income tax paid	(49,518)	(201,786)	(53,374)	(213,228)
Prior's year over accrual of income tax liabilities	-	-	(4,004)	(15,996)
Currency translation difference	-	2,468	-	-
Balance at end of the year	108,454	441,950	30,861	123,290

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

	2014		2013	
	US$	KHR '000	US$	KHR '000
Profit before income tax	603,170	2,457,918	163,667	653,850
Tax calculated at a rate of 20%	120,634	491,584	32,733	130,768
Expenses not deductible for tax purposes	2,296	9,356	12,997	51,923
	122,930	517,978	45,730	182,691

In accordance with Cambodian tax laws, the Company has an obligation to pay corporate income tax in the form of either Tax on Profit at the rate of 20% of taxable profit or 1% minimum tax, whichever is higher.

(iii) Other tax matters

The Company's tax returns are subject to periodic examination by the General Department of Taxation (GDT). Some areas of tax laws and regulations may be open to different interpretation; therefore, the tax amounts reported in the Financial Statements could be changed at a later date upon final determination by the GDT.

12. OTHER LIABILITIES

	2014		2013	
	US$	KHR '000	US$	KHR '000
Other withholding taxes payable	8,944	36,446	5,788	23,122
Accrued professional fee	8,250	33,619	7,700	30,762
Accrued interest expense - long term borrowing	-	-	7,284	29,100
	17,194	70,065	20,772	82,984

13. BORROWINGS

	2014		2013	
	US$	KHR '000	US$	KHR '000
Borrowings from bank	1,940,000	7,905,500	3,260,000	13,023,700
Chief executive officer	2,206,000	8,989,450	376,000	1,502,120
	4,146,000	16,894,950	3,636,000	14,525,820

The borrowings bear interest at rates ranging from 8.5% to 10.8% per annum (2013: 6% to 10.8% per annum) and the maturity is within 2015. Borrowing from bank is secure. The Company has no defaults on principal, interest or redemption amounts.

14. SHARE CAPITAL

The total authorised amount of share capital comprises 3.5 million shares (2013: 3.5 million shares) with a par value of US$1 per share (2013: US$1 per share). All issued shares have been fully paid for.

The Company is controlled by Common Central Holdings Ltd. incorporated in Cambodia, which wholly owns 100% of the Company's share capital.

15. INTEREST INCOME

	2014		2013	
	US$	KHR '000	US$	KHR '000
Individual loans	1,710,872	6,971,803	1,390,240	5,554,009
Solidarity loans	44,501	181,342	28,259	112,895
Balances with the Central Bank and banks	779	3,174	973	3,887
	1,756,152	7,156,319	1,419,472	5,670,791

16. INTEREST EXPENSES

	2014		2013	
	US$	KHR '000	US$	KHR '000
Borrowings	355,441	1,448,422	228,099	911,256
Bank overdrafts	-	-	48,935	195,495
	355,441	1,448,422	277,034	1,106,751

17. OTHER INCOME

	2014		2013	
	US$	KHR '000	US$	KHR '000
Fee and commission income	106,176	432,667	64,007	255,708
Other income	4,141	16,875	2,611	10,431
	110,317	449,542	66,618	266,139

18. PERSONNEL EXPENSES

	2014		2013	
	US$	KHR '000	US$	KHR '000
Salaries and bonuses	564,786	2,301,503	583,116	2,329,548
Employee training expenses	820	3,342	1,962	7,838
Other benefits	16,464	67,090	76,055	303,840
	582,070	2,371,935	661,133	2,641,226

19. DEPRECIATION AND AMORTISATION CHAGES

	2014		2013	
	US$	KHR '000	US$	KHR '000
Depreciation charge (Note 9)	50,361	205,221	74,878	299,137
Amortisation charge (Note 10)	2,117	8,627	3,638	14,534
	52,478	213,848	78,516	313,671

