



គ្រឹះស្ថានមីត្រហិរញ្ញវត្ថុ

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INTEAN POALROATH RONGROEURNG LTD



210.95

149.16

23.26

141%

ANNUAL REPORT 2021

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VISION MISSION AND VALUE



VISION

To be the leading
Cambodian Microfinance
Institution serving the
agriculture sector.



MISSION

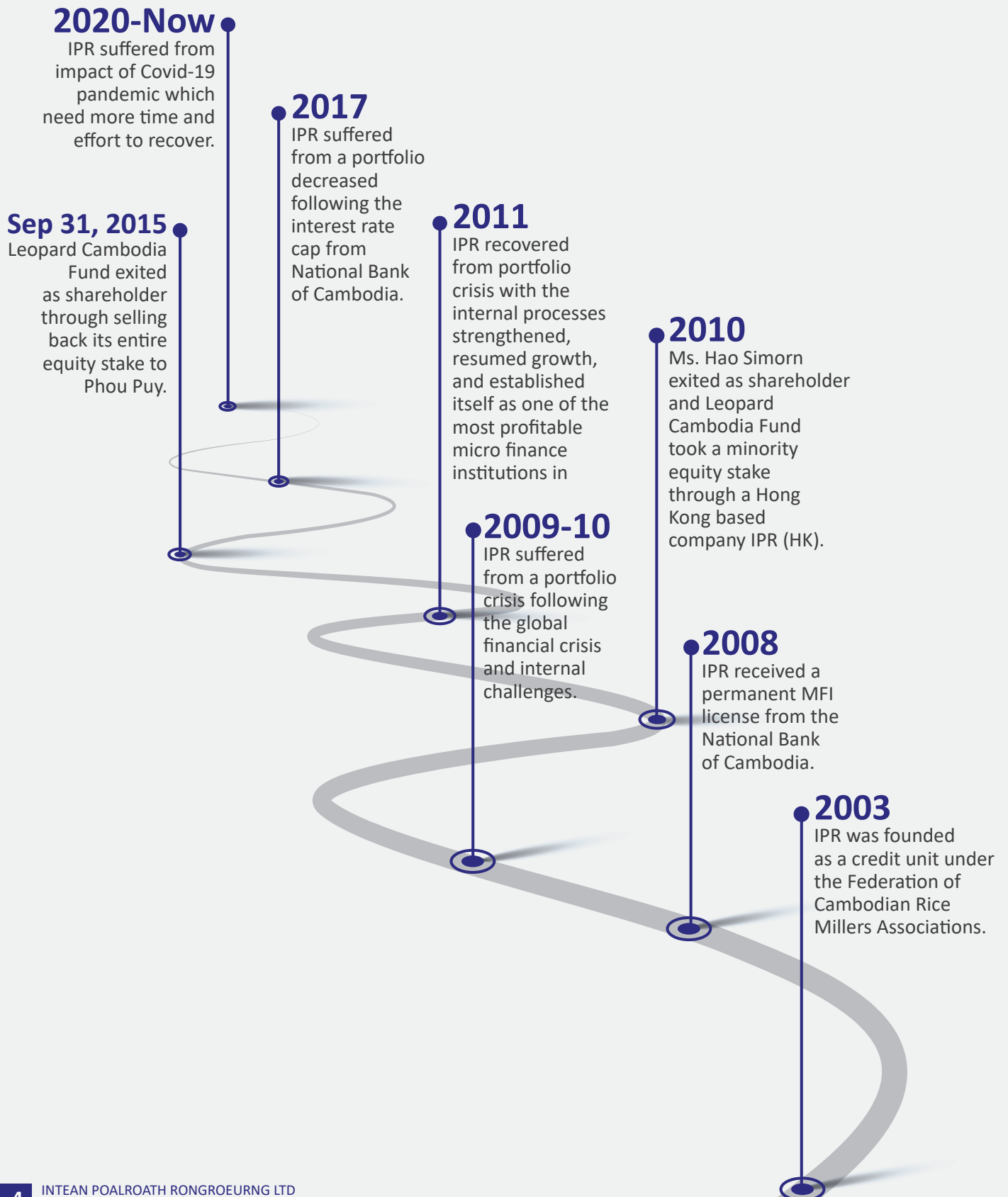
To provide convenient
financial services adapted
to agriculture-related
business in order to
improve the economic
conditions of farmers
while sustaining the
institution's profitable
growth.



VALUE

- . Integrity and Honesty
- . Accountability
- . Teamwork
- . Transparency

COMPANY BACKGROUND



CHAIRMAN'S MESSAGE



Mr. OKNHA PHOU PUY
CHAIRMAN OF THE BOARD
OF DIRECTORS

2021 was a difficult year for IPR due to the Covid-19 crisis, however, the institution was able to withstand the storm by reacting quickly to situations, making sure its staffs and clients received the supports they needed.

In early 2021, when the community outbreak of Covid-19 hit, IPR was able to respond quickly, thanks to the close cooperation between Management and the Board. We made sure to put the safety of our employees and clients first, by raising awareness on protective measures, and enabling staffs to work from home when possible.

Thanks to the continued support from the National Bank of Cambodia, allowing institutions to provide restructuring facility to clients who faced financial

difficulties due to the pandemic. In order to reduce their economic difficulties in meeting repayments, IPR has offered them more flexibilities in repayment conditions, with restructuring policy to extend loan terms and defer principal, to the vulnerable clients.

At the same time, IPR has also implemented cautious stance in disbursement and slow down our growth plan on the loan portfolios, in order to reduce the risks for the clients and the company.

IPR's performance has fallen in 2021, however, we managed to stand firm, despite the difficult circumstances, we were able to maintain strong liquidity buffer.

Despite the difficulties, IPR will remain focused on its mission toward the agricultural sector that is the backbone of Cambodia's economy. With that being said, for IPR's future growth, agriculture sector will continue to be the main market segment for IPR in terms of its credit portfolio, in addition with other segments.

More importantly, we have developed a more comprehensive business model along the agricultural value chain with complementary cooperation partners. Our unique combination of profitability, low leverage, agricultural focus, and positive social impact on rural farmers makes us an attractive investment proposal, and with the introduction of more product choices, we hope to expand our reach to more consumer base that align with the current economic state. IPR remains a strong base microfinance in terms of equity and clear strategic market positioning. IPR will strive to continue achieving financial health and long-term growth.

I extend the continued gratitude and appreciation to our Board members, our business partners, our valuable clients, and IPR executive management team and all levels of IPR employees for their continued commitment and dedication.

Sincerely Yours,



Oknha PHOU Puy
Chairman of the Board of Directors

BOARD OF DIRECTORS



MR. OKNHA PHOU PUY
CHAIRMAN

Mr. Oknha PHOU Puy is the Founder and Chairman of the Board of Directors of IPR since inception, prominent Cambodian Agriculture Entrepreneur, particularly in rice milling; chairman and CEO of Baitang (Kampuchea) Plc, operator of the largest rice miller in Cambodia.



MR. HSU MING-YEE
INDEPENDENT DIRECTOR

Mr. HSU Ming-Yee has been a director of IPR since 2015 and the chair of IPR Audit and Risk Committee since 2019. He is an independent microfinance consultant and investor. He used to work as Adviser, then as Head of Operations department at IPR from 2011 to 2014. Before engaging with IPR, Mr. HSU Ming-Yee worked for ADA, a Luxembourg NGO specialized in microfinance, where he coordinated the set-up of the Luxembourg Microfinance and Development Fund and managed its investment portfolio in Asia and East Africa. Prior to ADA, he worked for the European Commission in Malaysia and for the Central Bank of Luxembourg. Mr. HSU Ming-Yee has published works on banking stability, the US personal savings rate and microfinance funding.



MRS. POK NIVILAY
INDEPENDENT DIRECTOR

Ms. POK Nivilay serves as an independent director since April 2016. She has a long and distinguished career in Sales & Marketing, Communication and Accounting. She previously worked as Head of Marketing and Communications; Key Accounts Manager; Sales Support Manager; and a TV host. Ms. Nivilay holds Master and Bachelor degrees in Business Administration, majoring in General Business Management.



