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Praek Pnov's Branch



For more information please contact the number :



Scan here for New Location:



Thank You!



Map of Business Operation Areas

0

Head Office & Branch

- #795, Preah Monivong Blvd, Sangkat Boeng Trabaek, Khan Chamkar Mon, Phnom Penh, Cambodia.
- © (855) 23 224 333 / (855) 70 312 333



Prack Prov Branch

- #18A-18B, National Road 5, Phum Duong, Sangkat Praek Pnov, Khan Praek Pnov, Phnom Penh.
- © (855) 70 357 333



Pur Senchey Branch

#78Kor, National Road 4, Prey Svay Village, Sangkat Chaom Chau 3, Khan Pur Senchey, Phnom Penh, Cambodia. © (855) 70 316 333



Krong Chbar Mon Branch

Mational Road 4, Village Krang Pul Tep, Sangkat Roka Thom, Krong Chbar Mon, Kampong Speu Province, Cambodia. © (855) 70 314 333





Operating Districts
4-4- Districts



Operating Villages
378 Villages

Chairman's Statements



Mr. CHREUK Phally
Chairman of Boards
of Directors

According to the World Bank overview, the Cambodia's Economy continued to recover in 2022. The recovery of the service sectors are strengthening, driven largely by pent-up consumer demand. The economic growth for 2023 is projected to reach 5.2 percent. Downside risks include a marked slowdown in external demand, further global financial tightening, and a renewed oil price shock. On the upside, China's reopening presents an opportunity for Cambodia to boost its travel and tourism industry and to attract Foreign Investment Inflows. Initially led by a recovery of export-oriented manufacturing, growth drivers have started rotating to the service sectors, which are accelerating, driven by pent-up consumer demands and the return of foreign tourists. This is offsetting a recent decline in Cambodia's goods exports hit by the recent slowdown in external demand. Domestic consumption is also being boosted by the easing of inflation which declined to 2.9 percent in December 2022 as energy and food prices stabilized.

Meanwhile, Cambodia's Economy has shrunk due to the effects of the prolonged Russia-Ukraine war and the recent spread of the COVID virus, which has led to rising inflation and disrupting the ongoing supply chain. In response to this situation, the Royal Government of Cambodia promulgated the strategies and measures as well as injected the national budget to reduce the inflation rate and keep the economy growing in 2022 and the following years. Furthermore, the government also injected fund to support and restore the micro and small business and economic activities and the poor and vulnerable families affected by the COVID virus. At the results, these mechanism of the government effetively reduce the inflation rate and boosted the economic growing in 2022.

Based on the senior official at the National Bank of Cambodia mentioned that the microfinance sector in Cambodia has been playing an important role in contributing to economic and social development, especially the reduction of poverty in rural areas. The government has supported the sector by defining a more clear vision and development-oriented strategy, which has enabled the sector to expand its scope of operations sustainably and confidently, as well as helping to create new opportunities for development finance service aiming to provide Cambodians with effective and environmentally friendly financial services. As of the end of the fourth quarter of 2022, the total assets of microfinance institutions and rural credit institutions were approximately 44.4 trillion riels (equivalent to \$10.8 billion), of which total loans were approximately 38, 9 trillion riels (equivalent to \$9.5 billion) to provide more than 2.1 million customer accounts, the NBC report stated. And for Deposit-taking MFIs received a total of approximately 19.4 trillion riels (\$4.7 billion) from about 2.7 million depositors. The results achieved so far are due to the efforts of the National Bank of Cambodia and the cooperation of banking and financial institutions in providing loans to customers in doing business and restructured loans as well as promoting People's livelihood as well. Referred to the Annual Report 2022 of the National Bank of Cambodia, there were 59 Commercial Banks, 09 Specialized Banks, 05 Microfinance Deposit Institutions, 82 Microfinance Institutions, 224 Rural Credit Operators, 16 Leasing Companies, 05 Third Party Processors, 34 Payment Service Providers, 1 Credit Bureau Cambodia, 06 Foreign Bank Representatives and 2,869 Foreign Exchange Traders. At this result, we notified that despite the impact of the crisis, the banking and microfinance sector remains stable and resilient, with continued investment from both local and foreign investors in this sector in Cambodia.

Due to the impact of the global COVID pandemic and prolonged the Russia-Ukraine war in 2022, the Porfolio at Risk (PAR) of financial institutions have remarkably increased, including **FUTABA** Microfinance Plc, as well. However, within the hard time, we could still keep our profit at 449,426 US dolars with its total assets of 15,743,780 US dolars. These positive results were from full participation of all staffs, especially credit team, who made effort to well manage and solve the issue on time.

On behalf of the Board of Directors, I would like to thank to our customers, our Japanese Shareholder, Chief Executive Officer, Assistant Chief Executive Officers, and all staffs of FUTABA Microfinance Plc., for much contribution, work hard, and support to implement and achieve of business strategic of the Company. Especially, thank to NBC and corporate partners for always providing supporting and coordination with our MFI in managing all activities with transparency up to now and in the future.

At the end, we would like to blessing you and your family have good luck, good healthy with happiness, wisdom, and successful all the businesses forever.

Mr. CHREUK Phally Chairman of Board of Directors

Chairman's Statements



Mr. Junichi SASAKI President, CEO

Dear valuable Customers and Business Partners, **FUTABA** Microfinance Plc., was first licensed to establish and operate its financing service activities by the National Bank of Cambodia on December 16, 2015. With its fulfillment of good business performances achieved, strong management by which the activities of directing, controlling, and organizing the company followed by laws and regulations as well as clear vision with effective long-term Strategic Business Plan, the National Bank of Cambodia has decided and officially issued the Permanent License as Microfinance in lieu of the given Three Year-License for **FUTABA** Microfinance Plc., since December 30, 2019.

As of December 31, 2022, we have been operating 4 branches in Phnom Penh City and Province: Head Quarter (including Head Office Branch), Khan Praek Pnov/Khan Tuol Kouk Branch, Khan Pur Senchey Branch, and Krong Chbar Mon Branch, with 789 active clients and loan portfolio USD 13,295,920 under 26 Credit Officers.

During 2022, there were an outbreak of COVID pandemic and the protracted war between Russia and Ukraine so far, which slowed down the

Cambodia's economy recovery, and affected the Porfolio at Risk (PAR) of **FUTABA** Microfinance Plc, which was in a remarkable increasing rate; however, we could still keep our profit at USD 449,426 wihin the this situation.

Although **FUTABA** Microfinance Plc., has not yet rapidly expanded many branches within the whole country, our Vision is to become one amongst the premier leading Financing Institutions in the Kingdom of Cambodia to contribute to the sustainable Society Development and Stable Economic Growth for both current & Next Generation throughout stabilizing and transparency of Financing Markets and Long-Term Strategic Business Plan for expanding operational areas in other provinces, which is our sincere wishing as well as our goal.

To satisfy our customers' need, **FUTABA** Microfinance Plc., has developed various kinds of Financial Product such as Business Loan, Agricultural Loan, Housing Loan, Consumption Loan, Staff loan, Education Loan, and Employee Loan. The Staff Loan and Education Loan are offered with a very low Interest Rate with the best service, for contributing in social enhancement, staff living conditions, and human resources development. **FUTABA** Microfinance Plc., is going to develop various kinds of services for solving financial requirement for our existing and future customers.

In the meant time, **FUTABA** Microfinance Plc., is also strengthening its Internal Controlling System to enhance operational process focused on Skill Training to Staffs, Structural reform, and to update Policies & Procedures for fully complying with Laws & regulations of National Bank of Cambodia & relevant Ministries.