20. GENERAL AND ADMINISTRATION EXPENSES

	2014		2013	
	US$	KHR '000	US$	KHR '000
Fee and Commission on Borrowing	75,810	308,926	1,060	4,233
Rentals	46,580	189,814	51,767	206,809
Printing and office suppliers	24,006	97,824	20,499	81,894
Utilities	22,891	93,281	21,634	86,428
Motor vehicle operation expenses	19,537	79,613	19,455	77,723
Professional fees	15,124	61,630	67,614	270,118
Communication	12,586	51,288	12,457	49,766
Furniture fixtures and equipment expenses	9,496	38,696	5,879	23,487
Repair and maintenance	6,168	25,135	6,125	24,469
Membership expenses	3,480	14,181	1,880	7,511
Marketing and advertising	2,811	11,455	4,474	17,874
Insurance expenses	2,033	8,284	1,993	7,962
Travel expenses	1,587	6,467	17,828	71,223
Business meal and entertainment expenses	717	2,922	6,745	26,946
Others miscellaneous expenses	16,539	67,396	40,508	161,829
	259,365	1,056,912	279,918	1,118,272

21. CASH USED IN OPERATIONS

	2014		2013	
	US$	KHR '000	US$	KHR '000
Profit before income tax	603,170	2,457,918	163,667	653,851
Adjustments for:				
Provision for bad and doubtful loans (Note 7)	12,409	50,567	25,391	101,437
Depreciation and amortisation (Note 20)	52,478	213,848	78,516	313,671
Net interest income and expenses	(1,400,711)	(5,707,897)	(1,142,438)	(4,564,040)
Operating profit before changes in operating assets and liabilities	(732,654)	(2,985,564)	(874,864)	(3,495,081)
Changes in operating assets and liabilities:				
Loans to customers	(1,180,872)	(4,812,053)	(1,227,360)	(4,903,303)
Other assets	44,978	183,285	(99,522)	(397,590)
Other liabilities	3,706	15,102	(5,042)	(20,144)
Cash used in operations	(1,864,842)	(7,599,230)	(2,206,788)	(8,816,118)

22. RELATED PARTY TRANSACTIONS AND BALANCES

The Company is controlled by Common Central Holdings Ltd incorporated in Cambodia, which owns 100% of the Company's share capital. Mr. Koo Bon Kwang, the Company's chairman, owns 100% of share of Common Central Holdings Ltd.

The Company entered into a number of transactions with related parties in the normal course of business. The volumes of related party transactions for the year and outstanding balances at year-end are as follows:

(a) Related-party transactions

	2014		2013	
	US$	**KHR '000**	**US$**	**KHR '000**
Board of Directors				
Fees	855	3,484	16,901	67,519
Interest expense	34,960	142,463	18,004	71,926
Shareholders				
Interest expense	100,602	409,953	11,868	47,413

(b) Compensation of key management personnel during the year

	2014		2013	
	US$	**KHR '000**	**US$**	**KHR '000**
Salaries and other short-term employee benefits	168,000	684,600	229,740	917,811

(c) Borrowings from shareholders and Board of directors

	2014		2013	
	US$	**KHR '000**	**US$**	**KHR '000**
Board of Directors				
Borrowings	306,000	1,222,470	376,000	1,502,120
Shareholders				
Borrowings	1,900,000	7,742,500	-	-

23. COMMITMENTS

Operating lease commitments

These operating lease commitments cover the Company's office rental and are renewable upon mutual agreement. The future minimum lease payments under non-cancellable operating leases are as follows:

	2014		2013	
	US$	**KHR '000**	**US$**	**KHR '000**
No later than one year	55,800	225,320	50,000	199,750
Later than one year and no later than five years	69,300	279,833	93,300	372,734
Later than five years	8,800	35,534	13,600	54,332
	133,900	540,687	156,900	626,816

24. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk. Taking risks is inherent in the financial business, and the operational risks are an inevitable consequence of being in business.

24.1 Credit risk

The Company takes on exposure to credit risk, the risk that counterparties will cause a financial loss to the Company by failing to discharge an obligation. Credit risk is the most important risk for the Company's business. Credit exposure arises principally in lending activities that lead to loans to customers. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management is carried out by the Company's credit committee.

The lending activities are guided by the Company's credit policy to ensure that the overall objectives in the area of lending are achieved, i.e. the loan portfolio is strong and healthy and credit risks are well diversified. The credit policy documents the lending policy, collateral policy, and credit-approval procedures, all of which are implemented to ensure compliance with the Central Bank guidelines.

(a) Credit risk measurement

The Company assesses the probability of default by an individual counterparty by focusing on that borrower's forecasted profit and cash flows. The credit committee is responsible for approving loans to customers.

