



គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ
ភីណានពលរដ្ឋរៀង អិលធីឌី
INTEAN POALROATH RONGROEURNG LTD

ANNUAL REPORT 2022

01.
PRODUCTS, SERVICES
AND CHANNELS
BENEFIT TO CLIENTS

02.
DO NOT
OVERINDEBT
CLIENTS

03.
GIVE CLIENT CLEAR
AND TIMELY
INFORMATION TO
SUPPORT CLIENT
DECISION MAKING

04.
ENFORCE FAIR
AND RESPECTFULL
OF CLIENT

05.
SET PRICE
RESPONSIBLY

06.
RECEIVED AND
RESOLVE CLIENT
COMPLAINTS

07.
SECURE CLIENT
DATA AND INFORMS
CLIENT ABOUT
THEIR DATA RIGHT

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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
- . Dignity and Respect

COMPANY BACKGROUND

The institution received the Gold Fiscal Compliance Certificate from the General Department of Taxation, which is valid for 2021-2022.



2021

2020



IPR suffered from impact of Covid-19 pandemic which need more time and effort to recover.

IPR suffered from a portfolio decreased following the interest rate cap from National Bank of Cambodia.



2017

Sep 31, 2015



Leopard Cambodia Fund exited as shareholder through selling back its entire equity stake to Phou Puy.

IPR recovered from portfolio crisis with the internal processes strengthened, resumed growth, and established itself as one of the most profitable micro finance institutions in Cambodia.



2011

2010



Ms.Hao Simorn exited as shareholder and Leopard Cambodia Fund took a minority equity stake through a Hong Kong based company IPR (HK).

IPR received a permanent MFI license from the National Bank of Cambodia.



2008

2005



Registered with the Ministry of Commerce under the name "INTEAN POALROATH RONGROEURNG LTD." with the registration number Co. 7896/05 P. Received a microfinance institution license, MF 014, from the National Bank of Cambodia.

IPR was founded as a credit unit under the Federation of Cambodian Rice Millers Associations.



2003

CHAIRMAN'S MESSAGE



Mr. OKNHA PHOU PUY
CHAIRMAN OF THE BOARD
OF DIRECTORS

The year 2022 has shown a slowly regaining economic momentum as all countries start to adapt itself to living with Covid-19, and thanks to the support of the government in ensuring the people are able to receive full vaccinations, making it possible in adapting to living with Covid-19.

Moreover, tourism started to rebound as countries reopened their borders. In 2022, Cambodia was able to achieve an economic growth rate of 5.2%, backing by strong exports and a rebound in tourism and domestic economic activities.

However, we are aware of the geopolitical tension going on during the year, causing uncertainties on the surge of inflation and interest rate movement. However, thanks to the continuing efforts of the National Bank of Cambodia for closely monitoring potential risk to the whole system, and taking proactive approach in setting prudential measures to protect the financial stability.

IPR's performance has improved in 2022, compared to that of 2021. We managed to stand firm, despite the ongoing circumstances, and more importantly we were able to maintain strong liquidity buffer.

Despite any circumstance, IPR will remain focused on its mission towards 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, our comprehensive business model along the agricultural value chain with complementary cooperation partners continue to be stay importance. 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 my 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 the inception, he is a prominent entrepreneur in the agriculture sector of Cambodia, especially in the rice milling sector. Mr. PHOU Puy is also the chairman and CEO of Baitang (Kampuchea) Plc, the largest rice miller in Cambodia.



MR. HSU MING-YEE **INDEPENDENT DIRECTOR**

Mr. HSU Ming-Yee 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.



MRS. POK NIVILAY **INDEPENDENT DIRECTOR**

Ms. POK Nivilay has served as an independent director since April 2016. She has a long and distinguished career in Sales & Marketing, Communications and Public Relations. She previously worked as Head of Marketing and Communications, Corporate Sales Manager, and as a TV host of Law and health talk shows. Ms. Nivilay holds a Bachelor and a Master's degree of Business Administration with a major in General 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 of Agriculture Rural Development Bank (ARDB). H.E Pech Sany 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 a Master degree in Finance from National University of Management in 2004 and Bachelor degree of Banking from the University of Banking, Vietnam in 1991.

CEO'S MESSAGE

After a challenging year in 2021, the year 2022 had begun with more optimism for the economy to slowly regain its momentum after countries fully reopened their borders amid the receding Covid-19 cases, yet until the raised tension between Russia and Ukraine, that had triggered a surge in inflation across the globe. Fortunately, Cambodia managed to achieve a real growth rate of 5.2% in 2022, during this period where the country's economy felt the pressure from such inflation rise, having marked the highest rate in more than a decade, from 2.9% in 2021 to 5.4% in 2022. Thanks to the dedicated effort of the National Bank of Cambodia, that Cambodia was able to maintain the KHR exchange rate at stable levels, despite the strong appreciation of the USD in international markets.

IPR was also able to keep our performance under control for the year 2022, we were able to grow slowly and carefully, holding firm our top priority that is to ensure we provide the assistance to our clients and employees, at any circumstances that deem needed. Thanks to the guidance of the board of directors and close cooperation among our Management team.

By means of growing slowly and carefully, IPR had remained conservative in the growth of our disbursement while assuring our sustainability. Our gross loan portfolio grew by about 4% over the year, in which the loan portfolio reached USD 7 Million, and we were able to maintain an acceptable loan portfolio with NPL at 3.13%, though increased compares to 2021 (2.05%). We have also worked to reduce our written off loans to 0.69% this year. One of the ways we helped our clients during difficult times, was providing rescheduling of their loans to ensure they are able to cope with their economic downturn while receiving loosen debt burden for the time being.

IPR is highly committed in complying with the Banking and Financial Institutions' Code of Conduct that was established and rolled out to the whole sector in March 2022, and it is with utmost importance that our clients are being treated with fairness and professionalism, and that we conduct our lending responsibly with transparency, likewise it is our role to take part in continue fostering the confidence in the whole banking and financial system. IPR is also committed to achieving the Client Protection Principle Certification as one of our key strategies for coming year.

IPR had managed to improve its overall performance, in particular, its return on asset and equity both increased in 2022 compares to 2021. Small, yet deserving improvement for our performance in 2022. This is greatly contributed by our key stakeholders. I wholeheartedly would like to express my appreciation for the hard-earned efforts of our Management Team, all levels of our front and back office employees, our Branch managers and our staffs at the field; IPR's Board of Directors, for the advice and guidance; Likewise, our partners and the Association of Cambodia Microfinance for continuing assistance, and finally the National Bank of Cambodia, for the ongoing support and prudent supervision that ensure the competition in the market is executed fairly and with prudence.

On the other hand, as the market continues to evolve, IPR will remain flexible in response to the changing market behaviours by means of diversification of new loan products to meet the needs of existing and new clients. At the same time, with regards to climate change era, IPR will stay adaptable and continue to strengthen and improve our internal processes and business strategies so that we can achieve better productivity with sustainability, while also taking into account the climate factors.

On an important note, our employees' capability continues to play a major role in supporting the company's strength, and IPR is committed to continue ensuring that we provide the supports that our employees' needs to perform their job effectively and efficiently.

On behalf of IPR's management, I would like to express my sincere appreciation for all of IPR employees, the Board of Directors, the Shareholder and the investor for all the support and guidance. We will continue the efforts and cooperation with continuous reflection, for the advancement of IPR and our stakeholders.