MR. PECH SANY
INDEPENDENT DIRECTOR

Mr. Pech Sany was appointed as an independent director of IPR since January 2020. Beside IPR, he is currently a Deputy CEO in Charge of Operation Department and Admin and Finance Department.

Mr. PechSany has more than two decades' banking experience to his name. He held various positions with NBC, RDB project and other Commercial Bank, starting from Supervision and Examination Department of NBC, Credit Officer of RDB, Chief Bureau in charge of MIS, Chief Bureau of R&D, Vice Head of Accounting and Finance Department and Head of Project Management Unit. He has obtained a Master degree in Finance from the National University of Management in 2004 and a Bachelor degree in Banking from the University of Banking, Vietnam in 1991.

CEO'S MESSAGE



PHOU SOVANCHAN
CHIEF EXECUTIVE OFFICER

2021 has been a challenging year for IPR and the whole community that we serve. Earlier this year when the community outbreak of Covid-19 hit, we reacted quickly by finding solutions to help our clients who were affected by this pandemic. We had implemented our Business Continuity Plan under the lead of the BCP committee, laying out rules, actions and instructions to follow in order to make sure that we can keep our clients and employees safe, while also ensuring our business continuity.

Likewise, our first priority during the time was to ensure the safety of our clients and employees. Despite the difficult circumstances, we managed to stand firm, thanks to the guidance of the board of directors and close cooperation among the Management team.

Like many institutions in the industry, our financial performance was impacted by Covid-19, especially the continuance of Covid-19 cases that was unexpectedly occurred within the community. Since the year 2020 when Covid-19 was first hit, until this year 2021, IPR had been more conservative towards the growth in disbursement to ensure our sustainability, especially during this dimming period. As a result, our gross loan portfolio grew by just 4.6% over the year, which the loan portfolio reached USD 6.8 Million, and we were able to maintain acceptable loan portfolio with NPL at 2.05%, decreasing since 2020 (2.29%), and better than average MFI sector of 2.4% for NPL. We have also worked to reduce our written off loans to 1.47% this year.

Since the previous year when IPR tried to adapt with the market environment through modification of existing loan products and designing new product offers in response to the changing customers' behaviour, we saw positive outcomes, and even though this year's performance has dropped, IPR will continue to remain flexible towards the changing market behaviours through the diversification of new loan products that meet the needs of our existing and new clients.

Thanks to the ongoing support and prudent supervision by the National Bank of Cambodia, in response to its directives, we were able to provide rescheduling of loans to help reduce the repayment burden of the vulnerable clients due to the pandemic. In 2021, we have rescheduled 142 accounts that amounts to USD 637,656 in loan portfolio.

In response to changing market environment especially in the era of climate change, IPR will continue to adapt itself and make improvement. IPR will also continue to focus on strengthening and improving our internal processes and business strategies to achieve better productivity and sustainability, while also taking into account the climate factors. Moreover, technology remained an important factor for our operation that IPR needs and to be achieved in the future. At the same time, to show our commitments towards our clients, IPR is committed to pursue the Client Protection Principle certificate in the coming years.

On behalf of IPR's management, I wholeheartedly express my appreciation towards all our employees of IPR, the Board of Directors, the Shareholder and the investor for all the support and guidance. We will continue the efforts and cooperation for the better of IPR and its stakeholders, and continuous reflection and improvement is a must.

Sincerely Yours,

PHOU Sovanchan
Chief Executive Officer

EXECUTIVE MANAGEMENT



Miss. PHOU SOVANCHAN **CHIEF EXECUTIVE OFFICER**

Miss. PHOU Sovanchan was appointed as Chief Executive Officer on 01 January 2021. Previously, she worked as Compliance Officer at IPR, serving this function since July 2019. Prior to that, she had worked as a trainee assistant to CEO for 6 months during 2018.

Sovanchan has obtained a Bachelor's degree in Accounting and Finance from Cam-Ed Business School, while at the same time, obtained a Certified Accounting Technician (CAT) certificate from the same school in 2018. In 2020, She has obtained a Master's degree in International Business, from Grenoble Ecole de Management, Singapore. During second year of Master's course, Sovanchan joined IPR during July 2019, as a Risk and compliance officer, and that was when she also obtained a Regulatory Compliance Certificate granted by The Institute of Banking and Finance, an institution owned by The Association of Banks in Cambodia. Sovannchan is currently pursuing a Charter Banker qualification offered by the Charter Banker Institute, UK.



MR. CHENG VANNET **HEAD OF OPERATION**

Mr. CHENG Vannet served as Head of Internal Audit at IPR since 2016. He joined IPR in January 2010 and held various positions including Loan Recovery Manager, Main Branch Manager, Credit Manager and Acting Head of Operations. Prior to joining IPR, he worked as Credit Officer and Operations Manager with other MFIs.

Mr. Vannet obtained Master's Degree of Business Administration majoring in General Management from Panha Chiet University in 2014 and He also graduated Bachelor's Degree of Economics majoring in Rural Economic Development from RULE in 2002.

EXECUTIVE MANAGEMENT



MR. HAY KIMKHORN

HEAD OF FINANCE AND ADMINISTRATION

Mr. HAY Kimkhorn serves as Head of Finance and Administration of IPR since 2009. He has been working with IPR for over 15 years since 2006 in different roles such as Branch Assistant, Branch Manager, and Head of Operation. Before joining IPR, he worked as a Bookkeeper of another MFI.

Mr. Kimkhorn holds a BBA in Finance and Accounting and MBA in Management from University of Management and Economic (UME), Battambang Province. He also has attended several training courses related to microfinance.



MR. PHOUK COVITH

ACTING HEAD OF INFORMATION TECHNOLOGY

Mr. PHOUK Covith, joined IPR as IT Manager in February 2020. Prior to joining IPR, He performed as IT Manager at Lyhour Exchange in 2018. And Senior Supervisor at Prudential Life Assurance Cambodia in 2017. And 2015, He worked for Amret MFI as Senior Programmer. From 2012 to 2014, He led a lot of projects to join I-ENVEX-2014 event at Malaysia.

He holds Bachelor's Degree of Computer Sciences of Norton University. His expertise with MFI and Life Assurance are developing and managing Core System, MIS Report, Data Warehouse, In-House Application and Support.



MR. SENG KAKADA

ACTING HEAD OF INTERNAL AUDIT

Mr. SENG Kakada was appointed as the Internal Audit Manager at IPR. in May 2020. Prior to joining IPR, he worked as a Senior Credit Officer at SAMIC Microfinance Plc. From 2014 to 2017. In 2019, he also continued his work at Canadia Bank as a Credit Analyst from April 2019 to April 2020. He has more than 6 years of work experience in the financial sector.

Mr. Kakada holds a Master's degree in Finance and Banking from Norton University and a Bachelor's degree in Finance and Banking from the University of Human Resources.

SHAREHOLDER AND LENDER



SHAREHOLDER

Mr. Oknha PHOU Puy
is a private Cambodian individual
shareholder and main founder of
INTEAN POALROATH RONGROEURNG Ltd.