24. FINANCIAL RISK MANAGEMENT (continued)

24.1 Credit risk (continued)

(b) Risk limit control and mitigation policies

The Company operates and provides loans to individuals or to small and medium enterprises within the Kingdom of Cambodia. The Company manages limits and controls the concentration of credit risk whenever it is identified.

The Company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral in exchange for loans to customers. The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types secured for loans to customers are:

- mortgages over residential properties (land, buildings and other properties), and
- Charges over business assets such as land and buildings.

(c) Impairment and provisioning policies

The Company is required to follow the mandatory credit classification and provisioning in accordance with Prakas B7-02-186 dated 13 September 2002 on loan classification and provisioning. The Central Bank requires microfinance institutions to classify their loan portfolio into four classes and ensure that the minimum mandatory level of specific provision is made depending on the classification concerned and regardless of the assets (except for cash) pledged as collateral, as follows:

	Percentage of provision
Standard	0%
Substandard	10%
Doubtful	30%
Loss	100%

(d) Maximum exposure to credit risk before collateral held or other credit enhancements

	2014		**2013**	
	US$	**KHR ’000**	**US$**	**KHR ’000**
Credit exposure relating to on-balance-sheet assets:				
Loans to customers (Note 7)	7,849,284	31,985,832	6,680,821	26,689,880
Balances with banks (Note 6)	351,037	1,430,476	400,797	1,601,184
Other assets	175,533	715,297	209,183	835,686
	8,375,854	34,131,605	7,290,801	29,126,750

24. FINANCIAL RISK MANAGEMENT (continued)

24.1 Credit risk (continued)

(d) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

The above table represents a worst-case scenario for credit risk exposure to the Company at 31 December 2014 and 2013, without taking into account any collateral or other credit enhancement. For on-balance-sheet assets, the exposure set out above is based on net carrying amounts.

As shown above, 94% of total maximum exposure is derived from loans to customers (2013: 92%).

Management is confident in its ability to control and sustain minimal credit risk exposure to the Company relating to its loans to customers on the following bases:

- 99.9% of the loans in the portfolio are neither past due nor impaired (2013: 99.7%), and
- The Company introduced an even more stringent selection and collection loans process.

(e) Loans to customers

Loans to customers are summarised as follows:

	2014		2013	
	US$	**KHR '000**	**US$**	**KHR '000**
Loans to customers neither past due nor impaired	7,845,031	31,968,502	6,661,872	26,614,179
Loans to customers past due but not impaired	1,792	7,302	375	1,498
Loans to customers individually impaired	4,470	18,215	24,379	97,394
Gross loans	7,851,293	31,994,019	6,686,626	26,713,071
Provision for bad and doubtful loans	(2,009)	(8,187)	(5,805)	(23,191)
Net loans to customers	7,849,284	31,985,832	6,680,821	26,689,880

In accordance with the Central Bank's requirements for the purpose of loan provisioning, the expected recovery from collateral (except cash) is not taken into consideration. The total provision for bad and doubtful loans is US$ 2,009 (2013: US$ 5,805), which represents the specific provision required by the Central Bank.

(i) Loans to customers neither past due nor impaired

Loans to customers not past due are not considered impaired, unless other information is available to indicate the contrary.

24. FINANCIAL RISK MANAGEMENT (continued)

24.1 Credit risk (continued)

(e) Loans to customers (continued)

(ii) Loans to customers past due but not impaired

Loans to customers less than 30 days past due are not considered impaired, unless other information is available to indicate the contrary. The gross amounts of loans to customers that were past due but not impaired are as follows:

	2014		2013	
	US$	KHR '000	US$	KHR '000
Past due up to 30 days	1,792	7,302	375	1,498

(iii) Loans to customers individually impaired

In accordance with Prakas B7-02-186 dated 13 September 2002 on loan classification and provisioning, loans past due more than 30 days are considered impaired and a minimum level of specific provision for impairment is made depending on the classification concerned, unless other information is available to indicate the contrary.

	2014		2013	
	US$	KHR '000	US$	KHR '000
Past due 30-59 days	538	2,192	7,676	30,666
Past due 60-89 days	-	-	300	1,199
Past due 90-179 days	729	2,971	-	-
Past due 180-360 days	3,203	13,052	16,403	65,530
	4,470	18,215	24,379	97,395

Most of the customers' collateral is in the form of land or house title receipts (which are not official land title deeds), as the Company generally issues loans to poor entrepreneurs in the provinces. The Company does not perform, during the period of loan, a revaluation of collateral either internally or externally. Since no legal official land title deeds have been obtained, no values have been ascribed to the collateral. Under the Central Bank's regulations, the value of collateral is not taken into account when determining the impairment of loans to customers.