Sincerely Yours,

PHOU Sovanchan
Chief Executive Officer



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. Sovanchan 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

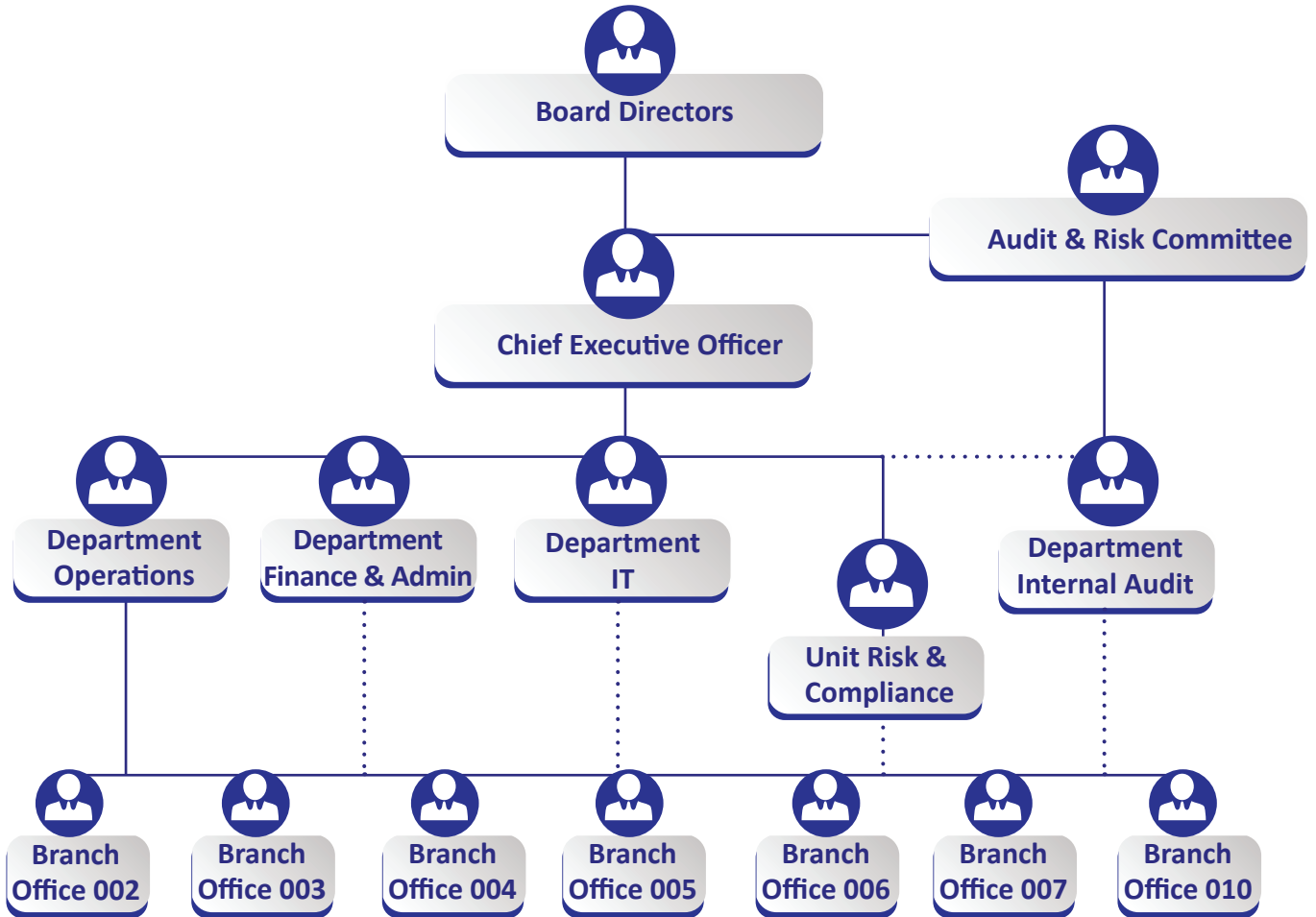
is a private Cambodian individual
shareholder and main founder of
INTEAN POALROATH RONGROEURNG Ltd.



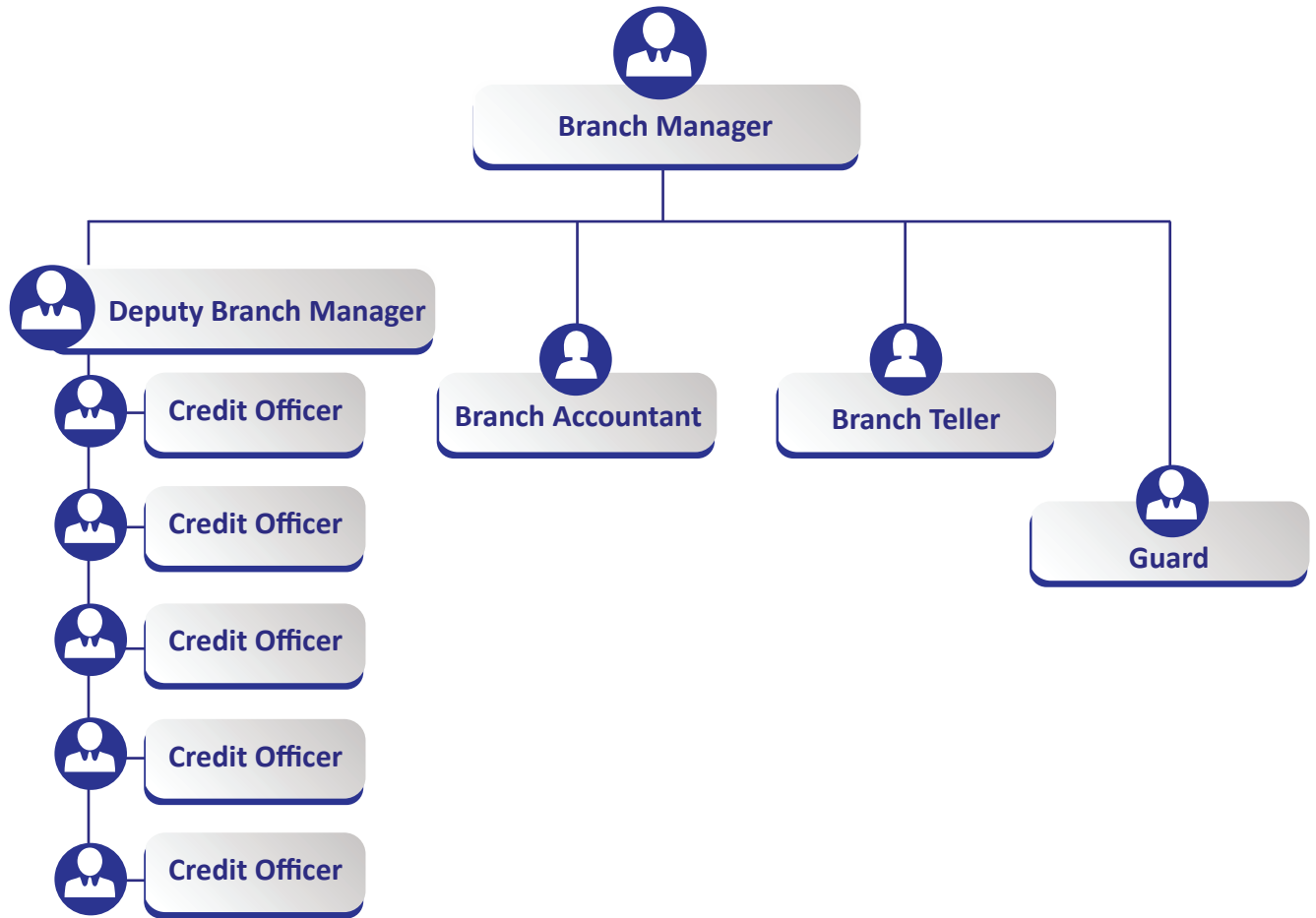
LENDER

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's LOAN PRODUCTS

IPR continue adjusted its credit policy and procedures and developed other relevant policies in adaptation to the concept of Client Protection Principal 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 IPR's loan products is as bellowed:

AGRICULTURE LOAN



Agriculture Loan: Mainly focus on general farmers and member Agriculture Value-Chain (AVC), for the purpose to purchase of agricultural equipment, which includes: seeds, fertilizers, pesticides, oil and agricultural fees, etc.