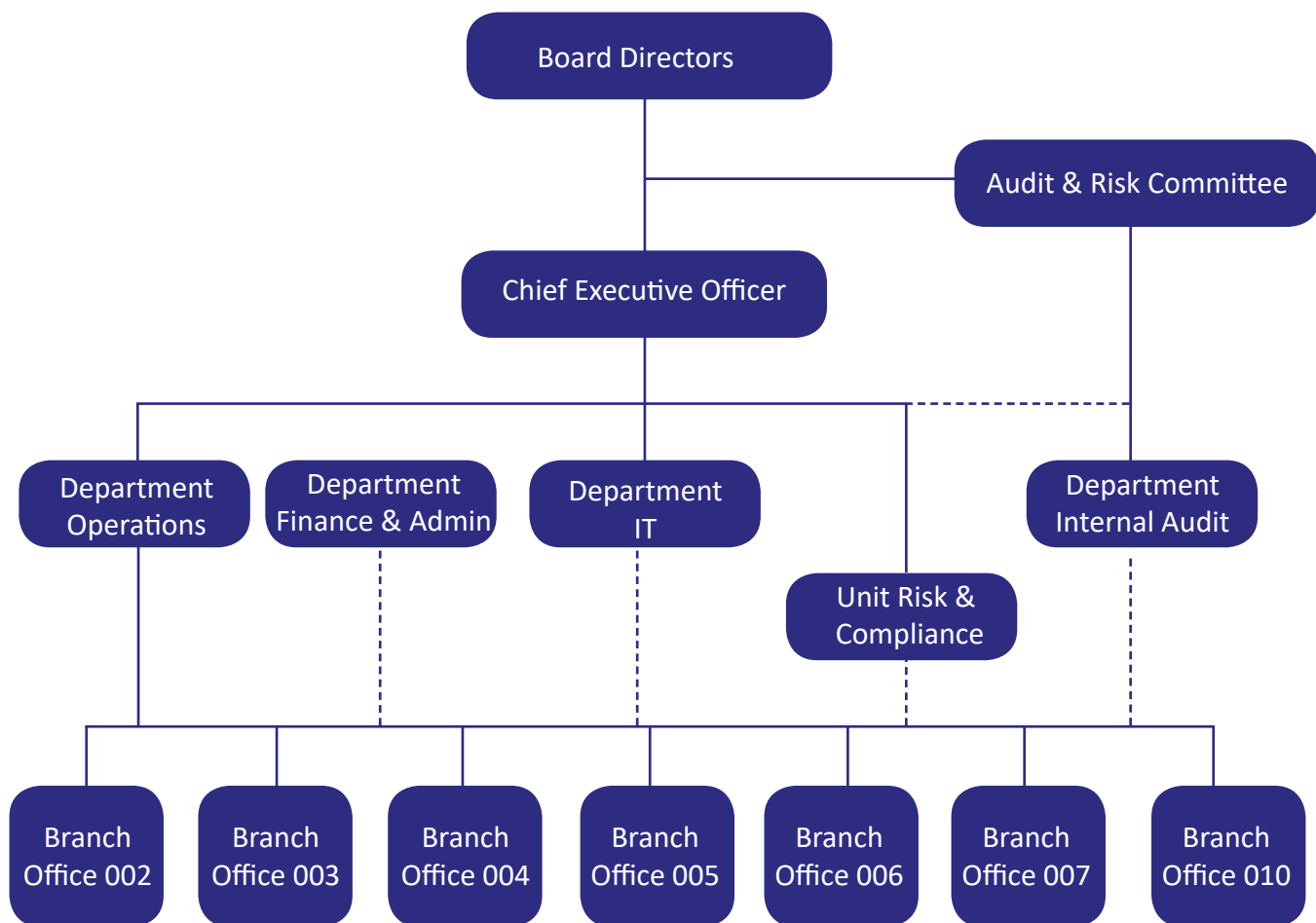
LENDER

Mr. HSU MING-YEE,
citizen of the Grand Duchy of
Luxembourg, passport number H5NJ9N3,
and he is a director of the board of
INTEAN POALROATH RONGROEURNG Ltd.

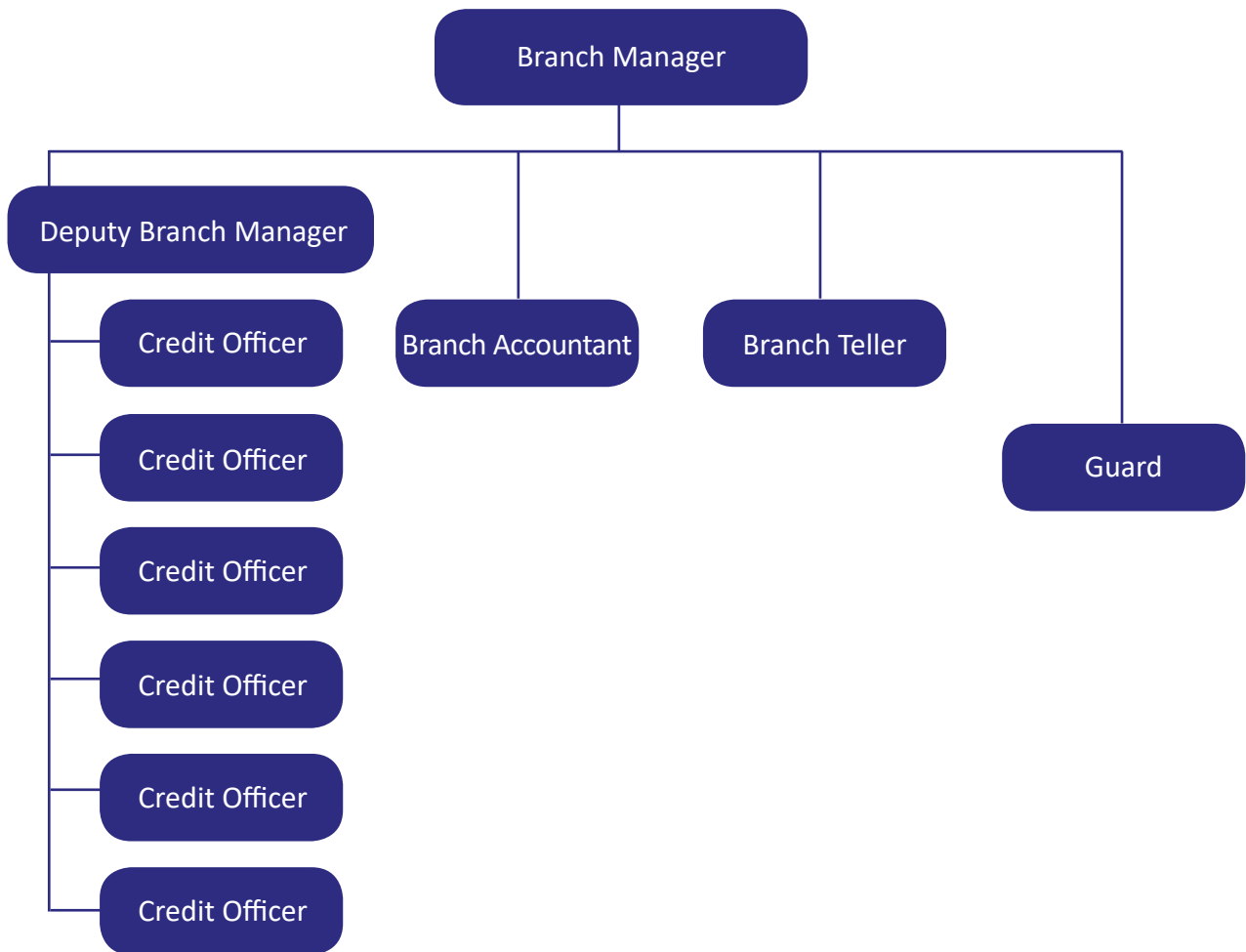




ORGANIZATIONAL CHART



BRANCH STRUCTURE



CLIENTELE AND PRODUCT

IPR continue adjusted its credit policy and procedures and developed other relevant policies in adaptation to the concept of CPP standards for day-to-day operations and practices in all IPR's branches. Existing loan products were modified and new loan products were developed to suit the clients' needs, in particular the middle and low-income people in the rural areas of Cambodia. The diversification of different loan products aims to meet a larger segment of customers. The list of new loan products with targeted clientele is as bellowed:

No	PRODUCT DESCRIPTION	Target's Clientele
01	Agriculture Loan	Farmers who want to purchase agricultural inputs such as seed, fertilizer, pesticide, drainage's petrol, etc.
02	Agri-equipment/ investment Loan	Individuals who need Agri-equipment for family farming needs/for family business purpose.
03	Asset Loan	Individuals who want to purchase additional farming land(s) to expanding farming activity; and who wants home improvement
04	Business Loan	Any small and medium size businesses, and production enterprises who needs loan to support their operations.
05	Revolving Credit Line	Any small and medium size businesses, and production enterprises who needs loan to support their operations.
06	Home Appliance Loan	Homeowners who need loan for personal/family needs related to housing appliances such as refrigerator, washing machines, air-conditioner, TV, furniture, smart phone, etc.
07	Motorbike Loan	Individuals, in either urban or rural areas, who needs loan to purchase an ownership of motorbike
08	Bridging Loan	Individuals, businesses and enterprises who are short of liquidity within a short period of time, while waiting for cash inflows from their contracted clients.