(iv) Loans to customers renegotiated

There were no renegotiated loans to customers at 31 December 2014 (2013: nil).

(f) Repossessed collateral

During the year ended 31 December 2014, the Company did not obtain any assets by taking possession of collateral held as security (2013: nil).

24. FINANCIAL RISK MANAGEMENT (continued)

24.2 Market risk

The Company takes on exposure to market risk, the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk arises from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

(a) Foreign exchange risk

The company operates in Cambodia and transacts in US$ and KHR, and is exposed to currency risk, primarily with respect to KHR. Foreign exchange risk arises from future commercial transaction and recognised assets and liabilities denominated in a currency that is not the company's functional currency.

The Company does not use derivative financial instruments such as foreign exchange contract to hedge its risk exposure as the amount is not significant as at 31 December 2014.

The table below summarises the Company's exposure to foreign currency exchange rate risk at 31 December 2014. Included in the table are the Company's financial instruments at carrying amount by currency in US$ equivalent.

	US$		
	US$	**KHR**	**Total**
As at 31 December 2014			
Financial assets			
Cash on hand	13,923	18,159	32,082
Balances with the Central Bank	2,208	2,229	4,437
Balances with banks	350,663	374	351,037
Loans to customers	7,689,833	159,451	7,849,284
Other assets	155,490	4,726	160,216
Total financial assets	8,212,117	184,939	8,397,056
Financial liabilities			
Borrowings	(4,146,000)	-	(4,146,000)
Other liabilities	(16,246)	(948)	(17,194)
Total financial liabilities	(4,162,246)	(948)	(4,163,194)
Net financial assets	12,374,363	185,887	12,560,250

24. FINANCIAL RISK MANAGEMENT (continued)

24.2 Market risk (continued)

(a) Foreign exchange risk (continued)

	US$		
	US$	**KHR**	**Total**
As at 31 December 2013			
Financial assets			
Cash on hand	27,502	8,217	35,719
Balances with the Central Bank	2,042	2,294	4,336
Balances with banks	400,423	374	400,797
Loans to customers	6,577,752	108,874	6,686,626
Other assets	206,283	2,900	209,183
Total financial assets	7,214,002	122,659	7,336,661
Financial liabilities			
Borrowings	3,636,000	-	3,636,000
Other liabilities	14,984	-	14,984
Total financial liabilities	3,650,984	-	3,650,984
Net financial assets	3,563,018	122,659	3,685,677

(b) Price risk

The Company is not exposed to a securities price risk because it does not hold any investment classified on the balance sheet either as available for sale or at fair value through profit or loss. The Company does not currently have a policy to manage its price risk.

(c) Interest rate risk

Interest rates present several risks. There is a risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The value of a financial instrument will fluctuate in this same way. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise. The Company at this stage does not have a policy to set limits on the level of mismatch of interest rate re-pricing that may be undertaken; however, management regularly monitors the mismatch.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at the carrying amounts, categorised by the earlier of either their contractual re-pricing or their maturity dates.

24. FINANCIAL RISK MANAGEMENT (continued)

24.2 Market risk (continued)

(c) Interest rate risk (continued)

	Up to 1 month US$	1 – 3 months US$	3 – 12 months US$	1 – 5 years US$	Non-interest bearing US$	Total US$
As at 31 December 2014						
Assets						
Cash on hand	32,082	-	-	-	-	32,082
Balances with the Central Bank	-	-	-	-	4,437	4,437
Balances with banks	-	348,370	-	-	2,667	351,037
Loans to customers (*)	386,173	761,700	3,076,666	3,624,745	-	7,849,284
Other assets	-	-	-	-	205,759	205,759
Total financial assets	418,255	1,110,070	3,076,666	3,624,745	212,863	8,442,599
Liabilities						
Borrowings	5,000	10,000	4,080,000	51,000		4,146,000
Other liabilities	-	-	-	-	17,194	17,194
Total financial liabilities	5,000	10,000	4,080,000	51,000	17,194	4,163,194
Total interest re-pricing gap	413,255	1,100,070	(1,003,334)	3,573,745	195,669	4,279,405
As at 31 December 2013						
Total financial assets	384,634	1,091,078	2,702,603	2,943,289	215,057	7,336,661
Total financial liabilities	10,000	141,000	385,000	3,100,000	14,984	3,650,984
Total interest re-pricing gap	374,634	950,078	2,317,603	(156,711)	200,073	3,685,677