With a better situation, the government's reopening of businesses and the alleviation of the COVID virus, which brought Cambodia's domestic economic activities to return back to be normal and businesses will be able to function better including domestic travels and tourism for the beginning of 2023. Last but not least, we do believe that our Institution will be the PATHWAY for Cambodian Next Generation, which should be materialized based on our Fair and Transparency of Financial Services, funded by a single Shareholder from Japan.

"Dreams Come True", we are pleased and welcome to provide our warmed and confident financial services to our esteemed customer everywhere every time.

Finally, on behalf of **FUTABA** Management, I would like to thank to our Customers, Shareholder, Board of Directors, Assistant CEOs, and all staffs for their supporting and effort making in implementing the **FUTABA**'s strategies, as well as the National Bank of Cambodia for always collaborating and supporting us so far.

Mr. Junichi SASAKI President, CEO

The Mind St



Performance Highlights

- Financial Highlights
- Operational Highlights
- Human Resource Highlights



Statement of Financial Position (USD)	2020 2021 2022		
Assets			
Cash and Cash in Bank	647,477	1,687,087	2,170,557
Net Loan Portfolio	14,238,959	13,387,534	13,295,920
Property and Equipment (Net)	107,068	84,064	98,381
Other Assests	130,842	172,411	178,922
Total Assests	15,124,346	15,331,096	15,743,780
Liabilities			
Other Liabilities and Provision	1,541,549	1,661,847	1,636,216
Long and Short Term Borrowings	5,530,513	5,158,293	5,147,182
Total Liabilities	7,072,062	6,820,140	6,783,398
Equity			
Share Capital	7,000,000	7,000,000	7,000,000
Regulatory Reserves	300,856	474,252	798,749
Retained Earnings	751,428	1,036,704	1,161,633
Total Equity	8,052,284	8,510,956	8,960,382
Total Liability and Equity	15,124,346	15,331,096	15,743,780

Statement of Comprehensive Income (USD)	2020	2021	2022
Interest and Fee Income	1,823,069	1,763,366	1,954,031
Operating Expenses	1,346,007	1,304,694	1,504,605
Profit After Tax	477,062	458,672	449,426

Key Financial Highlights (USD)	2020	2021	2022
Capital Adequacy Ratio	55%	57%	59%
Return on Assets (RoA)	3%	3%	3%
Return on Equity (RoE)	6%	5%	5%



Description	2020	2021	2021 2022	
Number of Branches	4	4	4	
Number of Provinces	11	10	10	
Number of Districts	42	36	44	
Number of Communes	159	148	155	
Number of Villages	365	348	378	
Total Staff	77	83	90	
Number of Credit Officers	19	21	26	
Credit Officers over Total Staff	25%	25%	29%	
Number of Active Borrowers	709	678	707	
Number of Active Loan Accounts	800	751	789	
Number of Active Borrowers per Credit Officer	42	36	30	
Loan Portfolio (in USD)	14,409,219	13,387,534 13,295,		
Loan Outstanding per Credit Officer (in USD)	758,380	637,502	511,382	
Loan Outstanding per Staff (in USD)	187,133	161,296	147,732	
Average Loan Size (in USD)	18,012	17,826	16,852	
Portfolio at Risk (PAR)	4.80%	7.28%	12.62%	
Gross Write-Off (in USD)	38,354	-	3,776	

Summary data 2022

Loan Portfolio

13,295,920
in USD

Loan Outstanding per Credit Officer
511,382 in USD

Loan Outstanding per Staff
147,732 in USD

Average Loan Size
16,852 in USD

Portfolio at Risk	
12.62	
(%)	

Gross Write-Off
3,776 in USD



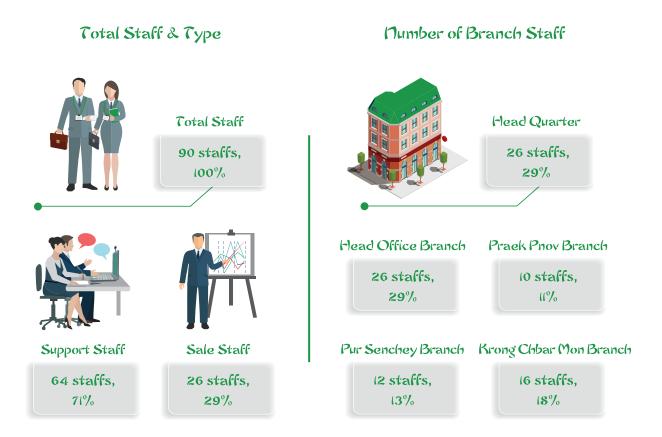
Fluman Resource Highlights

The growth of the banking and financial sectors are one of the key drivers contributing to the development of a better human resources sector in Cambodia. In fact, in recent year, large commercial banks, such as microfinance institutions have continuously expanded their branches throughout the Kingdom of Cambodia, leading to strong demand for human resources in this sector, which has also increased new job opportunities for the talented. The flow of employees from one place to another place, put more pressure on institution to develop competitive policy to attract potential human resource to work in their respective institutions.

However, the management of FUTABA Microfinance Plc. has understand and launch recent strategies of effective and timely focusing on employee values and incentive for outstanding employee and outstanding branch office of FUTABA and maintain good human resource, including current and new staff.

As of December 31, 2022 FUTABA staff statistics total: 90 persons (64 persons as men and 26 persons as women) an increase of 07 persons if compared to 2021.

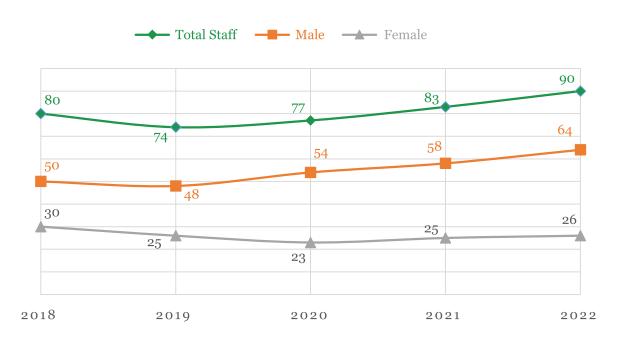
The following is a summary of FUTABA staff:



Year-Round Staff Changes (YTD 2022)



Staff Growth from 2018 to 2022







Target Customer

To all customers who need to buy home or build home for residential & business purpose.



Currency

KHR & USD



Loan Size

200 USD **-** 200,000 USD



Loan Term

Up To 10 years



- . Fast and reliable services
- . Borrow up to own requirements
- . Lower interest rate with convenience loan conditions



- Brief Overview of FUTABA
- History of FUTABA
- Vision Mission & Core Value
- Branding of FUTABA

Brief Overview of FUTABA

FUTABA Microfinance Plc., started its operation in late 2015, which has received MFI license on Dec. 16, 2015 from the National Bank of Cambodia under its clearly mission and vision to become a leading microfinance institution in Cambodia. On October 22, 2018, the National Bank granted permission to extend the license to FUTABA for 3 years more. Later on, seeing the effectiveness of credit performance management and implementing on the shortcomings as the recommendation of inspection report of the National Bank of Cambodia, on December 30, 2019, the National Bank of Cambodia decided to grant a permanent business license to FUTABA. Since 2016, AZUMA & Co., Ltd. (Japanese company) has also become a shareholder holding a 100% shares in FUTABA.