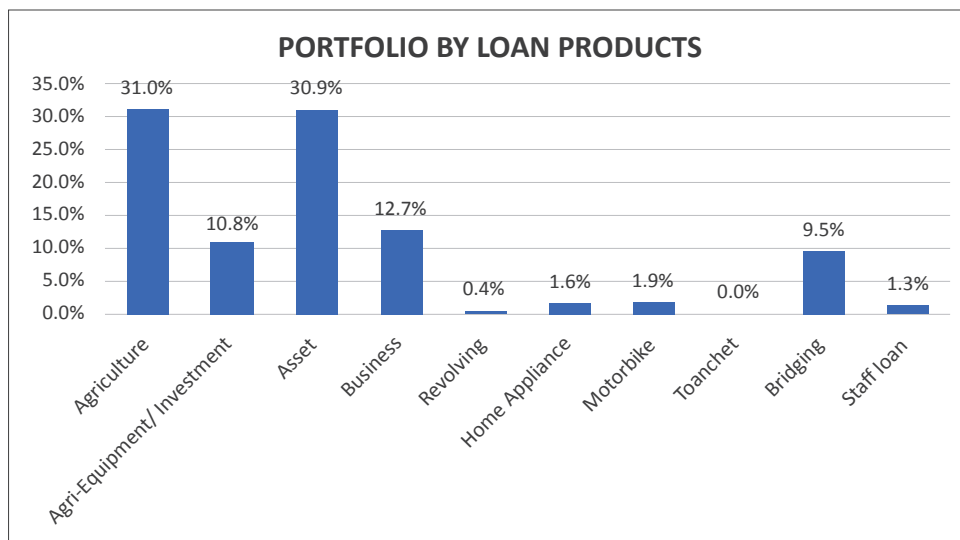
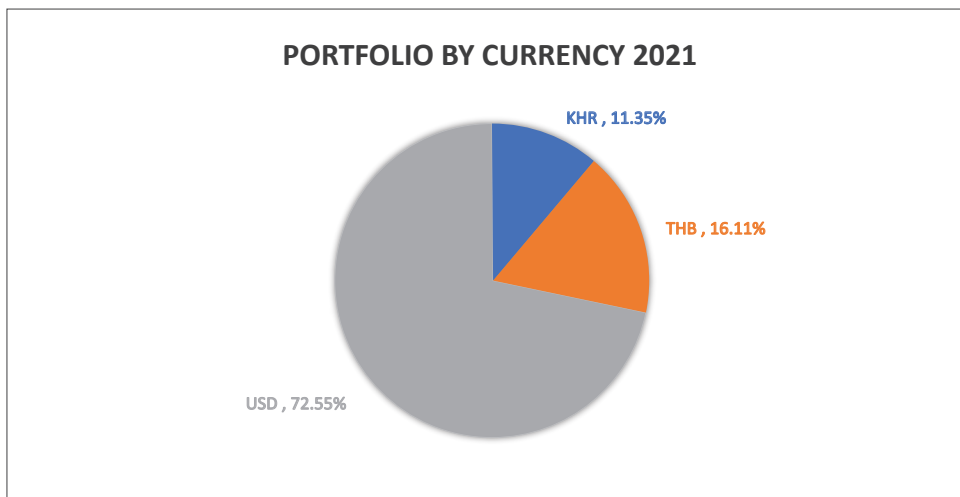
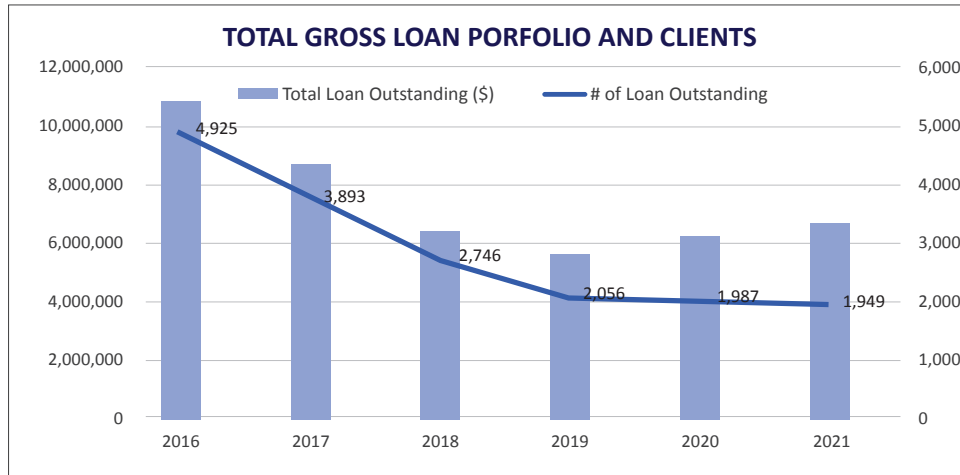
2021's
PERFORMANCE