AGRI-EQUIPMENT/ INVESTMENT LOAN



It is for general customers who focus on either farmers or rural business people who need to buy agricultural equipment for personal use or for family business purposes.

BRIDGING LOAN



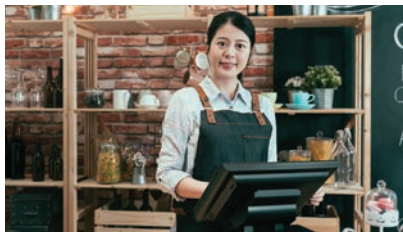
For registered companies, SME and Retails Stores who had liquidity problem for a short period of time such as to pay to suppliers, to pay debt to the bank.

ASSET LOAN



The purpose of this loan is to purchase additional agricultural land to expand agricultural activities or to renovate existing houses, build new houses on privately owned land.

BUSINESS LOAN



The purpose of this loan is to support all small business owners, retailers, service providers who need money to support their business operation and/or purchase heavy equipment for their business purpose.

REVOLVING LOAN



The purpose of this loan is to support the operational needs of all types of businesses and manufacturing enterprises, including small and medium enterprises.

MOTOBIKE LOAN



For existing customers and other customers who need their own motorcycle for general or business use.

HOME APPLIANCE LOAN



For existing customers and other customers who need home appliances for family convenience or personal entertainment needs.

IPR's CLIENTELE

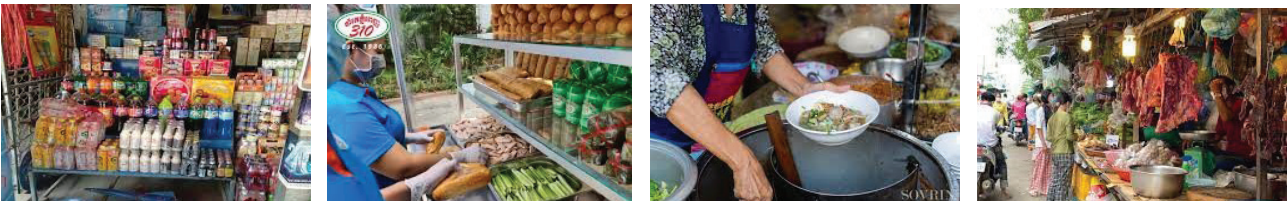
Farmers

Farmers who need money to support their farming activities, to invest for heavy equipment, or to buy addition farm land.



Small Business Owner

Small business owner, retail store, grocery store, cloth shop, fashion shop, service providers etc. who need working capital to support their business requirements and operation.



Small and Medium Enterprise

Registered SME, Private Company, Retail Store, Depo, super market etc. who faced with liquidity problem at a specific period of time to support their specific need to fulfil their stock or pay-off their loan with Bank of financial institution.



Other Consumer Clients: other general customer, including professor, public servants, private company staff (which have regular monthly salary), who want to buy motorcycle or home appliance (refrigerator, air conditioner, laundering machine, TV, water pumping, solar lamp etc...) for their personal use to provide better living condition or entertainment for their family.

IPR'S PERFORMANCES

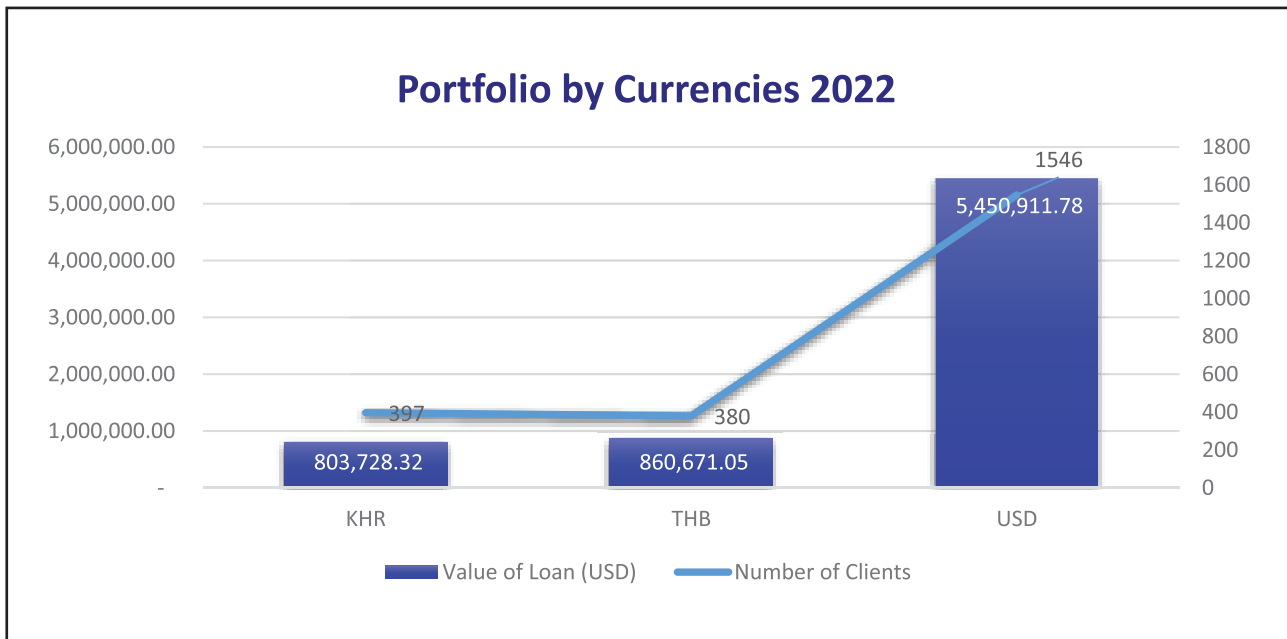
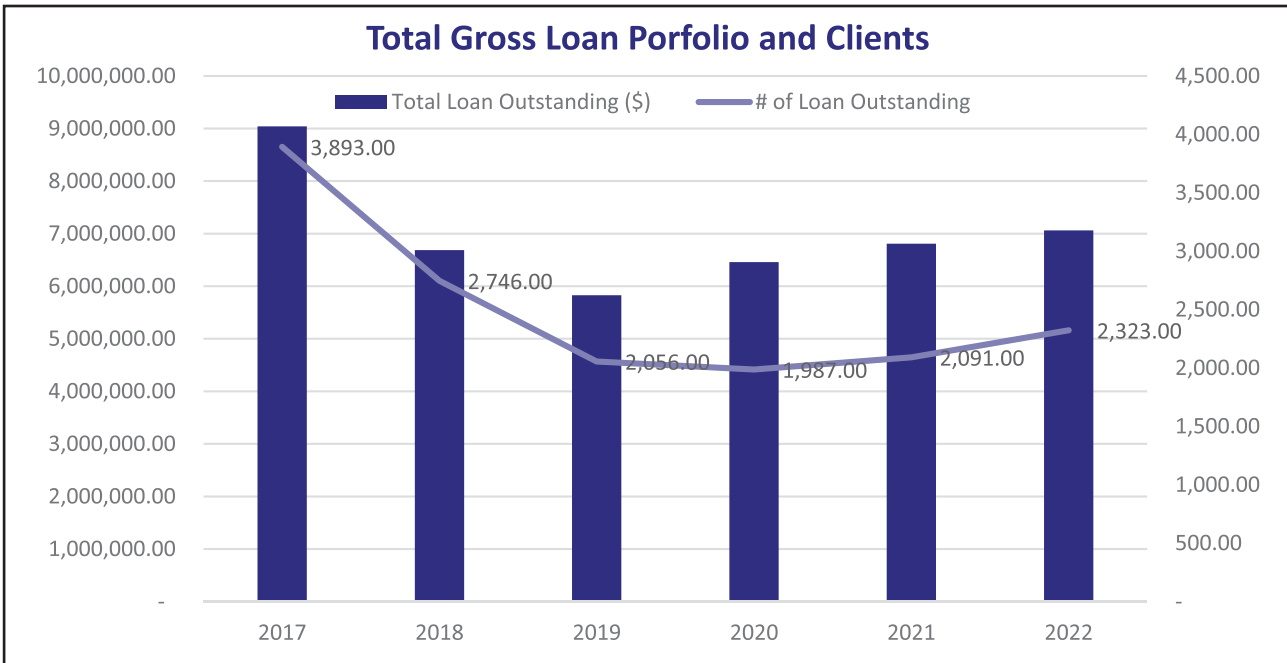