As of December 31, 2022, **FUTABA** has a total of 90 staffs, 26 females and 64 males are working at Head Quarter and 04 branches including Head Office Branch, Khan Praek Pnov/Khan Tuol Kouk Branch, Khan Pur Senchey Branch and Krong Chbar Mon Branch with 789 clients whose are receiving loan, and loan portfolio of \$13,295,920 under 26 Credit Officers, the overall result was a slight decreasing on loan portfolio and increasing on number of client, but **FUTABA** still has continued its positive journey into the future. Especially during the last 4 years from 2016 to 2019, we have maintained the Portfolio at Risk at 0.46% and Loan Written-Off at 0%, which is the good result on credit management in each year. In particular, from 2020 until now, there has been a series of increases in the Portfolio at Risk (PAR) up to 12.62% and Loan Written-Off in good rate at 0.03%, due to the impact of the spread of COVID virus is not yet complete. In this situation, **FUTABA** has been providing restructuring loans to customers at 0.63% of the total customers and 0.95% of the total loan portfolio.

As for the financial statements, we see that **FUTABA** took over one year to realize its net profit since 2017, in case of significantly affected by the COVID virus since 2019, however our net profit at the end of 2022 was \$449,426 with its total assets of \$15,743,780 which is a good financial performance in a difficult situation and the institution is still continuing its positive business operations.

It is a part of supporting the education development and staff living conditions, **FUTABA** also provides the lowest interest rate on the Education Loan and Staff Loan, with the main goal of the Board of Directors and Shareholder in keeping with a long-term vision and positive perspective situation on the financial market progression in Cambodia, **FUTABA** will continue to perform its long-term strategic plan, master plan and annual plan with plans to a new created branch in Takeo province in 2023 to extend its potential coverage to a broadly market scope and responding to the growing demand for loans by local customers and the growth of a country current and in the future.



FUTABA Microfinance Plc, has been established in the purposes and dreams of a shareholder. Throughout the initiatives, as well as a strong commitment, the shareholder has overcome all obstacles, and finally received the official business operating license from The National Bank of Cambodia, No M.F-64, issued on December 16, 2015.

At the beginning of 2016, **FUTABA** started its business operation with the only initial capital of USD 1,000,000. However, with the strong support from customers, it was showing that **FUTABA** got a great successful achievement. Meanwhile, since 2016, **AZUMA** & Co., Ltd., has become a shareholder of FUTABA Microfinance Plc, **AZUMA** & Co., Ltd., a Japanese Company, has parallel concept in supporting and improving living standard of Cambodian people, especially to contribute to developing new generations by providing highly effective financial service with quality, consistency, and transparency of the market.

With the long-term perspective and the expectation the positive progress of the financial market in Cambodia, FUTABA Microfinance Plc, will continue to implement its strategic plan in order to achieve the need and dream of the shareholder. Having seen its growing, FUTABA Microfinance Plc, launched 3 new branches more by the end of 2016 in order to strengthen and enhance its potential strength on a widely market, and to serve the growth of loan demand from the local area customers. The 3 branches were approved the official business operation license from the National Bank of Cambodia on September 20, 2016. In view of the positive implementation and management as well as the long-term strategic plan in the future, the National Bank of Cambodia granted permission to extend the license to FUTABA for 3 years more on October 22, 2018 and on December 30, 2019, the National Bank of Cambodia decided to grant a permanent business license to **FUTABA**. We see that the **FUTABA** did not more injection capital and expand its operations from 2017 to 2022, as FUTABA maintains its strategy of strengthening the system of internal control and increasing the skills of its staff, especially to maintain its best performance in the situations affected by COVID virus and the war between Ukraine and Russia. As of December 31, 2022, FUTABA has 7-years business operation, which is located serving with 04 offices such as Head Quarter (Head Office Branch), Khan Praek Pnov/Khan Tuol Kouk Branch, Khan Pur Senchey Branch and Krong Chbar Mon Branch.

In the meantime, **FUTABA** Microfinance Plc., was successful in subsequent capital injection as the following:





Vision Mission & Core Value

Vision & Mission



Vision

To be a leading financial institution in Cambodia achieving great impact on improving living standard for current and new generations.



Mission

To offer the most reliable Financing Services to Medium, Small and Micro - Enterprises and Individuals by creating sustainable market to support current and succeeding generation and social performance to achieve their goal with better life in the future.

Core Values











Integrity

Humanity Future-Oriented Challenge

Passion





Symbol and Meaning

The Symbol \mathcal{L} is referred to the small BUD which just came out from the ground.

This small BUD can grow up to the GIANT TREE in near future, based on our honest and hard works together with a kind back-up from the fair Supporters.

Namely, we, FUTABA Microfinance Plc., as a small Financing Institution, has just started our activity in the Financing Sector in the Kingdom of Cambodia. And we can grow up in near future to be a leading BANK in the Kingdom of Cambodia, to provide the Financing Services of a very high quality to the users in order to assure the steady and bright futures to all the users of FUTABA Microfinance Plc., / FUTABA Bank, as if the small BUD can grow up to the GIANT TREE in due course.

How fast we can grow up to the GIANT TREE totally depends on how hard each of the Members of FUTABA Microfinance Plc., will work with full sincerity, also depends on how big support could be provided to us from our beloved Customers.



Color

Green Color in the BUD, refers to the respect we pay to the Environment, the Harmony among the Economic Growth and the Safe Environment for the Current and the Next Generation.



Slogan

Dreams Come True

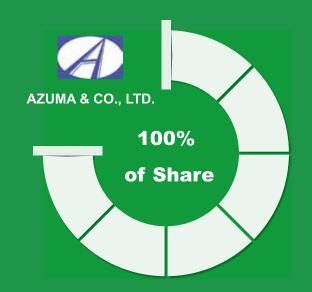


- Shareholder and Capital
- Organization Chart
- Board of Directors
- Management Teams

Shareholder and Capital



Mr. Yosuke SASAKI
Representing the
Shareholder

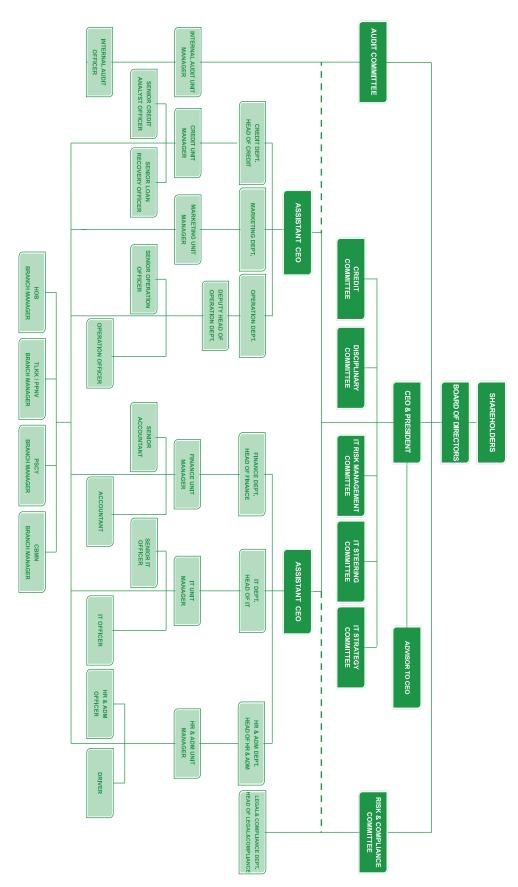


AZUMA & Co.,Ltd. as 100 percent Shareholder of **FUTABA** Microfinance Plc., hereby express our keen eagerness to contribute to the Eradication of the Poverty in our beloved Country, the Kingdom of Cambodia.