24. FINANCIAL RISK MANAGEMENT (continued)

24.3 Liquidity risk

Liquidity risk is the risk of the Company being unable to meet its payment obligations associated with its financial liabilities when they fall due, or an inability to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

(a) Liquidity risk management process

The Company's management monitors balance sheet liquidity and manages the concentration and profile of debt maturities. Monitoring and reporting take the form of the daily review of the cash position and projections for the next day, week and month, as these are key periods for liquidity management. Management monitors the movement of the main depositors and lenders and projects their withdrawals.

(b) Funding approach

The Company's main sources of liquidity arise from the shareholders' paid-up capital, borrowings and bank overdraft. The sources of liquidity are reviewed regularly through management's review of the maturity of term borrowings and bank overdraft.

(c) Non-derivative cash flows

The table on the following page presents the cash flows payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Company manages the inherent liquidity risk based on the expected undiscounted cash flows.

24. FINANCIAL RISK MANAGEMENT (continued)

24.3 Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

	Up to 1 month US$	1 – 3 months US$	3 – 12 months US$	1 – 5 years US$	No fixed terms US$	Total US$
As at 31 December 2014						
Liabilities						
Borrowings	5,000	10,000	4,080,000	51,000	-	4,146,000
Other liabilities	13,852	59,842	131,932	1,373	17,194	224,193
Total financial liabilities (contractual maturing dates)	18,852	69,842	4,211,932	52,373	17,194	4,370,193
Total financial assets (expected maturing dates)	576,372	1,388,234	4,003,228	4,238,301	212,863	10,418,998
As at 31 December 2013						
Liabilities						
Borrowings	10,000	141,000	385,000	3,100,000	-	3,636,000
Other liabilities	28,294	50,332	237,431	101,625	14,984	432,666
Total financial liabilities (contractual maturing dates)	38,294	191,332	622,431	3,201,625	14,984	4,068,666
Total financial assets (expected maturing dates)	517,076	1,328,450	3,469,989	3,413,429	215,057	8,944,001

24. FINANCIAL RISK MANAGEMENT (continued)

24.3 Liquidity risk (continued)

(d) Off-balance-sheet items

Operating lease commitments

Where the Company is the lessee, the future minimum lease payments under non-cancellable operating leases are as disclosed in Note 24.

24.4 Fair value of financial assets and liabilities

(a) Financial instruments measured at fair value

The Company does not have any financial instruments measured at fair value.

(b) Financial instruments not measured at fair value

(i) Balances with the Central Bank

Balances with the Central Bank include current accounts. The fair value of balances with the Central Bank approximates the carrying amount.

(ii) Balances with banks

Balances with banks include non-interest bearing current accounts and savings deposits. The fair value of balances with banks approximates the carrying amount.

(iii) Loans to customers

Loans to customers are net of provision for bad and doubtful loans and their carrying value approximates fair value. The provision for bad and doubtful loans is made under the requirements of the Central Bank's Prakas.

(iv) Other assets and liabilities

The carrying amounts of other assets and liabilities are assumed to approximate their fair values as these are not materially sensitive to the shift in market interest.

(v) Borrowings

The fair value of borrowings is not quoted in an active market. Their value approximates the carrying amount.

24. FINANCIAL RISK MANAGEMENT (continued)

24.5 Capital management

The Company's objectives when managing capital, a broader concept than the 'equity' on the face of the balance sheet are:

- to comply with the capital requirements set by the Central Bank
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To maintain a strong capital base to support the development of the business.

The table below summarises the composition of regulatory capital:

	2014		2013	
	US$	**KHR '000**	**US$**	**KHR '000**
Tier 1 Capital				
Share capital	3,500,000	14,262,500	3,500,000	13,982,500
Retained earnings	935,029	3,810,243	454,789	1,816,882
Total regulatory capital	4,435,029	18,072,743	3,954,789	15,799,382

APPENDIX: NOTES ON COMPLIANCE WITH CENTRAL BANK PRAKAS

1. CAPITAL ADEQUACY RATIO (SOLVENCY RATIO), Prakas No. B7-07-133

A licensed micro-finance institution shall at all times maintain a capital adequacy ratio of more than 15%. As at 31 December 2014, the capital adequacy ratio of the Company was 52.21%.