KEY FIGURES

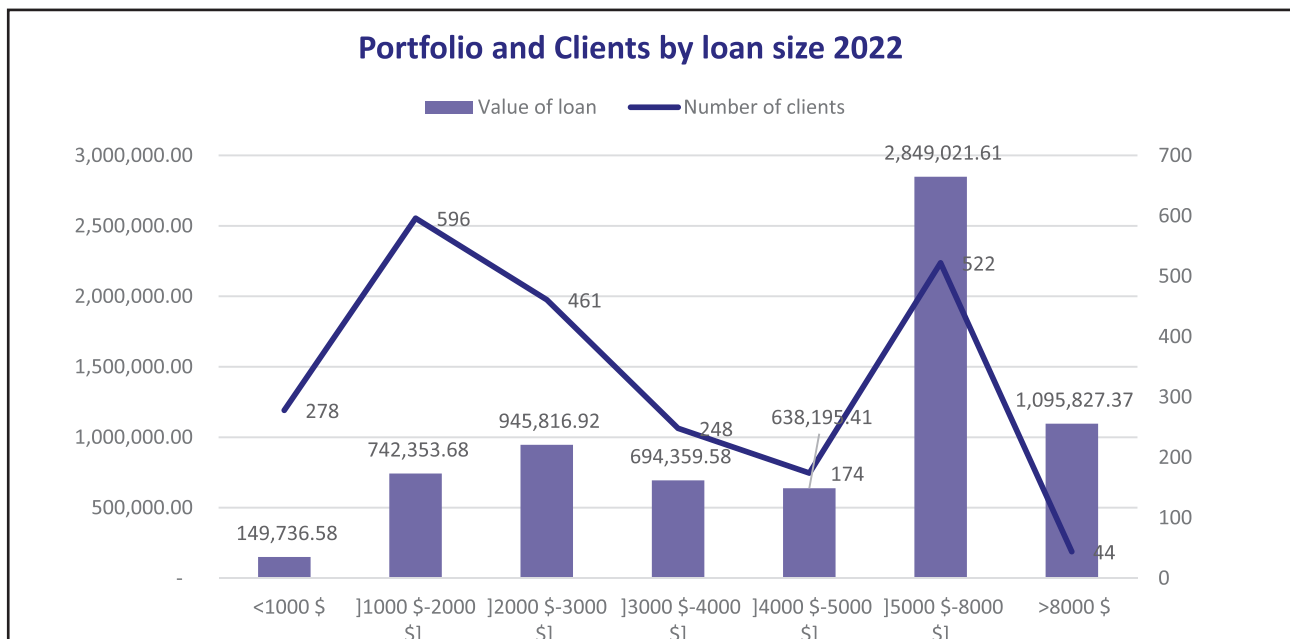
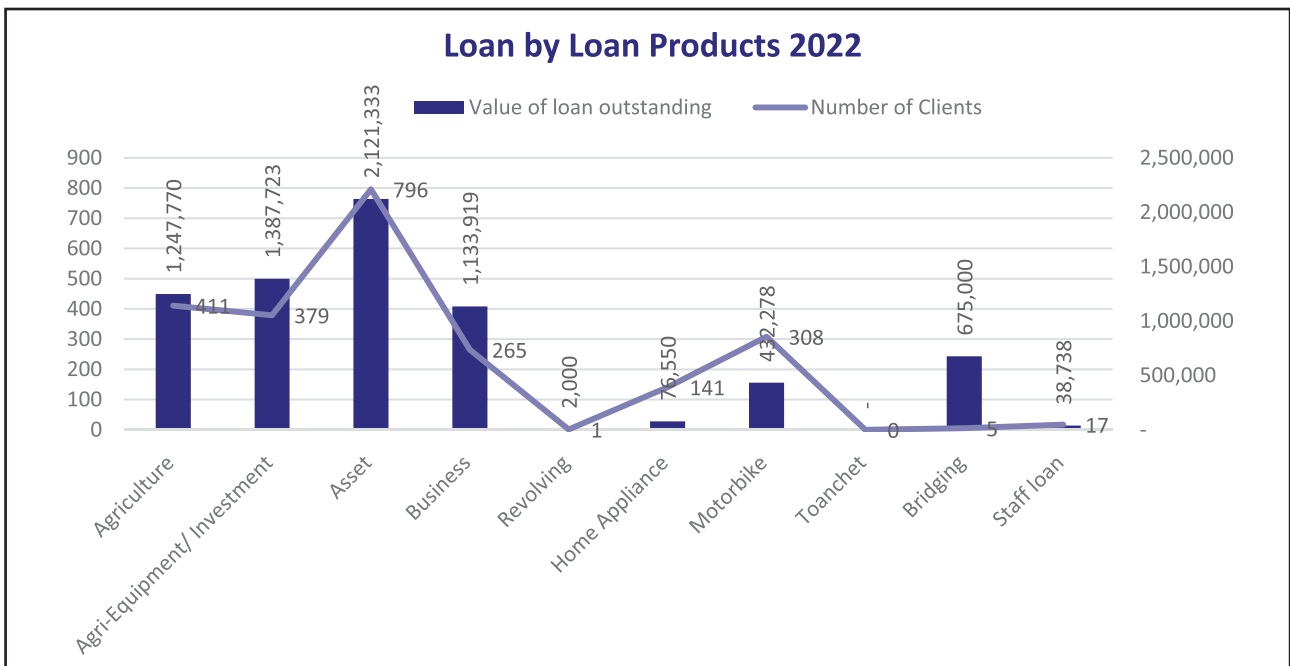
INDICATORS	Measure	Audited 2022	Audited 2021	Audited 2020	Audited 2019
Operating provinces	-	5	5	8	7
Operating districts	-	36	32	38	35
Operating communes	-	136	138	164	150
Operating villages	-	512	494	526	526
Staff	-	72	72	76	78
Outstanding borrowers	-	2,119	1,949	1,987	2,056
Gross loan portfolio	US\$	7,060,589	6,808,084	6,457,611	5,827,747
Net profit	US\$	338,810	152,733	509,474	311,876
Total assets	US\$	7,473,651	8,028,570	7,862,044	7,334,626
Total equity	US\$	7,378,479	7,639,669	7,486,936	6,977,462
Women borrowers	%	67.01	77.94	86.71	88.81
Rural borrowers	%	97.07	95.43	95.22	96.64
Agriculture loans	%	34.01	42.68	48.90	57
Portfolio at risk (PAR>30 days)	%	3.13	2.05	2.29	3.67
Write-offs	%	0.69	1.48	1.96	5.76
Yield on portfolio	%	19.63	18.68	21.81	19.2
Cost of fund ratio	%	0.25	0.43	0.47	0.8
Operating expense ratio	%	12.08	14.1	14.9	14.9
Return on assets (ROA)	%	4.4	1.92	6.71	4.27
Return on equity (ROE)	%	4.5	2.02	6.8	4.6
Leverage ratio	%	1	5	5	5
Operational self-sufficiency	%	156	130	186	137.8