AZUMA & Co.,Ltd. as pure Japanese Enterprise are 100 percent owned by myself, Yosuke **SASAKI**, a Japanese citizen, who act as the President of **AZUMA** & Co.,Ltd.

It is a great honor for us **AZUMA** & Co.,Ltd. in case we could be a little bit of helping in supporting and bringing up the Next Generation, also in improving the Standard of Livings in our beloved Country, the Kingdom of Cambodia, based on our very Transparent, Effective and Long-lasting Financing Services through our **FUTABA** Microfinance Plc.,.

Organizational Chart



Board of Directors



Mr. CHREUK Phally
Chairman of Board of Director

Mr. **CHREUK Phally**, Cambodian, was born in 1981 in Phnom Penh. He has been appointed to be a Board Member of Futaba Microfinance Plc., since July, 2015 and then he was appointed to be Chairman of Board of Directors on 22nd July, 2016 until now. He has more than 17 years of experience in the field of Management, 5 years of which he served as Marketing Manager at Futaba Co., Ltd. In 2007, he was promoted to General Manager, and serves in this capacity to-date. He obtained his Bachelor's Degree of Business Administration from Norton University.



Mr. Yosuke SASAKI Board of Director

Mr. Yosuke SASAKI, Japanese, was born in 1983 in KANAGAWA. He was appointed to be a member of Board of Directors on 22nd July, 2016. Mr. Yosuke SASAKI is the 100% shareholder of FUTABA Microfinance Plc, who owns and represents as President of AZUMA & Co., Ltd in Japan. AZUMA & Co., Ltd is the Japanese Company which has the parallel concept to support standard living to Cambodian people, especially to contribute to develop new generation by providing financial service with high quality, stability, and transparency of market trend.



Mr. **Junichi SASAKI**, Japanese, was born in 1949 in KANAGAWA. He was appointed to be a member of Board of Directors on 18th August, 2017. Mr. Junichi SASAKI graduated from Tokyo University in 1975, and he is currently active as President and 100% shareholder of FutureBud International Co., Ltd, Japan.



Mr. Hamada MOTOO Independent Board of Director

Mr. **Hamada MOTOO**, Japanese, was born in 1948 in KANAGAWA. He was appointed to be a board member as Independent Board of Director on 14th March, 2019. Mr. Hamada graduated of B.A. in Economics from Kobe University of Commerce (Kobe College of Economics) in 1970. He has more than 15 years of experience in overseas investments, 20 years for managing affiliated companies in overseas and 5 years for consulting and assisting overseas project of Small & Medium-sized companies.



Mr. MGET Sovannaro Independent Board of Director

Mr. **NGET Sovannaro**, Cambodian, was born in 1959 in Takeo province, Cambodia. He was appointed to be a board member as Independent Board of Director on 14th March, 2019. Mr. Sovannaro graduated in Master in Agronomie from Moscow People's Friendship University of Scholarship Master Scholar awarded by Russia Government in 1987. He has more than 25 years of experience since 1992 in Accounting Manager, and 8 years in Deputy Inspector General of Ministry of Planning.

Management Team



Mr. Junichi SASAKI Chief Executive Officer

Mr. **Junichi SASAKI** graduated from Tokyo University on 1975, is currently active as President and 100 percent shareholder of FutureBud International Co., Ltd, Japan.



Ph.D CHAP Ratana Advisor to CEO

Ph.D. **CHAP RATANA** started his career with **FUTABA** Microfinance Plc., as Local Financial Adviser in January 2015, then he was appointed to be a Deputy Chief Executive Officer in late 2015. He earned Master Degree in Business Administration and Ph.D. Degree in Educational Administration at Build Bright University (BBU). He has over 25-years working experience as an Interpreter, Administrator, Project Manager and a Local Adviser with all corporate levels of Line - Ministries, Provincial Levels, Development Partners, UN, IO, NGO, Private Sectors in the fields of National Strategic Development Plan, Financial, Statistics, Education, M&E, Health based UNTAC, WHO-Ministry of Health, and UN - Ministry of Planning. Lastly, in January 2017, He was promoted to be Advisor to CEO.



Mr. PREAP Kandoeng Assistant CEO

Mr. **PREAP Kandoeng** earned Master Degree of Business specialize in Finance from Charles Sturt University, Australia, and Bachelor's Degree in Business Administration, specialize in Accounting at National University of Management. He has years of working experiences at all corporate levels, educational background and continuous professional development. Before joining **FUTABA**, he had many years of experience in the field of Accounting Management, Accounting Technical Advisor, Banking and Finance Management and Head of Finance Department position of other MFI. He joined **FUTABA** Microfinance PLC., as Head of Finance Department in 2015. Then, he was promoted as ACEO, in charge mainly of difference types of departments including Finance Department, IT Department, and HR & Administration Department, starting from 01 July, 2016.



Mr. UM Piseth Assistant CEO

Mr. UM Piseth started his career with FUTABA Microfinance Plc., as Head of Credit Department in late 2015, then he was promoted to be an ACEO in July, 2016. He is now in charge of three departments, Credit Department, Marketing Department, and Operation Department. In the background, he obtained Bachelor Degree in the field of General Management from Royal University of Law and Economics, and held Diploma of Intensive English Academic of Purpose from Paññasastra University of Cambodia. He has attended numerous Training Courses, Workshops and conferences, which was related to Property Development Sector, and Banking & Microfinance Sectors as well. He has spent over 16 years of practical experience in Various Positions in Microfinances such as Branch Officer, Branch Manager, Regional Manager, Operation Manager, Head of Marketing & Communication Department, Credit Manager, and Head of Credit Department. He also used to work with Telecom Companies for over 3 years.



Mr. LIM Sombo I lead of IR & Admin Dept.

Mr. LIM Sombo was born in June, 1981. He joined FUTABA in November, 2015 as Head of Marketing Department. After working for 2 years, he has been appointed as Head of HR & Admin Department since November, 2017. He is responsible for managing, monitoring, and developing policies/procedures related to HR and Admin of FUTABA. Prior starting the career with FUTABA, he had over 14-years work experience with two major banks including regional foreign bank and local bank, which were the largest of branch networks. With experiences in banking sectors, He used to handle various positions such as Account Relationship Manager, AVP & Manager of Leasing Unit, AVP & Assistant Manager of Credit and Marketing Unit, and other positions with over 10 years as he mainly involved in front line sale. In 2008, he graduated Bachelor Degree from Build Bright University in the field of Finance & Banking.



Mr. KUNG Sarath Head of IT Dept.

Mr. **KUNG Sarath**, Cambodian, graduated with his Master's degree in Management in 2011 included two other major fields, Information Technology and English Literature. In professional background, he was an IT Manager who handled and led IT Department Division in one among the largest commercial bank in Cambodia. He gained hands-on experience in Core - Banking System, Card System, and SWIFT System with various kinds of Technical Skills such as defining system work flow and process, secured banking network infrastructure, and policy maker. In early 2016, he joined **FUTABA** Microfinance Plc., as Deputy Head of IT, and six months later he was promoted to be Head of IT. He has initiated and set up Network Infrastructure for Production and DR Data Centre site, and IT Policy as well as IS Policy for **FUTABA** Microfinance Plc., since first established. He got over 10-year experience in Banking and Financial Sector.