The capital adequacy ratio calculation is detailed in Schedule 1.

2. LIQUIDITY RATIO, Prakas No. B7-07-163

A licensed micro-finance institution shall at all times maintain a liquidity ratio of at least 100%. Since the company does not have the voluntary saving, the liquidity ratio is not applicable.

The liquidity ratio calculation is detailed in Schedule 2.

3. NET OPEN POSITION IN FOREIGN CURRENCY, Prakas No B7-07-134

A licensed micro-finance institution shall at all times maintain a net open position in foreign currencies in either any foreign currency or an overall net open position in all foreign currencies, whether long or short, which shall not exceed 20% of the Company's net worth. As at 31 December 2014, the net open position in KHR was long 4.20%.

The net open position calculation is detailed in Schedule 3.

4. LOAN CLASSIFICATION, PROVISIONING, AND DELINQUENCY RATIO, Prakas No. B7-02-186

Licensed microfinance institutions shall classify their loan portfolios into the following four classes, depending on the financial situation of the borrower and the timeliness of principal and interest payments.

Loan term of one year or less than one year

- ***Standard***: good financial condition and punctual payment of principal and interest
- ***Sub-standard***: some payments of principal and/or interest are overdue by 30 days or more
- ***Doubtful***: some payments of principal and/or interest are overdue by 60 days or more
- ***Loss***: some payments of principal and/or interest are overdue by 90 days or more

Loan term of more than one year

- ***Standard***: good financial condition and punctual payment of principal and interest
- ***Sub-standard***: some payments of principal and/or interest are overdue by 30 days or more
- ***Doubtful***: some payments of principal and/or interest are overdue by 180 days or more
- ***Loss***: some payments of principal and/or interest are overdue by 360 days or more

4. LOAN CLASSIFICATION, PROVISIONING, AND DELINQUENCY RATIO, Prakas No. B7-02-186 (continued)

Mandatory levels for specific provisions on the loans are classified as follows:

- ***Sub-standard***: 10% regardless of the collateral value except cash
- ***Doubtful***: 30% regardless of the collateral value except cash
- ***Loss***: 100%

As at 31 December 2014, the specific provision provided by the Company was US$2,009 which is in compliance with the Central Bank's Prakas.

Loan classification, provision and delinquency ratio calculation are detailed in Schedule 4.

SCHEDULE 1
NET WORTH AND SOLVENCY RATIO AS OF 31 DECEMBER 2014, UNAUDITED

NET WORTH RATIO

	US$
I- Sub-total A : Items to be added	
– Capital or endowment	3,500,000
– Reserve, other than revaluation reserves	-
– Premium related to capital (share premiums)	-
– Provision for general banking risks, with the prior agreement of the Central Bank	-
– Retained earnings	454,789
– Audited net profit for the latest financial year	480,240
– Other items approved by the Central Bank	-
	4,435,029
II- Sub-total B : Items to be deducted	
– For shareholders, directors, managers and their next of kind	-
> 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	-
– Losses determined on dates other than the end of the annual accounting period (including provisions to be made for doubtful debt and securities)	-
	-
III- Total C : BASE NET WORTH = A - B	4,435,029
IV- Sub-total D : Items to be added	
– Revaluation reserves, with the prior agreement of the Central Bank	-
– Subordinated debt, with the prior agreement of the Central Bank, up to 100% of base net worth	-
– Other items, with the prior agreement of the Central Bank, could be included in the calculation of net worth and shall not be more than base net worth	-
	-
V- Sub-total E : Items to be deducted	
– Equity participation in banking and financial institutions	-
– Other items	-
	-
VI- Total F: TOTAL NET WORTH = C + D – E	4,435,029