BUSINESS PERFORMANCE

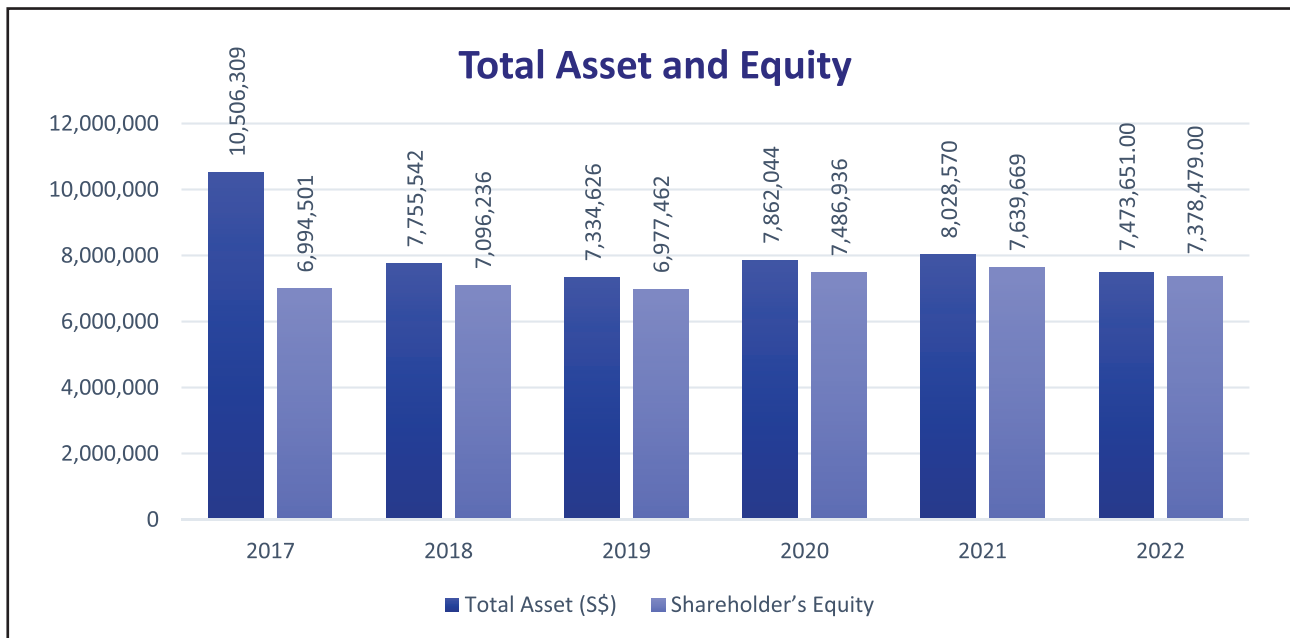
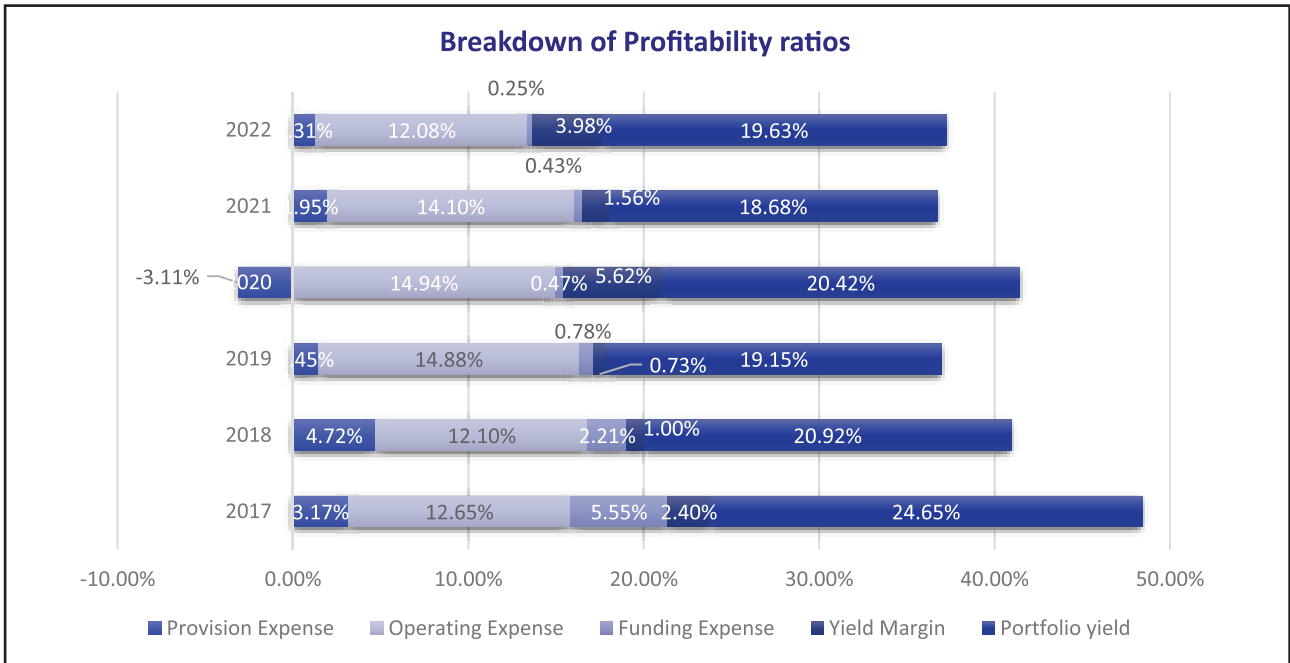
LOAN PORTFOLIO



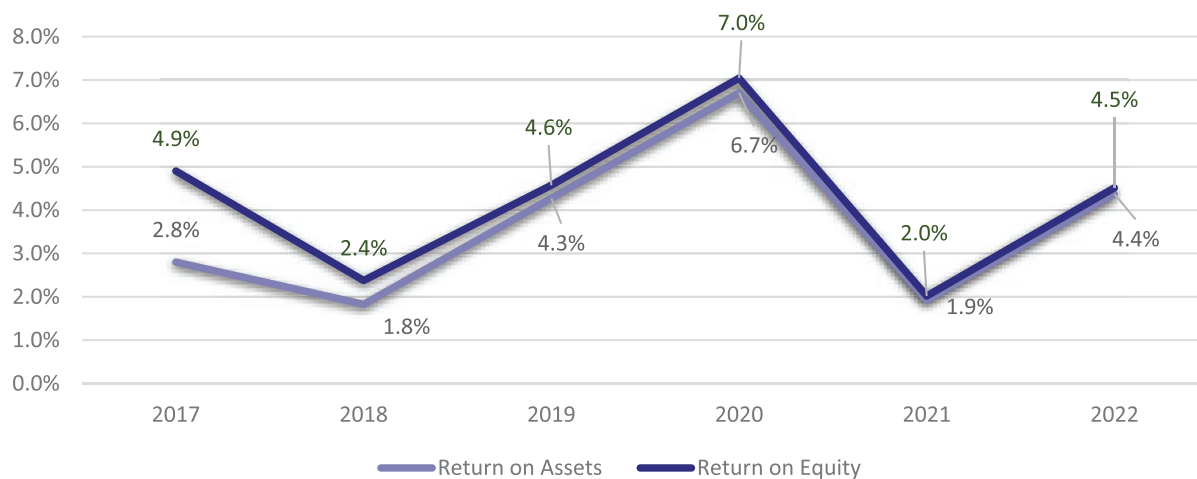
LOAN PORTFOLIO (Continued)