KEY FIGURES

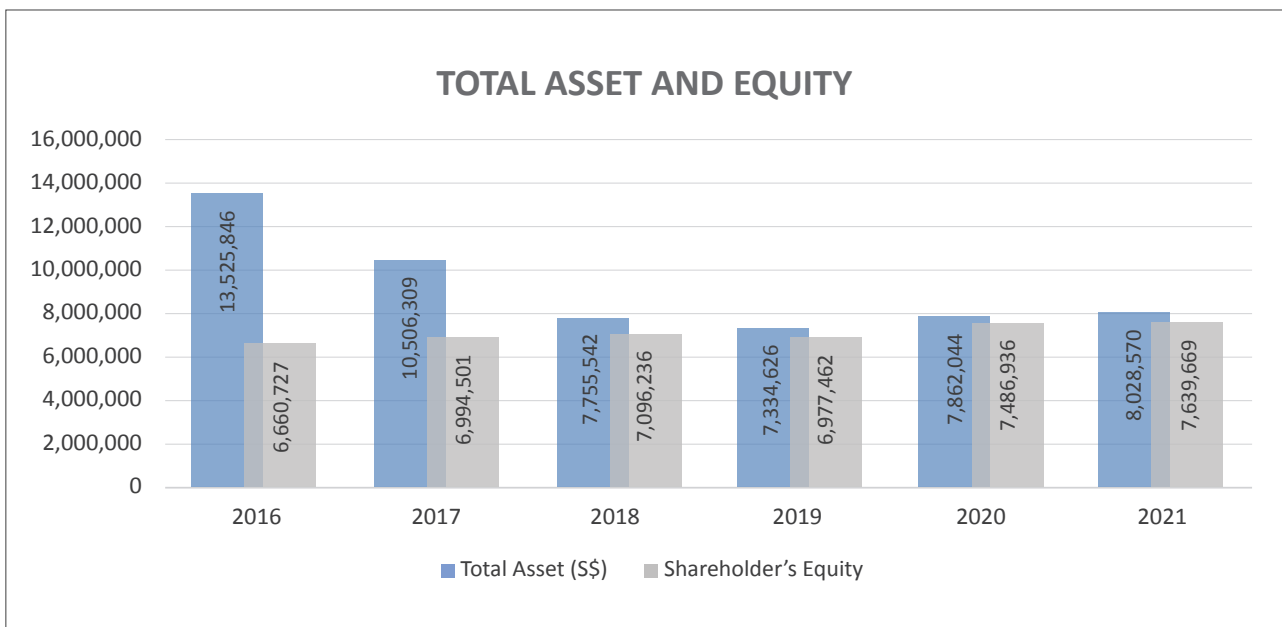
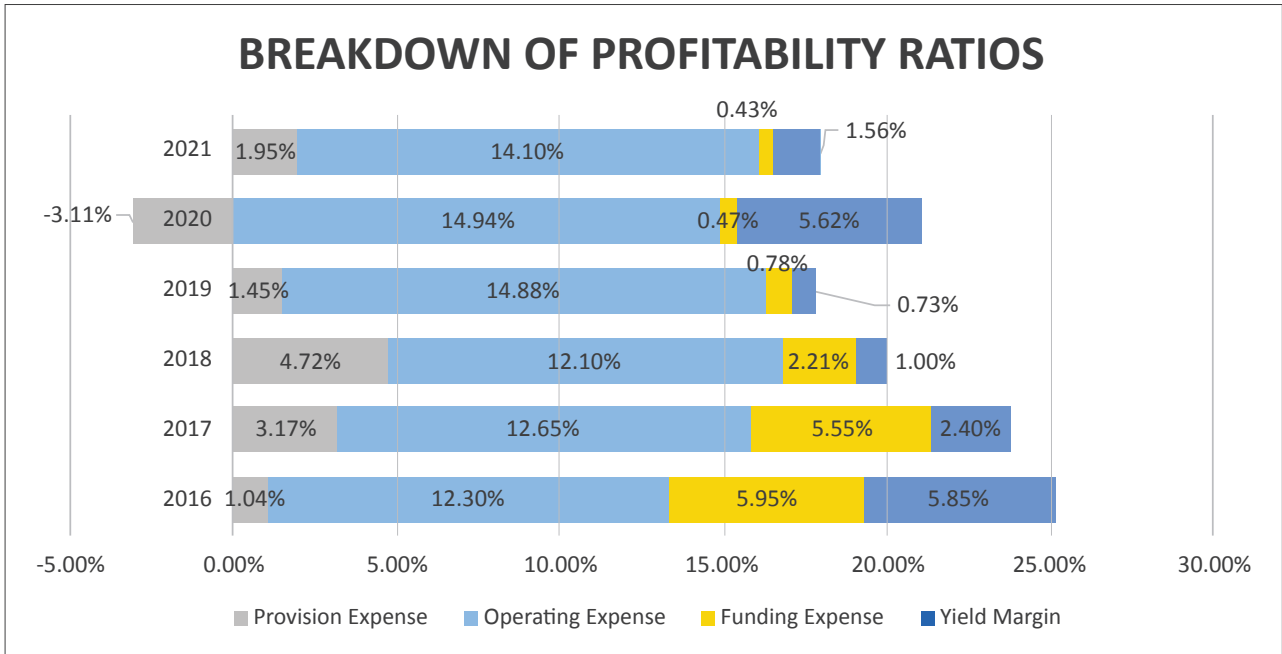
INDICATORS	Measure	Audited 2021	Audited 2020	Audited 2019	Audited 2018
Operating provinces	-	5	8	7	7
Operating districts	-	32	38	35	39
Operating communes	-	138	164	150	161
Operating villages	-	494	526	526	605
Staff	-	72	76	78	91
Outstanding borrowers	-	1949	1,987	2,056	2,746
Gross loan portfolio	US\$	6,808,084	6,457,611	5,827,747	6,686,032
Net profit	US\$	179,343	509,474	311,876	162,354
Total assets	US\$	8,028,570	7,862,044	7,334,626	7,265,766
Total equity	US\$	7,639,669	7,486,936	6,977,462	6,665,586
Women borrowers	%	77.94	86.71	88.81	89.84
Rural borrowers	%	95.43	95.22	96.64	97.82
Agriculture loans	%	42.68	48.90	57	82.7
Portfolio at risk (PAR>30 days)	%	2.05	2.29	3.67	9.27
Write-offs	%	1.48	1.96	5.76	4.37
Yield on portfolio	%	18.68	21.81	19.2	20.90
Cost of fund ratio	%	0.43	0.47	0.8	2.21
Operating expense ratio	%	14.1	14.9	14.9	12.1
Return on assets (ROA)	%	1.92	6.71	4.27	1.83
Return on equity (ROE)	%	2.02	6.8	4.6	2.4
Leverage ratio	%	5	5	5	9
Operational self-sufficiency	%	130	186	137.8	115.7

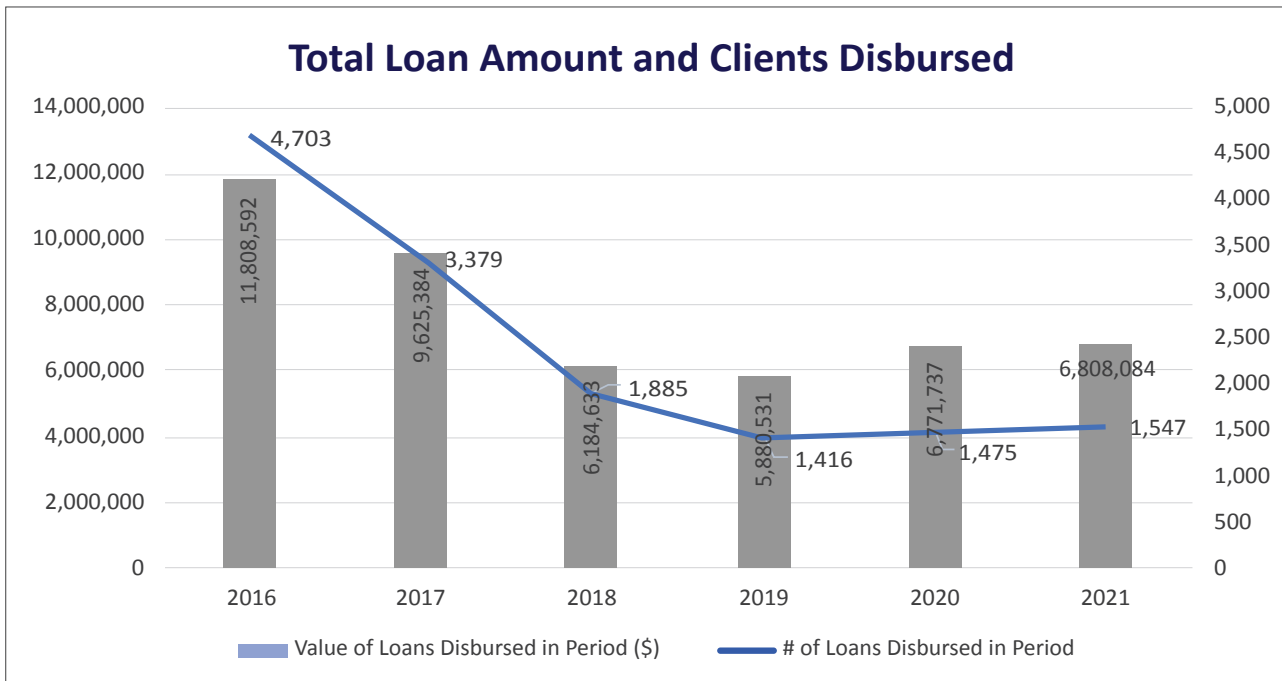
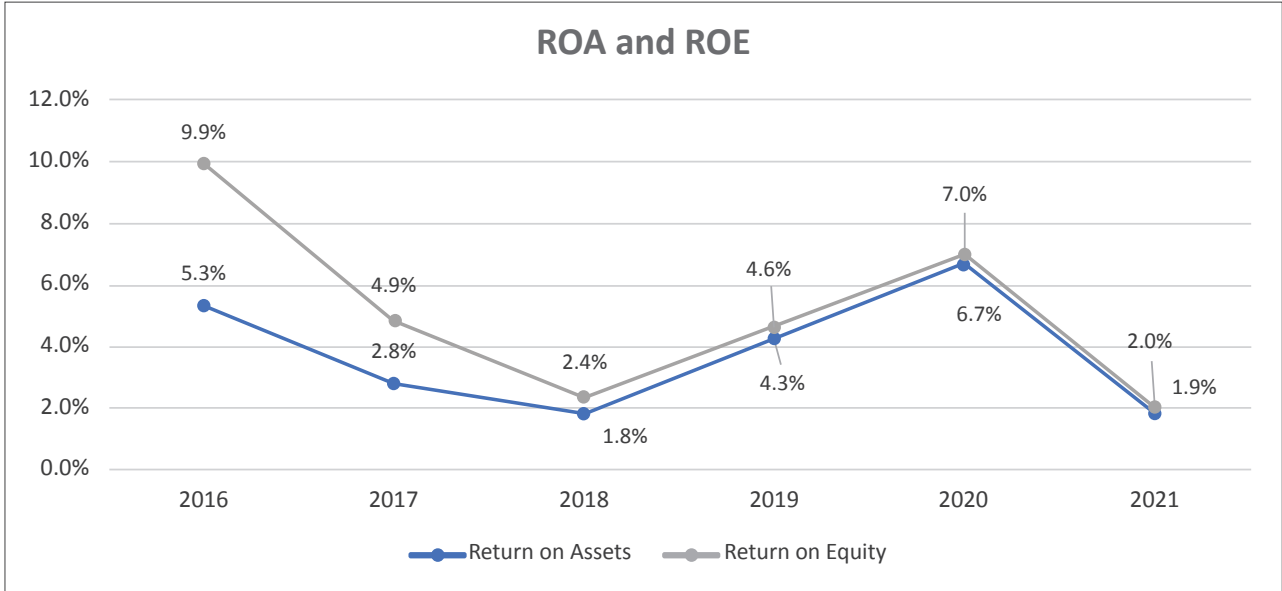
PERFORMANCE