Mr. **PHON Sothea** has joined **FUTABA** as Head of Credit Department since 01 July, 2017. Before joining **FUTABA**, he worked as Head Operations Department in a medium-sized microfinance institution in Cambodia for seven years from 2010 to mid-2017. Between 2004 and 2010, He worked for a medium microfinance with his first career as an assistant to Finance / Admin Department, then he was promoted step-by-step to be a great Branch Manager in that institution. He holds Master Degree in management development, graduated from Norton University in 2011, and Bachelor Degree in Management Information System from National University of Management in 2004. Mr. Sothea has had extremely practices and experiences over 14 years in various positions in Banking and Finance Sectors. Additionally, he attended various training and conference courses in local and international countries related to microfinance sectors, real estates, micro insurances, and other management law works.



Mr. SAR Phearom Head of Legal & Compliance

Mr. **SAR Phearom** was jointed as Deputy Head of Legal & Compliance of **FUTABA** in September 2017. Before joining FUTABA, he worked in Chamroeun MFI in the last position as Head of Risk and Legal Compliance and started with Chamroeun in many positions from Loan Officer in February 2009 and became Internal Audit Officer in February 2010. He was later promoted to Branch Manager in November 2010 and Senior Compliance Officer in June 2012. And then he was promoted to Legal and Compliance Manager in June 2013 and Head of Legal Department in January 2015 then in charge of Head of Risk & Legal Compliance. He has almost 1 year - experience with Feeling Home Hotel as Front Officer and more than 4 year - experiences with World Vision at District as Volunteer. He obtained his Master Degree majoring in Master in Private Law from the Royal University of Law and Economics and holds a Bachelor Degree in Accounting and Financial from Human Resources University. Within his roles and duties, He has spent experiences over 9 years in various position in Banking and Financial Institution sector.



Mrs. BOU Rathna Head of Finance Dept.

Mrs. BOU Rathna was born in March 28, 1981 in Phnom Penh. She graduated Bachelor of Business Administration in the field of Finance and Banking from National Institute of Management. On 01 July, 2016, she started her career with FUTABA Microfinance Plc., as a Chief of Accounting Officer. After working for over 3 months, she was promoted to be an Acting Head of Finance Department in 11 October, 2016. She is responsible for managing, monitoring, developing policies, procedures & guidelines, and also cooperation with National Bank of Cambodia, General Department of Taxation, External Auditors, and other stakeholders related to Finance Department. On 01 January, 2019, she was promoted to be a Head of Finance Department. Before starting the career with FUTABA Microfinance Plc., she had 8 years work experience as an Accounting Manager at FUTABA Co., Ltd. Since 15 July, 2008 up to now, she has over 10 years work experience in the field of Finance and Accounting.



Mr. HOY Kimheang Head of Marketing Dept.

Mr. HOY Kimheang joined FUTABA, since 01 July, 2020 as the Head of Marketing Department. Before joining FUTABA, he had more than 10 year of experiences in the field financial leasing, microfinance, and market & social research with several different organizations such as Research Non - Governmental Organization, Microfinance Institution, Financial Leasing Company, and Payment Services Company. He holds a Master's Degree of Business Administration from Norton University in 2010 and a Bachelor's Degree of Business Economics from the National University of Management in 2005.



- Business Loan
- Housing Loan
- Consumption Loan
- Agriculture Loan
- Education Loan
- Staff Loan
- Employee Loan

Business Loan



Target Customer:

To all customers who need financial service to support and expand their business in order to generate profit.

Currency : KHR & USD

Loan Size : 200 USD - 200,000 USD

Loan Term Up To: 10 years

Housing Loan



Target Customer :

To all customers who need to buy home or build home for residential and business purpose.

Currency : KHR & USD

Loan Size : 200 USD - 200,000 USD

• Loan Term Up To: 10 years

Consumption Loan



Target Customer :

To all customers who need financial service to buy equipments for personal usages.

Currency : KHR & USD

Loan Size : 200 USD - 200,000 USD

(Loan Term Up To: 10 years

Agriculture Loan



Target Customer :

To all customers who have purpose to expand agriculture sectors.

Currency: KHR & USD

Loan Size : 200 USD - 200,000 USD

① Loan Term Up To: 10 years

Education Loan



Target Customer :

To all parents or guardians of students who are highly willing to allow their children or dependents to pursure higher education after high school and those who wish to study all specialized courses in the short - long term.

(E) Currency: KHR & USD

Loan Size: Up to 2,000 USD

(Loan Term Up To: 5 years

Staff Loan



Target Customer :

To all FUTABA's staffs who need financial service to support their living standard.

Currency: KHR & USD

Loan Size: 24 times or 48 times of basic salary

(Loan Term Up To: 15 years

Employee Loan



Target Customer :

To provide for individual who has a regular salary income for supporting their financial need but it must be legal usage.

(E) Currency: KHR & USD

Loan Size: Up to 10,000 USD

(Loan Term Up To: 2 years

Loan Conditions

Required documents

- Age from 18 to 65 years old.
- Have permanent address in FUTABA's operating areas.
- Have a good history in society.
- Have a legal employment or business.
- Have a properly collateral.

- ID Card or Family Book or Residence Book or Birth Certificate or Passport.
- Collateral (Hard Title or Soft Title).
- Other documents related to Income Sources.

FUTABA work tirelessly towards the mission by offering
 the most suited financial services to you.





Business Performance

- Loan Performance by Sectors
- Loan Performance by Products
- Classifying the Loan Types by Main Categories
- Classifying the Loan Products by Main Categories



Number of Accounts

Sectors	2020	2021	2022
Agriculture, Forestry & Fishing	18	30	42
Commerce and Trade	128	110	111
Construction	103	68	57
Transportation	40	35	36
Service	17	18	15
Household / Family	494	490	528
Other Categories	o	0	0
Total	800	751	789

Gross Loan Portfolio

Sectors	2020	2021	2022
Agriculture, Forestry & Fishing	285,919	424,965	602,506
Commerce and Trade	2,858,829	2,480,358	2,356,068
Construction	1,555,730	1,259,321	923,082
Transportation	745,138	625,125	632,444
Service	576,068	449,132	377,365
Household / Family	8,387,535	8,148,633	8,404,454
Other Categories	_	_	-
Total	14,409,219	13,387,534	13,295,920



Number of Active Accounts

Sectors	2020	2021	2022
Business Loan	225	199	184
Consumption Loan	239	271	324
Agriculture Loan	20	31	40
Housing Loan	233	196	185
Staff Loan	43	35	33
Education Loan	3	3	3
Employee Loan	37	16	20
Total	800	751	789

Gross Loan Portfolio

Sectors	2020	2020 2021 2			
Business Loan	5,307,570	4,257,537	3,889,124		
Consumption Loan	2,883,198	3,633,073	4,223,865		
Agriculture Loan	291,184	462,397	582,821		
Housing Loan	5,432,070	4,607,273	4,267,818		
Staff Loan	446,778	402,550	265,797		
Education Loan	1,925	650	792		
Employee Loan	46,494	24,054	37,414		
Total	14,409,219	13,387,534	13,267,631		



Classifying the Loan Types by Main Categories

Gross Loan Portfolio

Types	2021	2022	Varience %
Micro Loan	230,909	297,631	22%
Small Loan	4,232,651	4,422,816	4%
Medium Loan	7,876,898	7,598,318	(4%)
Large Loan	1,047,076	977,156	(7%)
Total	13,387,534	13,295,920	(1%)



Classifying the Loan Products by Main Categories

Types	2021	2022	Varience %
Business Loan	4,257,357	3,897,416	(9%)
Consumption Loan	3,633,073	4,232,871	14%
Agriculture Loan	462,397	584,063	21%
Housing Loan	4,607,273	4,276,918	(8%)
Staff Loan	402,550	266,364	(51%)
Education Loan	650	793	18%
Employee Loan	24,054	37,494	36%
Total	13,387,354	13,295,920	(1%)

06

Capacity Building

- Internal Staff Training
- External Staff Training
- Annual Workshop

Capacity Building

The efficiency of good services are the main advantage that each institution can attract more potential customers to support their business. At the same time, the skill ability and good attitude of employees as a role in bringing products to customers and increase the competitive advantage in the market. However, in 2022, the management of FUTABA Microfinance Plc. has organized many training courses for staff, such as training new staff regularly and staff working in each field. To ensure that each employee is able to perform their duties well, meet the actual market needs with clarity, adequacy and timely.