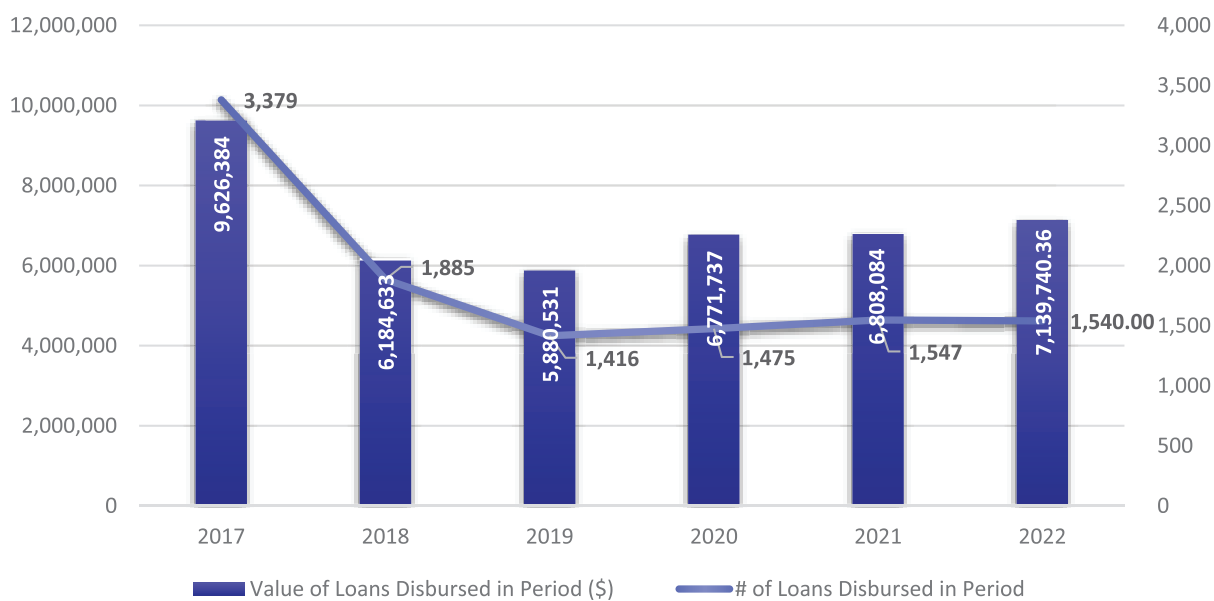
FINANCIAL RATIO



ROA and ROE



Total Loan Amount and Clients Disbursed



CLIENT'S SUCCESS STORY



Mr. Po Pech, Krovanh District, Pursat Province.

Mr. Po Pech together with his wife, are farmers, they grow variations of plants including green beans, corn, peanuts, cassava, and they also have other secondary income sources such as farming paddy and livestock (cows, chicken and ducks). The client is a loyal client to IPR since 2015, having used 6 cycles to this day, while before he started borrowing IPR, he used to borrow informal lender at his village with an interest of up to 10% per month. The first cycle in 2015, he used 2M KHR for the purpose of purchasing water pump motor and to expand his farming plants variations. With his continuation in his loan cycles, he used for the purpose of expanding his income earnings, including purchasing cows for livestock, walking-tractor, purchasing additional farm lands, home-improving; the most recent cycle is the 6th cycle which he has used 14 Million KHR to renovate his farm land and digging ponds for water reservation for his farm purpose. The average amount of his loan is between 2 M to 14 M KHR. Through the loan he used with IPR, they have helped him and his family to ensure they are able to provide necessary health care, adequate meals and travel expense for the family. Moreover, his assets had increased, in particular, his farm land used to be only 1 Hectar and he had no electronic equipment or pumping machine nor does he have any livestock. This day, he has up to 3 Hectar of farm lands and 1 walking tractor, pumping machine, 5 cows and on top of that he was able renovate his home to provide proper shelter for his family. Aside from that, he was also able to provide his children studies and necessary study materials.



Mr. Chhun Kheang, Banon District, Battambang Province

Mr. Chhun Kheang is a farmer who plant cucumber on his own farm land and his secondary businesses include farming paddy and intermediary who purchase vegetables and distribute wholesales. He is also a successful client of IPR based in Battambang province. IPR has been providing service to ~~Mr. Kheang~~ since 2012 until this day, he had used our loans for 5 consecutive cycles as of 2022. The first cycle in 2012, he had used 600 USD for farming paddy and the continuing loans were used for either farming paddy, growing cucumber and inject capital for his wholesale of vegetable. Other purposes also include buying land and building house as he moved out from his parents' house. At the end of 2022, it was his 5th cycle with IPR, with the amount of USD 6,000 in which he used the loan for expanding his farming and setting up water system for his plants. The average loan amount had been between USD 600 to USD 6,000. Through the loan he had used with IPR, they have helped him and his family to ensure they were able to provide necessary health care, adequate meals and travel expense for the family. Moreover, his assets had increased with bigger farm lands, new motorbike and truck (for vegetable carriage) at a value of USD 15,000; he was also able to afford for house building at a value of around USD 25,000. Last but not the least, he as well was able to provide for his children studies and necessary study materials.

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. 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 2022, Internal Audit Department conducted 3 audited cycles with full scopes on each branch. Based on the audited results, the risk score and rating of all branches were Acceptable and Supplementary 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 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 CAPACITY BUILDING

INDICATORS	2022	2021	2020	2019
Staff Information				
<i>Number of Total Staff</i>	72	72	76	78
<i>Number of Management</i>	14	13	14	13
<i>Percentage of Office Staff</i>	58%	58%	56%	56%
<i>Percentage of Field Staff</i>	42%	42%	44%	44%
Staff Education				
<i>Master's degree</i>	6%	6%	7%	6%
<i>Bachelor's degree</i>	51%	49%	50%	51%
<i>Association and under</i>	43%	45%	43%	43%



List of Trainings and Workshops in 2022



Internal Trainings

1. New Staff Orientation Training
2. ICT Policy Refreshment
3. “Selling Skill, how to assessment loan, Credit policy and Credit procedure, Loan product Characteristics, Collateral guideline, Follow Up and Credit Risk Grading, Loan recovery guideline”
4. Training on Database backup and Restoration procedure
5. Fraud and Corruption Guideline
6. Internal Rule and Code of Conduct
7. Refreshment Disaster Recovery Plan.
8. Refreshment of Branch Staff Job Descriptions
9. Employee pension fund Scheme of NSSF

External Trainings and Workshops

1. Certification in Responsible Lending
2. Professional and Ethical Branch Management for sustainable
3. Market Research for Product Development
4. Customer Services Management
5. Dissemination of Financial Status
6. Feedback on STR to Reporting Entities
7. Employee Pension Fund under NSSF
8. Firewall VMware
9. Financial Inclusion Sex-Disaggregated Data Framework
10. E-form for employee pension fund reporting and payment to NSSF
11. Artificial Intelligence and Machine Learning for Credit Risk Management
12. IPPF (International Professional Practice Framework) webinar for the internal auditor

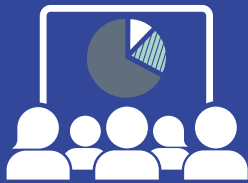


IPR'S CORPORATE RESPONSIBILITY



IPR'S SOCIAL RESPONSIBILITIES

IPR always strives to make a positive contribution to the socio-economic development and environment of the country. Towards this end, IPR forms clear strategies to fulfil the responsibility toward staff, clients, society, and the environment.