SCHEDULE 1
NET WORTH AND SOLVENCY RATIO AS OF 31 DECEMBER 2014, UNAUDITED

SOLVENCY RATIO

			US$
I- Numerator (A)			
Net worth			4,435,029
II- Denominator (B)			
Assets (*)			
	US$	**Weighting**	
- Cash	32,082	0%	-
- Gold	-	0%	-
- Claims on the Central Bank	179,437	0%	-
- Assets collateralized by deposits		0%	-
- Claims on sovereigns rated AAA to AA-		0%	-
- Claims on sovereigns rated A+ to A-		20%	-
- Claims on banks rated AAA to AA-		20%	-
- Claims on sovereigns rated BBB to BBB-		50%	-
- Claims on banks rated A+ to A-		50%	-
- All other assets	8,495,158	100%	8,495,158
	8,706,677		8,495,158
III- Solvency ratio (A/B)			52.21%

(*): The denominator of the ratio shall comprise the aggregate of the assets (net amount after deduction of provision and depreciation) and off-balance sheet items, weighted to their degree of risk. It excludes the items which are deducted in calculating the net worth according to the provisions of the Prakas on the calculation of microfinance institutions' net worth.

SCHEDULE 2
LIQUIDITY RATIO AS OF 31 DECEMBER 2014, UNAUDITED

			US$
I- Numerator: LIQUID ASSETS			
Cash on hand			32,082
Balances with the Central Bank			4,437
Balances with banks			351,037
Sub-Total (A)			387,556
Less:			
- Amounts owed to Central Bank			-
- Amounts owed to other banks			-
Sub-Total (B)			-
Net liquidity (A-B)			387,556
Plus:			
- Portion of loans maturing in less than one month			386,173
LIQUID ASSETS (L)			773,729
II- Denominator: ADJUSTED AMOUNT OF DEPOSITS (D)			
	US$	**%**	
Voluntary savings	-	25%	-
III- LIQUIDITY RATIO (L/D)			-

SCHEDULE 3

NET OPEN POSITION IN FOREIGN CURRENCY AS OF 31 DECEMBER 2014, UNAUDITED

Currency	Asset US$	Liabilities and capital US$	Net open Position (NOP) US$	NOP/ Net worth %	Limit %
US$	8,520,546	8,706,677	(186,131)	(4.20%)	20%
KHR	186,131	-	186,131	4.20%	20%
Total	8,706,677	8,706,677			
Net worth			4,435,029		

SCHEDULE 4
LOAN CLASSIFICATION, PROVISIONING, AND DELINQUENCY RATIO
AS OF 31 DECEMBER 2014, UNAUDITED

	Amount US$	Rate %	Specific Provision US$
Loan classification			
1-Loans of one year or less			
1-1 Standard	262,258	0%	-
1-2 Substandard Past Due ≥ 30 days	-	10%	-
1-3 Doubtful Past Due ≥ 60 days	-	30%	-
1-4 Loss Past Due ≥ 90 days	1,108	100%	1,108
Sub-Total 1	263,366		1,108
2-Loans of more than one year			
2-1 Standard	7,584,565	0%	-
2-2 Substandard Past Due ≥ 30 days	538	10%	54
2-3 Doubtful Past Due ≥ 180 days	2,824	30%	847
2-4 Loss Past Due ≥ 360 days	-	100%	-
Sub-Total 2	7,587,927		901
Grand total 1+2	7,851,293		2,009
All loan past due ≥ 30 days (A)			4,470
Loan outstanding (B)			7,851,293
Delinquency ratio (A/B)			0.06%

OPERATING BRANCHES NETWORK CONTACTS

HEAD OFFICE

Address: 640E, F, Street 271, Sangkat Psar Deoum Thkov,
Khan Chamkarmorn, Phnom Penh.
Tel: 023 994 455
Fax: 023 994 477

PORSENCHEY BRANCH

Address: 33IA, confederation De la Russie (St. 110),
Sangkat Kakap, Khan Dangkor, Phnom Penh
Tel: 023 994 466

KIEN SVAY BRANCH

Address: 82, National Road No.1, Phum Slab Ta Aon,
Khum Korkir, Srok Kien Svay, Kandal Province
Tel: 023 721 404

ANG SNUOL BRANCH

Address: No.4, Chong Bangkol Village, Khom Bek Chann,
Srok Angsnuol, Kandal Province.
Tel: 060 666 595

KOMPONG SPEU BRANCH

Address: National Road 4, Sombour Village, Sangkat Chbar Morn,
Chbar Morn City, Kompong Speu Province
Tel: 060 666 921