- Internal Staff Training

There are a total of 23 internal training sessions for 2022, in which new entrants are properly training before being allowed to perform their duties in their respective workplaces. Employees working in each branch office are also encouraged to attend regular training sessions.



- External Staff Training

In line with the Sustainable Development Goals of the Royal Government of Cambodia, the relevant ministries have introduced new regulations for all bankings, microfinances and private companies to fully comply with their respective obligations. Competition in the credit market, which is the main product of banks and microfinances, strongly encourages the management of individual institutions to make more efforts to meet compliance requirements, as well as increase the potential of strong staff capacity can provide high confidence reach potential customers in general and capture a wider market share. At the same time, the management of FUTABA has diligently assign management and relevant staff to participate in seminars and training courses organized by the Cambodian Microfinance Association and other educational institutions.

During 2022, there will be a total of 15 outreach seminars and training sessions for the management and staff of FUTABA Microfinance Plc., Including face by face and online participation.



- Annual Workshop

As in previous years, the management of FUTABA attaches great importance to the efforts of all employees who are actively involved in the mission to achieve good results. Namely, The management organized the 5th Annual Workshop for the purpose of meeting and informing all employees about the new business progress, challenges, solutions and action plans of FUTABA towards new successes. This year's workshop was held in Sihanoukville under the topic "Workshop to summarize the work results for the year 2022 and the implementation next year". The high attendance of the Chairman of Board and Advisor CEO further encouraged all the managements and staff and made the whole atmosphere of the event run smoothly and happily.





















Risk Management and Internal Control

- Risk and Compliance Management
- Internal Audit



Risk and Compliance Management

Regulators, external auditors, and other consultants are also a part of external oversight of the institutional operations, which can show **FUTABA** Microfinance Plc., with shortcomings, risk identification arising and help identify which points to be improved. Additionally, Compliance Management continues to strengthen FUTABA's internal control to comply with other laws and regulations of NBC licensing and registration as well as other governmental rules which ensures that **FUTABA**'s business expansion and its operation are fully compliant with Cambodia's laws, rules and regulations in banking and microfinance sectors.

Board of Directors has decided to establish the Legal and Compliance Department which has been in charge in and responsible by Head of Legal and Compliance to ensure that **FUTABA**'s risk occurring and compliance management is taken, by overseeing the internal control in place to identify, assess and manage internal and external risks that could present threats to **FUTABA**'s operation and ensure that practices and procedures are fully complied with laws and regulations. In addition, the department also responsible for monitoring compliance aspect with the internal policies, procedures and guidelines related to compliance, including checking the efficiency on adherence of established policies and liaises internal and external functions in matters of compliance and managing compliance risks. In the process of measurement of qualifications and work experience of the responsible persons in compliance arear, the compliant representative was checked and recognized by the National Bank of Cambodia on August 29, 2018. Additionally, the Legal and Compliance Department is responsible for overseeing on Anti-Money Laundering and Combating Financing Terrorism, and Combating the Financing of Proliferation of Weapons of Mass Destructions, which is reported and cooperated with the Financial Intelligent Unit of the National Bank of Cambodia.

- Risk and Compliance Committee

FUTABA has formed the Risk and Compliance Committee in board level on November 01, 2019, chaired by an Independent Board of Director. Head of Legal and Compliance is a coordinator for discussing the reports with all departments or managements and review the adequacy and completeness of the compliance risk analysis which required by laws and regulations. Significant compliance risks are highlight and reported to the Board of Directors for reviewing and commended back in timely compliance and resolution. In addition, the Legal and Compliance Department is also a member of the management committee, which consists of the Information Technology Risk Management Committee, the Information Technology Strategy Committee and the Information Technology Steering Committee, to oversee and properly implement the information technology sector.

- Meeting and Membership

The Risk and Compliance Committee meetings are held at least twice a year, and shall be invited by the Chairman of the committee or members.

The members of this committee shall be at least three members. The member of the Risk and Compliance Committee has composed by persons as:



Mr. NGET Sovannaro
Independent Board of Directo
(Chairman)



Mr. Yosuke SASAKI Board of Director



Mr. Junichi SASAKI CEO/President (Member)



Mr. PREAP Kandoeng Assistant CEO (Invitation)



Mr. UM Piseth Assistant CEO (Invitation)



Mr. SAR Phearom Head of Legal & Compliance Dept (Secretary)

- Duties & Responsibilities

- To review and assure the develope and revise of the procedures and policies on Legal and Compliace in order to effectively monitor and evaluate performance.
- To review the regular updates assessing performance of the Compliance function required by laws and regulations.
- Regularly review the internal Compliance Checklist to identify risk, follow up and take action plan ongoing to manage the risk in a timely and effective manner.
- To consider and review the Audit Reports finding related to compliance implementation and the regulatory risks that arise and their implications.
- Monitoring of effective compliance with Anti-Money Laundering and Combating Financing Terrorism, and Combating the Financing of Proliferation of Weapons of Mass Destructions practices with the Financial Intelligence Unit of National Bank of Cambodia.
- To assure that the necessary training is provided to all staffs and ensure a compliance awareness culture including the aware of AML/CFT/CFP measures within institution.
- Review and assure the develope and revise of the procedures and policies on Risk Management Framework in order to effectively monitor and evaluate performance.



Internal Audit

Internal Audit must be an independent side which monitor and report overall implementation processes of the institution. **FUTABA**'s Internal Audit was first established in July 2017, in charged by Internal Audit Unit Manager. This position has been changed and re-recognized by NBC on September 28th, 2020. Internal Audit Unit Manager is responsible for conducting audit tasks and all operating inspections within **FUTABA** Microfinance Plc., as well as audit planning, updating audit program and training staff for the necessary need to improve the quality of audit. In accordance with the internal audit policy and audit plan, at least three times a year, shall be audited at each branch and once a year for significant department. Internal Audit side is independent of all **FUTABA**'s operations and reports directly to Audit Committee in Board level. In fact, in 2022, Internal Audit also reported the internal audit reports to Board of Directors about the performance and key issues finding of the institution's operations under managing by management team, department and branch.

To support the Board of Director and Management, **FUTABA** has established two committees at the board level such as the Audit Committee, and Risk and Compliance Committee.

- Audit Committee

This committee is constituted to ensure safe and sound corpThis committee is constituted to ensure safe and sound corporate governance and it is vested with necessary power as defined in its Charter to achieve its objectives. The powers and terms of reference of the Audit Committee are comprehensive and comply with the requirement as set out by Article 131 of the Law on Commercial Enterprise, as well as Article 8 of the Prakas B7-08-211 on Governance in Bank and Finance Institutions of Cambodia. The Chairman of this committee is a Non-Executive Independent Director who also answers all queries from shareholder at the meeting.