RESPONSIBILITY TOWARD STAFF

Staff's well-being and development are one of IPR's top priorities. That's why IPR constantly provides opportunities for growth, rewards, and assistances for deserving staff. Every year IPR provided staff orientation, internal training and external training and workshop.



RESPONSIBILITY TOWARD CLIENTS

IPR cares about the financial well-being of clients and always caters to their needs.

IPR is committed to fair consumer practice and protection. IPR prepared for obtaining the certification of Client Protection Principles (CPP) from CP partway.



RESPONSIBILITY TOWARD THE SOCIETY AND ENVIRONMENT

IPR is fully aware of and lives up to its responsibility to bring about positive impacts on the society and environment. Currently, IPR does not have any measures in place to assess its environmental footprint, however, we try to encourage our stakeholders to pay strong attention on the environment and be eco-friendly whether it is cutting down the use of papers and save water and electricity. Our duty to the public, IPR has made donations on multiple occasions for national emergencies and being responsive to clients' needs in their difficult times. The Chairman of IPR has always been taking part in helping the society especially farmers, and this has built the culture for IPR to always be a helping hand, no matter how small, IPR will always be a part to contribute to the society when they are in need.

TAX PAID REPORT

INDICATORS	(\$) 2022	(\$) 2021	(\$) 2020	(\$) 2019
Patent Tax	3,643.43	3,681.89	3,679.18	3,680.98
Signboard Tax	2,307.09	2,292.76	426.88	485.74
Transportation Tax	97.16	98.18	98.89	99.00
Tax on Salary	18,689.47	22,410.93	24,100.02	20,667.85
Prepayment Profit Tax	14,885.31	14,186.70	13,678.17	13,243.41
Withholding Tax on Rental	7,448.62	8,334.98	9,779.27	10,262.38
Withholding Tax on Service (residence)	10,545.37	15,621.68	11,417.06	9,080.97
Withholding Tax on Service (non=residence)	1,837.47	1,798.85	1,768.26	1,729.85
Withholding Tax on Interest (residence)	2,647.06	4,206.86	3,294.12	4,211.56
Withholding Tax on Interest (non-residence)	-	-	-	2,275.71
Tax on Profit	64,813.82	52,595.62	48,493.21	48,219.50
Stamp Duties Tax	-	-	-	-
Others Tax	242.84	8,076.93	-	-

IPR'S AUDITED FINANCIAL STATEMENT



REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits this report together with the financial statements of Intean Poalroath Rongroeurng Ltd. [“the Company”] as at 31 December 2022 and for the year then ended.

The Company

Intean Poalroath Rongroeurng Ltd. [“IPR” or the “Company”] was formerly known as a credit unit of the Federation of the Cambodian Rice Millers Association. The Company was incorporated in Cambodia under Registration No.00017643 issued by the Ministry of Commerce [“MOC”] on 19 July 2005 and obtained its licence from the National Bank of Cambodia [“NBC”] to operate as a microfinance institution on 18 August 2005. The Company obtained a permanent microfinance license from the NBC on 24 June 2008.

The original registered office of the Company was located at No. 779A, Kampuchea Krom Street (128), Sangkat Teuk Laak I, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia. Subsequently, the registered office of the Company was changed to No. 72B, Street 317, Phum 6, Sangkat Boeng Kok 11, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia starting 17 January 2022. An amendment to the Memorandum and Articles of Association has been approved by the MOC on 25 February 2022.

As at 31 December 2022, the Company has 76 employees (31 December 2021: 72 employees).

Principal activities

The principal activity of the Company is to provide credit services to improve the living standards of its customers in terms of rural development. Such credit services are offered by the Company in its head office in Phnom Penh and other provincial branches that are located in Takeo, Pursat, Battambang and Banteay Meanchey in Cambodia.

Results of operations

The results of the Company’s operations for the year ended 31 December 2022, and the state of its affairs as at that date are set out in the accompanying financial statements.

Dividends

On 25 July 2022, the Board approved to distribute dividends amounting to USD600,000 or KHR2,452,200 to its shareholders. The approval from the NBC on the stated dividend distribution was obtained on 12 September 2022.

Board of Directors

The members of the Board of Directors of the Company during the year and to the date of this report are as follows:

Name	Position
Oknha Phou Puy	Chairman
Mr. Hsu Ming Yee	Director
Mrs. Pok Nivilay	Director
Mr. Penh Sany	Director

Auditor

The financial statements as at 31 December 2022 and for the year then ended have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Directors' benefits

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

Since the end of the previous financial year, no members of the Board of Directors of the Company have 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 a director is a member, or with a Company in which the director has substantial financial interest other than as disclosed in the financial statements.

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is 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 2022, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

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

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompany statements of financial position, comprehensive income, changes in equity and cash flows, together with the notes there to, have been properly drawn up to give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended, in accordance with CIFRS for SMEs and guidelines of the NBC.

On behalf of the Board of Directors



Oknha Phou Puy

Chairman

Phnom Penh, Kingdom of Cambodia 28 April 2023

INDEPENDENT AUDITOR'S REPORT

Grant Thornton (Cambodia) Limited 20th Floor
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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 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

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

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 Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) [“IESBA Code”] together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Report of the Board of Directors, but does not include the financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to that matter in accordance with the requirements of CISA 720 [revised].

Responsibilities of the Board of Directors for the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS for SMEs, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

As part of 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 the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 the Board of Directors 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.




Ronald C. Almera
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
28 April 2023

Certified Public Accountants and Auditors

A member of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered independent18 68 the member firms.

STATEMENT OF FINANCIAL POSITION

	Note	<u>31 December 2022</u>		<u>31 December 2021</u>	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Assets					
Cash and cash equivalents	5	421,590	1,735,686	1,125,713	4,586,155
Placements with other banks	6			12,500	50,925
Statutory deposits	7	154,432	635,797	154,432	629,156
Loans to customers, net	8	6,776,387	27,898,385	6,563,105	26,738,090
Other assets	9	26,155	107,680	30,761	125,320
Property and equipment	10	33,142	136,446	36,051	146,872
Deferred tax assets, net	13(c)	61,945	255,028	106,008	431,877
Total assets		7,473,651	30,769,022	8,028,570	32,708,395
Liabilities and equity					
Liabilities					
Borrowings	11			301,875	1,229,839
Other liabilities	12	12,120	49,899	18,965	77,264
Current income tax liability	13(d)	83,052	341,925	68,061	277,280
Total liabilities		95,172	391,824	388,901	1,584,383
Equity					
Share capital	14	3,088,645	12,468,860	3,088,645	12,468,860
Retained earnings		4,289,834	17,336,091	4,551,024	18,403,574
Currency translation differences			572,247		251,578
Total equity		7,378,479	30,377,198	7,639,669	31,124,012
Total liabilities and equity		7,473,651	30,769,022	8,028,570	32,708,395

STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>For the year ended</u> <u>31 December 2022</u>		<u>For the year ended</u> <u>31 December 2021</u>	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Operating income					
Interest income	15	1,371,963	5,607,213	1,239,109	5,040,695
Interest expense	16	(17,647)	(72,123)	(28,382)	(115,458)
Net interest income		1,354,316	5,535,090	1,210,727	4,925,237
Other operating income	17	116,566	476,405	184,270	749,610
Net operating income		1,470,882	6,011,495	1,394,997	5,674,847
General and administrative expenses	18	(901,760)	(3,685,493)	(1,070,128)	(4,353,281)
Impairment loss of allowance for financial assets	8and9	(91,203)	(372,747)	(129,651)	(527,420)
Profit before income tax		477,919	1,953,255	195,218	794,146
Income tax expense	13(a)	(139,109)	(568,538)	(42,485)	(172,829)
Net profit for the year		338,810	1,384,717	152,733	621,317
Other comprehensive income					
Currency translation difference			320,669		218,039
Total comprehensive income for the year		338,810	1,705,386	152,733	839,356

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

STATEMENT OF CHANGES IN EQUITY

	Share capital		Retained earnings		Regulatory reserves		Currency translation difference		Total	
	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)
Balance as at 1 January 2022	3,088,645	12,468,860	4,551,024	18,403,574	-	251,578	7,639,669	31,124,012		
Net profit for the year			338,810	1,384,717			338,810	1,384,717		
Payment of dividends	-	-	(600,000)	(2,452,200)	-	-	(600,000)	(2,452,200)		
Currency translation difference						320,669		320,669		
Balance as at 31 December 2022	3,088,645	12,468,860	4,289,834	17,336,091		572,247	7,378,479	30,377,198		
Balance as at 1 January 2021	3,088,645	12,468,860	4,398,291	17,782,257		33,539	7,486,936	30,284,656		
Net profit for the year			152,733	621,317			152,733	621,317		
Currency translation difference						218,039		218,039		
Balance as 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 are an integral part of these financial statements.