LOAN PORTFOLIO



FINANCIAL RATIO





CLIENT'S STORIES

Mrs. Sok Tom, at her durian farm with two hundred Durian plants. She is one of the successful clients of IPR at Samlot Branch. She has been one of our loyal clients since 2017, having continued her loans for 4 cycles by the end of 2021. The 4th cycle was for the purpose of expanding her business into farming durians. The average loan size of Mrs. Sok is between \$5000 to \$10000.

Her main business is farming, she farms many different kinds of agricultural products such as peppers, cassava and soya beans. Revenues from pepper farms provide Mrs. Sok Tom and her family their main income source, with 300 plants of pepper. Her secondary income source is farming cassava on a 3-hectare farm land.

Throughout their loan cycle, the client has been able to afford for family health care, good food and family trip. More importantly they are able to continue providing for their children's education and their study materials needed. Moreover, Mrs. Sok and her family were able to afford for electricity connection after they use IPR's loan.



Mrs. Sok Tom,
Samlot District, Battambang Province





Mrs. Duon Suon, at her barn feeding a herd of pigs. She is indeed another one of IPR's successful clients, at Banteay Meanchey Province. She has been our client for 4 cycles as of 2021, started her first loan in 2018 which she used it for acquiring a farm land. Farming rice and livestock(pigs) are her primary and secondary source of income, respectively. Her second cycle with IPR was to purchase pigs breeds in order for her to expand her business aside from farming paddy. Whilst, in her 3rd loan cycle, Mrs. Duon used the loan for the purpose of farming dry rice season. Until her current cycle, she use some of the amount for farming dry rice and some for her child who needs to prepare for immigration to work oversea.

With the loan, Mrs. Duon was able to provide for her whole family with adequate and good food, buying new clothes for her family as well as renovate some parts of her house.

**Mrs. Duon Suon,
Banteay Meanchey Province**



INTERNAL AUDIT AND CONTROL

Internal Audit is a dynamic profession involved in evaluating and improving the effectiveness of risk management, control, and governance processes in IPR. Internal Auditors work with management to systematically review systems and operations. These reviews aimed at identifying how well risks are managed including whether the right processes are in place, and whether agreed procedures are being adhered to. Internal Audit can also identify areas where efficiencies or innovations might be made.

Internal Audit Department has three staffs including one Internal Audit Manager and two operational auditors.

In 2021, Internal Audit Department conducted 3 audited cycles in each branch and for the 3rd cycle, we had conducted a partial scope audit focusing on the issue and unacceptable rated findings based on the 2nd cycle result in order to monitor their progression. As a result, the risk score and rating for all branch are either Acceptable, Supplementary issue or Issue.

In the same year, the department organized three meetings with Audit and Risk Committee to discuss about the findings and action plan for next year.

As the secretary of Audit and Risk Committee, Acting Head of Internal Audit regularly send the risk limit and risk registration on a monthly basis and quarterly basis to Risk Committee and the Board of Directors for review and provide constructive recommendations.

Internal Audit Department moreover has put in place the **“Internal Audit Worksheet and Rating System” for non-performing loan and written off loan**. The new system identifies specific risks on loan recovery, loans follow-up and assess the effectiveness of the management of bad loan of each branch.



STAFF AND CAPACITY BUILDING

INDICATORS	2021	2020	2019	2018
Staff Information				
<i>Number of Total Staff</i>	72	76	78	91
<i>Number of Management</i>	13	14	13	16
<i>Percentage of Office Staff</i>	58%	56%	56%	56%
<i>Percentage of Field Staff</i>	42%	44%	44%	44%
Staff Education				
<i>Master's degree</i>	6%	7%	6%	7%
<i>Bachelor's degree</i>	49%	50%	51%	56%
<i>Association and under</i>	45%	43%	43%	37%

List of Trainings and Workshops in 2021

Internal Trainings

1. New Staff Orientation Training
2. Refreshment Training on Credit Policy and Procedures
3. Digital Signature
4. Training on Weekly plan module
5. Training on Database backup and recovery procedure
6. ICT Policy
7. IPR Annexes of Code of Conduct

External Trainings and Workshops

1. Credit Assessment for SME Lending
2. International and Finance Corporation and Institute
3. Understanding AML and CFT for Management
4. Understanding AML and CFT Implementation for RCM
5. Monthly Monitoring on suspicious Account information
6. Fraud Detection in e-KYC/ Digital Onboarding
7. Internal Audit Challenges and Career Development in Cambodia
8. Diploma in Cambodian Business Law (CBL)
9. E-Filing System

The background features a collage of financial and corporate imagery. At the top, a modern multi-story building is visible. Below it, a stack of silver coins is shown. The bottom left corner contains a bar chart with two bars labeled 'November' and 'December', overlaid with a line graph. A large, dark blue diagonal shape with a yellow border cuts across the right side of the image, serving as a background for the title text.

IPR'S CORPORATE RESPONSIBILITY

TAX PAID REPORT

INDICATORS	(\$) 2021	(\$) 2020	(\$) 2019	(\$) 2018
<i>Patent Tax</i>	3,681.89	3,679.18	3,680.98	4,202.72
<i>Signboard Tax</i>	2,292.76	426.88	485.74	240.00
<i>Transportation Tax</i>	98.18	98.89	99.00	98.89
<i>Tax on Salary</i>	22,410.93	24,100.02	20,667.85	20,941.05
<i>Prepayment Profit Tax</i>	14,186.70	13,678.17	13,243.41	17,325.39
<i>Withholding Tax on Rental</i>	8,334.98	9,779.27	10,262.38	10,860.28
<i>Withholding Tax on Service (residence)</i>	15,621.68	11,417.06	9,080.97	8,577.04
<i>Withholding Tax on Service (non=residence)</i>	1,798.85	1,768.26	1,729.85	1,816.94
<i>Withholding Tax on Interest (residence)</i>	4,206.86	3,294.12	4,211.56	4,581.50
<i>Withholding Tax on Interest (non-residence)</i>	-	-	2,275.71	16,789.28
<i>Tax on Profit</i>	52,595.62	48,493.21	48,219.50	117.96
<i>Stamp Duties Tax</i>	-	-	-	-
<i>Others Tax</i>	8,076.93	-	-	5,619.14

A person in a white shirt is working at a desk. In the foreground, a hand is using a calculator with a digital display. The calculator has various function keys like 'ON/C', '+/-', 'GT', 'SET', 'MRC', 'TAX-', and 'TAX+'. The background shows a person's hands holding and looking at financial documents with bar charts. A large blue diagonal banner with yellow text is overlaid on the right side of the image.