- Meeting and Membership

The meeting of Audit Committee shall be called by the Chairman of the committee at the request of any of its members or at the request of external or internal auditors if they consider it is necessary. A statement of place, time and agenda of the meeting to be discussed shall be sent to all members and stakeholders who attend the meeting at least 5 (five) working days. Relevant documents must be sent all members and other participants at the same time. Extraordinary meetings may be held as appropriate, but ordinary



meeting shall be held at least twice a year, in June and December of each year depending on the circumstances. In fact, in 2022, this committee meeting was held by electronically twice on June 21st, 2022 and December 29th, 2022.

The Committee shall be appointed by the Board, and shall be at least three members. The Chairman of this committee shall be an independent board of director and all members must be independent of their roles and responsibilities as well. The AC members are as follow:

Mr. MOTOO HAMADA Independent Board of Director : Chairman
 Mr. JUNICHI SASAKI CEO/President : Member
 Mr. PREAP Kandoeng Assistant CEO : Invitation
 Mr. UM Piseth Assistant CEO : Invitation

- Person In-Charge Internal Audit Unit Manager : Member/Secretary

- Duties & Responsibilities

- Review and approve the terms of the annual internal audit plan and work program including objectives, scope, and timetable;
- Review matters which may affect the independence of the internal auditor;
- Review and approve of a policy and procedure;
- Review the findings and follow-up of the internal auditor including any significant disagreements between management and the internal auditor with regard to required system and control;
- Ensure that direct and open communication exists among the AC, the external auditor and the internal auditor:
- Provide AC members access to the internal auditors and the Internal Audit Unit Manager/Head of Internal Auditor without the presence of management;
- Communicate the AC's expectations to the internal auditor in writing;
- Receive and review reports prepared by internal audit activity in terms of quality and timeliness;
- Monitor the progress of the internal audit plan and work program and considering the implications of internal audit findings for the control and business environment;
- Monitor the implementation of internal audit's findings and recommendation;
- Monitor and reviewing the quality of internal audit services delivered;
- Evaluate the process the company has in place for monitoring and assessing the effectiveness of the internal auditor;
- Oversee the coordination of the planned activities of internal and external audit, risk and compliance management.



Financial Statements & Independent Auditor's Report

- Directors' Report
- Independent Auditors' Report
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows



The Directors have pleasure in submitting their report and the audited financial statements of Futaba Microfinance Plc. ("the Company") for the financial year ended 31 December 2022.

Principal activities

The principal activity of the Company is to provide credit to local partners through its head office in Phnom Penh and its various provincial and district offices in Cambodia. There have been no significant changes in the nature of this activity during the financial year.

Results of operations

	US\$	KHR'000
Profit for the financial year	449,426	1,836,804

Dividends

The Directors do not recommend the payment of any dividend for the current financial year.

Reserves and provisions

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

Bad and doubtful debts

Before the statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad loans and the making of allowance for doubtful loans and satisfied themselves that there were no known bad loans and that adequate allowance had been made for doubtful loans.

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

Current assets

Before the statement of comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount expected if realised.

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

Valuation methods

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

Contingent and other liabilities

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

(i) any charge on the assets of the Company which has arisen since the end of the financial year which

secures the liabilities of any other person, or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

Changes of circumstances

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

Items of an unusual nature

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

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

Share capital

The Company did not issue any shares during the current financial year.

No option to take up unissued shares in the Company was granted during the financial year and there were no shares under options at the end of the financial year in respect of shares in the Company.

Directors

The Directors who have held for office since the date of the last report are:

1. Mr. Chreuk Phally	Chairman
z. Mr. Yosuke Sasaki	Director
3. Mr. Junichi Sasaki	Director
4. Mr. Motoo Hamada	Independent Director
5. Mr. Nget Sovannaro	Independent Director

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects 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 body corporate.

Since the end of the previous financial year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 27 to the financial statements.

Directors' responsibility in respect of the financial statements

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and cash flows for the financial year then ended. In preparing these financial statements, the Directors are required to:

- (a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;
- (b) comply with the disclosure requirements of the Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRSs for SMEs") and the guidelines issued by the National Bank of Cambodia relating to the preparation and presentation of financial statements 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;
- (c) maintain adequate accounting records and an effective system of internal controls;
- (d) 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
- (e) control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Statement by the Directors

In the opinion of the Directors, the financial statements set out on pages 8 to 29 have been drawn up in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities and the guidelines issued by the National Bank of Cambodia so as 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 cash flows for the financial year then ended.

Signed on behalf of the Board,

Mr. CHREUK Phally Chairman

Phnom Penh, Cambodia

Date: 27 April 2023



To the Shareholders of FUTABA Microfinance Plc.

Opinion

We have audited the financial statements of Futaba Microfinance Plc. ("the Company"), which comprise statement of financial position as at 31 December 2022, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies, as set out on pages 8 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and cash flows for the financial year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities and the guidelines issued by the National Bank of Cambodia.

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the 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 Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities and the guidelines issued by the National Bank of Cambodia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not



a guarantee that an audit conducted in accordance with 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 the financial statements.

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

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

As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- 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 of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

Other Matter

This report is made solely to the shareholder of the Company, as a body. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Company for the financial year ended 31 December 2021 was audited by another firm of Certified Public Accountants, whose report dated 21 March 2022 expressed an unqualified opinion on those statements.

BDO (Cambodia)

Phnom Penh, Cambodia Date: 27 April 2023



			2021		
		USD	KHR'000	USD	KHR'000
N	ote				
ASSETS					
Cash on hand	6	88,234	363,259	131,313	534,969
Balances with National Bank of Cambodia	7	355,747	1,464,610	354,481	1,444,156
Balances with other banks	8	1,726,576	7,108,313	1,201,293	4,894,068
Loans to customers	9	13,295,920	54,739,303	13,387,534	54,540,814
Other receivables	10	178,922	736,622	172,411	702,402
Property and equipment	11	98,381	405,035	84,064	342,477
Total Assets		15,743,780	64,817,142	15,331,096	64,458,886

LIABILITIES AND EQUITY

Liabilities

Borrowings	12	5,147,182	21,190,948	5,158,293	21,014,886
Advances from shareholder	13	1,390,000	5,722,630	1,390,000	5,662,860
Deferred tax liabilities	14	127,144	523,452	46,911	191,115
Other payables	15	79,041	325,411	152,394	620,854
Current tax liabilities		40,031	164,808	72,542	295,536
Total Liabilities		6,783,398	27,927,249	6,820,140	27,785,251

Equity

Share capital	16	7,000,000	28,000,000	7,000,000	28,000,000
Regulatory reserve	17	798,749	3,257,888	474,252	1,931,668
Retained earnings		1,161,633	4,724,308	1,036,704	4,213,724
Currency translation differences		_	907,697	_	528,243
Total Equity		8,960,382	36,889,893	8,510,956	34,673,635
Total Liabilities and Equity		15,743,780	64,817,142	15,331,096	62,458,886

Statement of Comprehensive Income For the financial year ended 31 December 2022

			2022		2021
		USD	KHR'000	USD	KHR'000
	Note				
Interest income	18	1,881,447	7,689,474	1,814,301	7,380,576
Interest expense	19	(98,058)	(400,763)	(113,481)	(461,641)
Net interest income	_	1,783,389	7,288,711	1,700,820	6,918,935
Allowance for impairment losses	20	(57,999)	(237,042)	(26,698)	(108,607)
Other operating income	21	170,642	697,414	62,546	254,437
Personnel expenses	22	(774,092)	(3,163,714)	(778,707)	(3,167,780)
Depreciation expenses	23	(25,855)	(105,669)	(24,664)	(100,333)
General and administrative expenses	24	(507,742)	(2,075,142)	(345,932)	(1,407,252)
Profit before tax		588,343	2,404,558	587,365	2,389,400
Tax expense	25	(138,917)	(567,754)	(128,693)	(523,523)
Profit for the financial year	_	449,426	1,836,804	458,672	1,865,877
Other comprehensive income, net of ta	X				
Items that may be reclassified subsequen		ofit or loss			
- foreign currency translations		•	379,454	-	236,269
Total comprehensive income for the finan	cial year	449,426	2,216,258	458,672	2,102,146