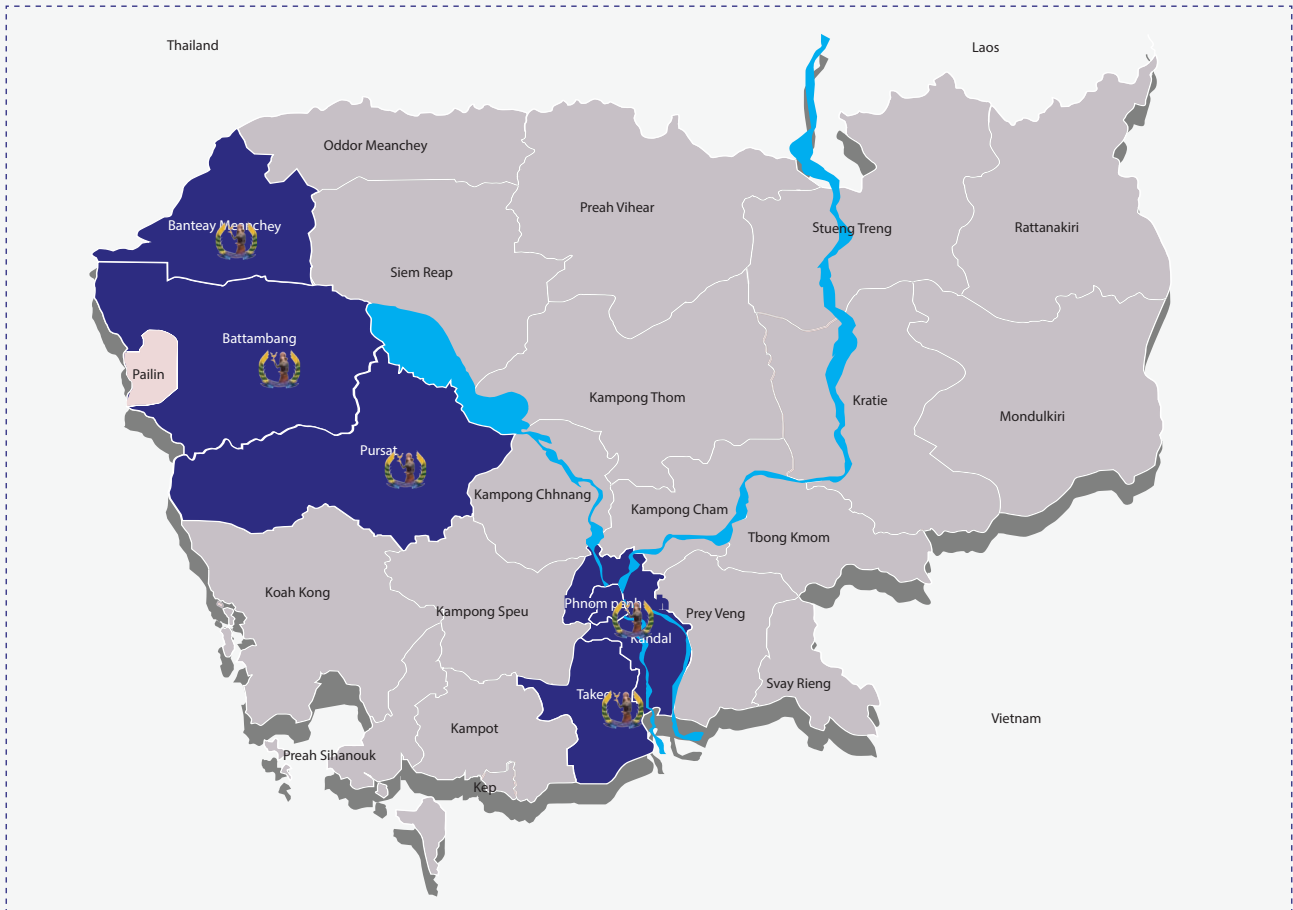
STATEMENT OF CASH FLOWS

	Note	<u>For the year ended 31 December 2022</u>		<u>For the year ended 31 December 2021</u>	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Operating activities					
Profit before income tax		477,919	1,953,245	195,218	794,146
Adjustments for:					
Interest income	15	(1,371,963)	(5,607,213)	(1,239,109)	(5,040,695)
Interest expense	16	17,647	72,123	28,382	115,458
Unrealised gain on foreign exchange	17	(11,369)	(46,465)	(5,068)	(20,617)
Depreciation and amortisation	10	12,783	52,242	14,222	57,855
Impairment loss of allowance for financial assets	8,9	91,203	372,747	129,651	527,420
Operating loss before working capital		(783,780)	(3,203,321)	(876,704)	(3,566,433)
Changes in working capital:					
Loans to customers		(280,583)	(1,146,743)	(448,484)	(1,824,433)
Other assets		4,605	18,821	(28,481)	(115,861)
Other liabilities		(6,844)	(27,971)	109	443
Cash used in operating activities		(1,066,602)	(4,359,214)	(1,353,560)	(5,506,284)
Interest received		1,359,430	5,555,990	1,240,055	5,044,544
Interest paid		(19,522)	(79,786)	(28,507)	(115,966)
Income tax paid	13(d)	(80,055)	(327,185)	(66,515)	(270,583)
Net cash from/used in operating activities		193,251	789,805	(208,527)	(848,289)
Investing activities					
Acquisitions of property and equipment	10	(9,874)	(40,353)	(11,573)	(47,079)
Proceeds from matured term deposits	6	12,500	51,088		
Net cash from/used in investing activities		2,626	10,735	(11,573)	(47,079)
Financing activities					
Dividends paid		(600,000)	(2,452,200)		
Repayments of principal portion of borrowings	11	(300,000)	(1,226,100)		
Net cash used in financing activities		(900,000)	(3,678,300)		
Net change in cash and cash equivalents		(704,123)	(2,877,760)	(220,100)	(895,368)
Cash and cash equivalents, beginning of year		1,125,713	4,586,155	1,345,813	5,443,814
Currency translation difference			27,291		37,709
Cash and cash equivalents, end of year	5	421,590	1,735,686	1,125,713	4,586,155

IPR'S CONTACT DETAILS



BRANCH NETWORK



PHNOM PENH

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

TAKEO PROVINCE

Takeo Branch

BATTAMBANG PROVINCE

Phnom Proek Branch
Battambang Branch
Sampov Lun Branch
Samlout Branch

BANTEAY MEANCHEY PROVINCE

Banteay Meanchey Branch

PURSAT PROVINCE

Pursat Branch

PROVINCIAL OFFICE DIRECTORY



PHNOM PENH

Head Office

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TAKEO PROVINCE

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Battambang Branch

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Sampov Lun Branch

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BANTEAY MEANCHEY PROVINCE

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