2021 AUDITED FINANCIAL STATEMENT

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors has pleasure in submitting their report together with the audited financial statements of Intean Poalroath Rongroeng Ltd (“the Company”) for the year ended 31 December 2021.

Principal activities

The Company is principally engaged in the provision of micro-finance services. Those services comprise granting credit for poor and low income households and small enterprise operating in the Kingdom of Cambodia.

Financial results

The financial results of the Company were as follows:

	2021 US\$	2020 US\$	2021 KHR'000 (Note5)	2020 KHR'000 (Note5)
Profit before income tax	195,218	663,902	794,146	2,706,728
Income tax expense	(42,485)	(154,428)	(172,829)	(629,603)
Net profit for the year	152,733	509,474	621,317	2,077,125

Share capital

There were no changes in the registered and paid up share capital of the Company during the financial year.

Dividends

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

Reserves and provisions

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

Bad and doubtful loans

Before the financial statements of the Company were prepared, the Board of Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and making of allowance for doubtful loans, and satisfied themselves that all known bad loans had been written off and adequate allowance had been made for bad and doubtful loans.

At the date of this report, the Board of Directors are not aware of any circumstances, which would render the amount written off for bad loans, or the amount of allowance for doubtful loans in the financial statements of the Company, inadequate to any material extent.

Assets

Before the financial statements of the Company were prepared, the Board of Directors took reasonable steps to ensure that any assets, other than loans, which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Company had been written down to amounts which they might be expected to realise.

At the date of this report, the Board of Directors are not aware of any circumstances, which would render the values attributed to the assets in the financial statements of the Company misleading.

Valuation methods

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

Contingent and other liabilities

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

- a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- b) any contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of its business operations.

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

Items of an unusual nature

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board of Directors, to affect materially the results of the operations of the Company for the current financial year in which this report is made except for the significant event disclosed in Note 26.

Events since the reporting date

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

The Board of Directors

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

Oknha Phou Puy	Chairman
Mr. Hsu Ming Yee	Director
Mrs. Pok Nivilay	Director
Mr. Pech Sany	Director

Director's interests

The director who held office at the end of the year and his interests in the share of the Company was as follows:

	2021		2020	
	Holding %	Number of shares	Holding %	Number of shares
Oknha Phou Puy				
25,955 ordinary shares of US\$ 119 each	100%	25,955	100%	25,955

Board of Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Company is a party with the object of enabling the Board of Directors of the Company to acquire benefits by means of share purchase option.

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

Responsibilities of the Board of Directors in respect of the financial statements

The Board of Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors are required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRSs for SMEs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- oversee the Company's financial reporting process and maintain adequate accounting records and an effective system of internal controls;


- assess the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and
- control and direct effectively the Company in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 8 to 38 which, in our opinion, present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with CIFRSs for SMEs.

On behalf of the Board of Directors,



Oknha Phou Puy

Chairman

Phnom Penh, Kingdom of Cambodia

29 April 2022

REPORT OF THE INDEPENDENT AUDITORS

To the shareholder of Intean Poalroath Rongroeurng Ltd

Opinion

We have audited the financial statements of Intean Poalroath Rongroeurng Ltd (“the Company”), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 38 (hereafter referred as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRSs for SMEs”).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors as set out on pages 1 to 4. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

For **KPMG Cambodia Ltd**



Guek Teav
Partner

Phnom Penh, Kingdom of Cambodia

29 April 2022

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	31 December		31 December	
		2021	2020	2021	2020
		US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
ASSETS					
Cash and cash equivalents	6	1,125,713	1,345,813	4,586,155	5,443,814
Placements with other banks	7	12,500	12,500	50,925	50,563
Statutory deposits	8	154,432	154,432	629,156	624,677
Loans to customers, net	9	6,563,105	6,201,442	26,738,090	25,084,833
Other assets	10	30,761	40,988	125,320	165,796
Property and equipment	11	36,051	38,700	146,872	156,542
Deferred tax assets, net	14A	106,008	68,169	431,877	275,743
Total assets		8,028,570	7,862,044	32,708,395	31,801,968
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities					
Borrowings	12	301,875	302,000	1,229,839	1,221,590
Other liabilities	13	18,965	18,856	77,264	76,273
Current income tax liability	14B	68,061	54,252	277,280	219,449
Total liabilities		388,901	375,108	1,584,383	1,517,312
Shareholder's equity					
Share capital	15	3,088,645	3,088,645	12,468,860	12,468,860
Retained earnings		4,551,024	4,398,291	18,403,574	17,782,257
Currency translation reserves			-	251,578	33,539
Total shareholder's equity		7,639,669	7,486,936	31,124,012	30,284,656
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		8,028,570	7,862,044	32,708,395	31,801,968

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 US\$	2020 US\$	2021 KHR'000 (Note 5)	2020 KHR'000 (Note 5)
Operating income					
Interest income	17	1,239,109	1,237,253	5,040,695	5,044,280
Interest expense	18	(28,382)	(28,235)	(115,458)	(115,114)
Net interest income		1,210,727	1,209,018	4,925,237	4,929,166
Other operating income	19	184,270	170,833	749,610	696,486
Net operating income		1,394,997	1,379,851	5,674,847	5,625,652
Personnel expenses	20	(541,216)	(532,649)	(2,201,667)	(2,171,610)
Depreciation and amortisation	11	(14,222)	(16,552)	(57,855)	(67,483)
Other operating expenses	21	(514,690)	(355,123)	(2,093,759)	(1,447,836)
(Impairment loss)/reversal of allowance for finance assets	9,10	(129,651)	188,375	(527,420)	768,005
Profit before income tax		195,218	663,902	794,146	2,706,728
Income tax expense	14C	(42,485)	(154,428)	(172,829)	(629,603)
Net profit for the year		152,733	509,474	621,317	2,077,125
Other comprehensive income / (loss)					
Currency translation difference			-	218,039	(225,627)
Total comprehensive income for the year		152,733	509,474	839,356	1,851,498

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Share capital		Retained earnings		Regulatory reserves		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2020	3,088,645	12,468,860	3,872,369	15,638,550	16,448	66,582	-	259,166	6,977,462	28,433,158
Transaction directly recorded in equity										
Transfer from regulatory reserves to retained earnings	-	-	16,448	66,582	(16,448)	(66,582)	-	-	-	-
Total comprehensive income										
Net profit for the year	-	-	509,474	2,077,125	-	-	-	-	509,474	2,077,125
Currency translation difference	-	-	-	-	-	-	-	(225,627)	-	(225,627)
At 31 December 2020	3,088,645	12,468,860	4,398,291	17,782,257	-	-	-	(225,627)	509,474	1,851,498
At 1 January 2021	3,088,645	12,468,860	4,398,291	17,782,257	-	-	-	33,539	7,486,936	30,284,656
Total comprehensive income										
Net profit for the year	-	-	152,733	621,317	-	-	-	-	152,733	621,317
Currency translation difference	-	-	-	-	-	-	-	218,039	-	218,039
At 31 December 2021	3,088,645	12,468,860	4,551,024	18,403,574	-	-	-	251,578	7,639,669	31,124,012