Statement of Changes in Equity For the financial year ended 31 December 2022

	1	ı	(1,326,220)	(324,497)	1,326,220	324,497	1	ı	total transaction with owner
								sent	Transfer to regulatory reserve, represent
									Transaction with owner
449,42	379,454	1	1,836,804	449,426	1	ı			Total comprehensive income
ı	379,454	ı	ı	í	ı	ı	í	of tax	Other comprehensive income, net of tax
449,420	ı	ı	1,836,804	449,426	ı	ı	ı	ı	Profit for the financial year
8,510,950	528,243	ı	4,213,724	1,036,704	1,931,668	474,252	28,000,000	7,000,000	1 January 2022
									Balance as at 31 December 2021/
			(705,375)	(173,396)	705,375	173,396			total transaction with owner
								sent	Transfer to regulatory reserve, represent
									Transaction with owner
458,67;	236,269		1,865,877	458,672					Total comprehensive income
,	236,269	ı	ı	ı	í	ı	í	of tax	Other comprehensive income, net of tax
458,67	ı	ı	1,865,877	458,672	ı	ı	ı	1	Profit for the financial year
8,052,284	291,974	1	3,053,222	751,428	1,226,293	300,856	28,000,000	7,000,000	Balance as at 1 January 2021
USD	Currency 1 differences KHR'000	translation USD	ned earnings KHR'000	Retai USD	ory reserves KHR'000	Regulat USD	Share capital KHR'000	USD	
	Total USD KHR'000 8,052,284 32,571,489 458,672 1,865,877 236,269 458,672 2,102,146 8,510,956 34,673,635 449,426 1,836,804 449,426 2,216,258		Currency on differences KHR'000 291,974 236,269 236,269 236,269 379,454 379,454	Currency Currency Currency translation differences KHR'000 USD KHR'000 S,053,222	ined earnings translation differences KHR'000 USD KHR'000 3,053,222 - 291,974 8 1,865,877 - 236,269 1,865,877 - 236,269 1,865,877 - 236,269 1,836,804 - 379,454 1,836,804 - 379,454	Retained earnings translation differences USD KHR'000 USD KHR'000 751,428 3,053,222 - 291,974 8 458,672 1,865,877 - 236,269 458,672 1,865,877 - 236,269 458,672 1,865,877 - 236,269 449,426 1,836,804 - 379,454 449,426 1,836,804 - 379,454	Currency story reserves	Regulatory reserves Retained earnings translation differences USD KHR'0000 USD KHR'0000 USD KHR'000 300,856 1,226,293 751,428 3,053,222 — 291,974 8 - 458,672 1,865,877 — 236,269 - 458,672 1,865,877 — 236,269 - 458,672 1,865,877 — 236,269 - 474,252 1,931,668 1,036,704 4,213,724 — 528,243 - - 449,426 1,836,804 — 379,454 - - 449,426 1,836,804 — 379,454	Share capital Regulatory reserves Retained earnings translation differences USD KHR'000 US



For the financial year ended 31 December 2022

		2022		2021
	USD	KHR'000	USD	KHR'000
Cash flows from operating activities				
Profit before tax	588,343	2,404,558	587,365	2,389,400
Adjustments for:				
Allowance for impairment losses	57,999	237,042	26,698	108,607
Depreciation of property and equipment	25,855	105,669	24,664	100,333
Interest expense	98,058	400,763	113,481	461,641
Property and equipment written-off	5,762	23,549		
Operating profit before working capital changes	776,017	3,171,581	752,208	3,059,981
Changes in working capital				
Loans to customers	33,716	137,797	824,906	3,355,718
Other receivables	(6,511)	(26,610)	(41,569)	(169,103)
Other payables	(73,353)	(299,793)	89,205	362,886
Cash generated from operations	729,869	2,982,975	1,624,750	6,609,482
Interest paid	(109,169)	(446,174)	(114,872)	(467,299)
Income tax paid	(91,195)	(372,714)	(97,600)	(397,037)
Net cash from operating activities	529,505	2,164,087	1,412,278	5,745,146
Cash flows from investing activities				
Purchase of property and equipment, representing total net cash used in investing activity	(45,934)	(187,732)	(1,660)	(6,753)
total net eash used in investing activity	(45,954)	(101,132)		(0,155)
Cash flows from financing activities				
Repayments of borrowings, representing net cash				
used in financing activity	•	_	(370,829)	(1,508,532)
Net increase in cash and cash equivalents	483,571	1,976,355	1,039,789	4,229,861
Cash and cash equivalents at beginning of financial year	1,337,318	5,448,234	297,529	1,203,505
Currency translation differences	-	72,010	_	14,868
Cash and cash equivalents at end of financial year	1,820,889	7,496,599	1,337,318	5,448,234
Cash and cash equivalents comprise the following:	00.004	262.852	121 212	524262
Cash on hand	88,234	363,259	131,313	534,969
Balances with National Bank of Cambodia	E 747	22.660	4 401	10 256
(excluding statutory deposit) Balances with other banks	5,747	23,660	4,481	18,256 4,895,009
Datances with other Daliks	1,726,908	7,496,599	1,201,524	5,448,234
	1,020,009	7,430,099	1,001,010	2,440,604

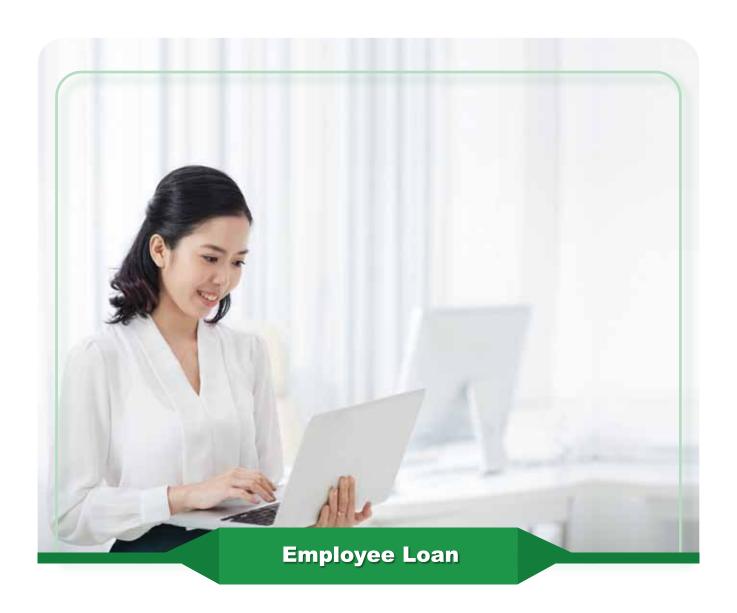


Partners



Lenders







Target Customer

To all customers who need financial service to support and expand their business in order to generate profit.



Currency

KHR & USD



Loan Size

40.000.000 Riel or 10,000 USD



Loan Term

Up To 2 years



- . No Collateral
- . Fast and reliable services
- . Lower interest rate with convenience loan conditions



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