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

STATEMENT OF CASH FLOW

For the year ended 31 December 2020

	2021 US\$	2020 US\$	2021 KHR'000 (Note 5)	2020 KHR'000 (Note 5)
Cash flows from operating activities				
Net profit for the year	152,733	509,474	621,317	2,077,125
<i>Adjustments for:</i>				
Income tax expense	42,485	154,428	172,829	629,603
Interest income	(1,239,109)	(1,237,253)	(5,040,695)	(5,044,280)
Interest expense	28,382	28,235	115,458	115,114
Unrealised gains on foreign ex-change	(5,068)	(21,203)	(20,617)	(86,445)
Depreciation and amortisation	14,222	16,552	57,855	67,483
Property and equipment written offs	-	2,446	-	9,972
Reversal of loans to customers	129,651	(188,375)	527,420	(768,005)
	(876,704)	(735,696)	(3,566,433)	(2,999,433)
<i>Changes in:</i>				
Loans to customers	(448,484)	(835,789)	(1,824,433)	(3,407,512)
Other assets	(28,481)	72,324	(115,861)	294,865
Other liabilities	109	(5,971)	443	(24,344)
	(1,353,560)	(1,505,132)	(5,506,282)	(6,136,424)
Interest received	1,240,055	1,251,291	5,044,544	5,101,513
Interest paid	(28,507)	(28,235)	(115,966)	(115,114)
Income tax paid	(66,515)	(60,691)	(270,583)	(247,437)
Net cash used in operating activities	(208,527)	(342,767)	(848,289)	(1,397,462)
Cash flows from investing activities				
Acquisition of property and equipment	(11,573)	(31,784)	(47,079)	(129,583)
Net cash used in investing activities	(11,573)	(31,784)	(47,079)	(129,583)
Net decrease in cash and cash equivalents	(220,100)	(374,551)	(895,368)	(1,527,045)
Cash and cash equivalents at 1 January	1,345,813	1,720,364	5,443,814	7,010,483
Currency translation difference	-	-	37,709	(39,624)
Cash and cash equivalents at 31 December (Note 6)	1,125,713	1,345,813	4,586,155	5,443,814

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



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EUR /USD

1,95642

2,5386

Open at
Market Price + Lots -
1.08 -

1,62393

3,20



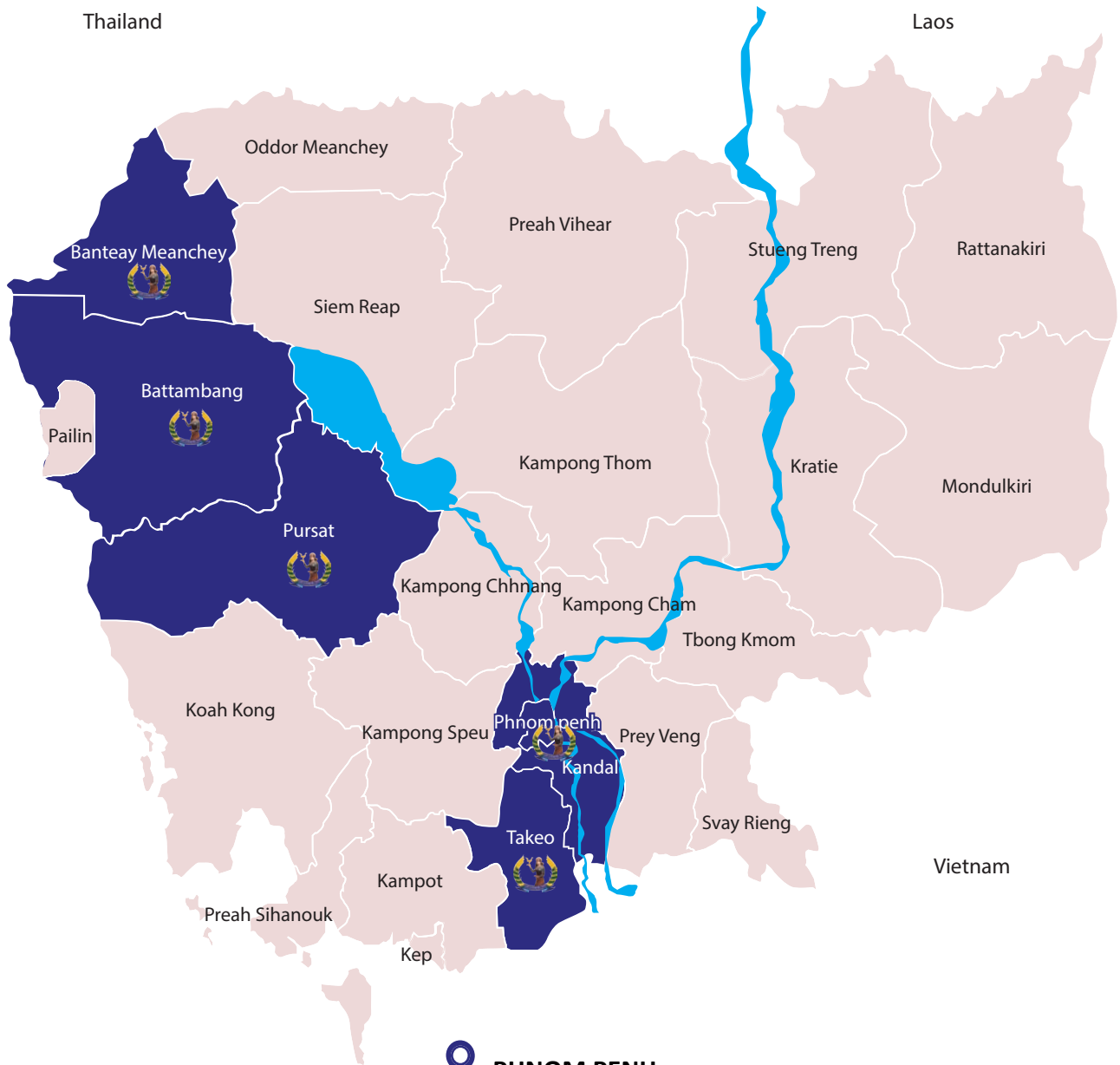
1,34528

MARGIN

CONTACT DETAILS



BRANCH NETWORK



PHNOM PENH

Head Office: #72B, Road No. 317, Village 06, Sangkat Boeung Kak 02, Khan Toul Kork, Phnom Penh

TAKEO PROVINCE
 ▶ Takeo Branch

BANTEAY MEANCHEY PROVINCE
 ▶ Banteay Meanchey Branch

BATTAMBANG PROVINCE
 ▶ Phnom Proek Branch
 ▶ Battambang Branch
 ▶ Sampov Lun Branch
 ▶ Samlout Branch

PURSAT PROVINCE
 ▶ Pursat Branch

PROVINCIAL OFFICE DIRECTORY



PHNOM PENH

Head Office

#72B, Road No. 317, Village 06, Sangkat Boeung Kak 02, Khan Toul Kork, Phnom Penh, Cambodia.

Tel: 023 990 237/ 070 999 739

E-mail: info@iprmfi.com

Website: www.iprmfi.com



TAKEO PROVINCE

Takeo Branch

Kseung Village, Sangkat Roka Knong, Krong Doun Kaev, Takeaev Province.

Tel: 070 999 233/ 070 999 235

E-mail: bm002@iprmfi.com



PURSAT PROVINCE

Pursat Branch

Khnach Romeas Village, Boeng Khnar Commune, Bakan District, Pursat Province.

Tel: 070 999 495/ 070 999 481

E-mail: bm005@iprmfi.com



BATTAMBANG PROVINCE

▶ Phnum Proek Branch

Phnom Touch Village, Pech Chenda Commune, Phnum Proek District, Battambang province.

Tel: 070 999 323/ 070 999 325

E-mail: bm003@iprmfi.com

▶ Battambang Branch

Anhchanch Village, Sangkat Ou Char, Krong Battambang, Battambang Province.

Tel: 070 999 694/ 070 999 692

E-mail: bm006@iprmfi.com

▶ Sampov Lun Branch

Trapeang Prolit Village, Santepheap Commune, Sampov Lun District, Battambang Province

Tel: 070 999 326/ 070 999 347

E-mail: bm007@iprmfi.com

▶ Samlout Branch

Ta Sanh Khang Chheung Village, Ta Sanh Commune, Samlout District, Battambang Province.

Tel: 070 999 734/ 070 999 726

Email: bm010@iprmfi.com



BANTEAY MEANCHEY PROVINCE

Banteay Meanchey Branch

Ou Snguot Village, Banteay Neang Commune, Mongkol Borei District, Banteay Meanchey Province.

Tel: 070 999 478/ 070 999 749

Email: bm004@iprmfi.com



House No. 72B, Road No. 317, Village 06,
Sangkat Boeung Kak 02, Khan Toul Kork, Phnom Penh

Tel: 023 990 237 / 070 999 739 / E-mail: info@iprmfi.com / Website: www.iprmfi.com