

THANEAKEA PHUM (CAMBODIA), LTD.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

THANEAKEA PHUM (CAMBODIA), LTD.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors ("BOD") submits its report and the audited financial statements of Thaneakea Phum (Cambodia), Ltd. ("TPC") for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of TPC is to provide micro-finance services to the rural population of Cambodia, through its head office in Phnom Penh and its various provincial offices. Its corporate objective is to provide needed financial services to low-income households, particularly women in the rural areas, in a manner that is viable and sustainable for the economic development of Cambodia.

RESULTS

The results of operations for the year ended 31 December 2005 are set out in the income statement on page 7.

BAD AND DOUBTFUL LOANS

Before the financial statements of TPC were drawn up, the BOD took reasonable steps to ascertain that appropriate actions had been taken, in relation to the writing off of bad loans and the provision for bad and doubtful loans. They satisfied themselves that all known bad loans had been written off and that adequate provisions had been made for bad and doubtful loans.

At the date of this report, the BOD is not aware of any circumstances which would render the amount of the provision for bad and doubtful loans in the financial statements of TPC inadequate to any material extent.

VALUATION OF ASSETS

Before the financial statements of TPC were drawn up, the BOD took reasonable steps to ensure that its assets, other than loans which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of TPC, had been written down to an amount which they might be expected to realise.

At the date of this report, the BOD is not aware of any circumstances which would render the values attributed to the current assets in the financial statements of TPC misleading in any material respect.



VALUATION METHODS

At the date of this report, the BOD is not aware of any circumstances that have arisen which would render adherence to the existing historical method of valuation of assets and liabilities in the financial statements of TPC misleading or inappropriate in any material respect.

CONTINGENT AND OTHER LIABILITIES

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

- i) any charge on the assets of TPC which has arisen since the end of the year which secures the liabilities of any other person;
- ii) any contingent liability in respect of TPC that has arisen since the end of the year other than in the ordinary course of its business operations.

No contingent or other liability of TPC has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the BOD, will or may have a material effect on the ability of TPC to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the BOD is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of TPC, which would render any amount stated in the financial statements misleading in any material respect.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of TPC for the year ended 31 December 2005 were not, in the opinion of the BOD, materially affected by any items, transactions or events of a material and unusual nature.

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

EVENTS SINCE THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date requiring disclosure or adjustment other than those already disclosed in the accompanying notes to the financial statements.

THE BOARD OF DIRECTORS

The members of the BOD during the period and at the date of this report are:

- | | |
|---|------------------------------------|
| • Mark Taylor Pierce, CRS/SEAPRO Regional Director | Chairman |
| • Richard Balmadier, CRS/KH representative | Vice Chairman |
| • Mark David Palmer, CRS/HQ representative | Member |
| • Tun Kang, Branch Manager/Employees representative | Member (Appointed on 4 March 2005) |

No members held any interest in the equity of TPC except for Richard Balmadier holding 400 shares of TPC (at par value of Riel 100,000 each). No arrangements existed to which TPC is a party, with the object of enabling the members to obtain an interest in TPC or in any corporate body. No member has a benefit, other than remuneration, by reason of a contract made by TPC or related party.

AUDITORS

The financial statements were audited by PricewaterhouseCoopers (Cambodia) Limited who have expressed their willingness to accept re-appointment.

RESPONSIBILITIES OF THE BOD IN RESPECT OF THE FINANCIAL STATEMENTS

The BOD is responsible to ensure that the financial statements are properly drawn up, so as to give a true and fair view of the financial position of TPC as at 31 December 2005, and of the results of its operations for the period then ended. In preparing these financial statements, the BOD is required to:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii) comply with the disclosure requirements of guidelines issued by the National Bank of Cambodia ("the Central Bank") or, if there has been any departures in the interests of true and fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the financial statements on a going concern basis unless it is inappropriate to assume that TPC will continue operations in the foreseeable future;
- v) set overall policies for TPC, ratify all decisions and actions by the management that have a material effect on the operations and performance of TPC, and ensure they have been properly reflected in the financial statements.

The BOD confirms that TPC has complied with these requirements in preparing the financial statements.

On behalf of the Board of Directors,



Mark Taylor Pierce
Chairman
Date: 31 March 2006

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
THANEAKEA PHUM (CAMBODIA) LTD.**

We have audited the accompanying balance sheet of Thaneakea Phum (Cambodia) Ltd. ("TPC") as of 31 December 2005, and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

This report, including the opinion, has been prepared for and only for the shareholders of Thaneakea Phum (Cambodia) Ltd. and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, except where expressly agreed by our prior consent in writing.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements set out on page 5 to page 28 give a true and fair view, in all material respects, of the financial position of the Company as of 31 December 2005, and of the results of its operations and its cash flows for the year then ended in accordance with Cambodian Accounting Standards and guidelines issued by the Central Bank.




Senaka Fernando
Authorised signatory
PRICEWATERHOUSECOOPERS (CAMBODIA) LIMITED
Date: 31 March 2006
Phnom Penh, Kingdom of Cambodia

THANEAKEA PHUM (CAMBODIA), LTD.

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	2005 Riel '000	2004 Riel '000
ASSETS			
Cash on hand	3	96,262	75,674
Deposits with the Central Bank	4	200,500	200,500
Balances with banks	5	1,950,939	1,407,285
Loans to customers	6	17,995,229	14,191,051
Property and equipment	7	417,546	336,114
Interest receivable	8	313,526	191,468
Other assets	9	37,226	40,136
TOTAL ASSETS		21,011,228	16,442,228
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Customer deposits	10	2,077,577	1,627,655
Accruals and other liabilities	11	726,402	694,782
Deferred grant income	12	68,681	91,575
Borrowings	13	5,602,015	3,043,131
Total Liabilities		8,474,675	5,457,143
SHAREHOLDERS' EQUITY			
Share capital	14	4,000,000	4,000,000
Reserves		788,740	788,740
Hybrid capital	15	3,966,092	3,966,092
Retained earnings		3,781,721	2,230,253
Total Shareholders' Equity		12,536,553	10,985,085
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		21,011,228	16,442,228



Mr. Chuon Sophal
Chief Executive Officer
Date: 31 March 2006



Mr. Oum Sophan
Chief Financial Officer
Date: 31 March 2006

The accompanying notes on pages 9 to 28 form an integral part of these financial statements.

THANEAKEA PHUM (CAMBODIA), LTD.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
AS AT 31 DECEMBER 2005

	Share Capital Riel'000	Reserves Riel'000	Hybrid capital Riel'000	Retained earnings Riel'000	Total Riel'000
2004					
As at 1 January 2004	4,000,000	788,740	3,950,666	736,842	9,476,248
Profit for the year	-	-	-	1,493,411	1,493,411
Cash received from non-merging partners	-	-	15,426	-	15,426
As at 31 December 2004	4,000,000	788,740	3,966,092	2,230,253	10,985,085
2005					
As at 1 January 2005	4,000,000	788,740	3,966,092	2,230,253	10,985,085
Profit for the year	-	-	-	1,551,468	1,551,468
As at 31 December 2005	4,000,000	788,740	3,966,092	3,781,721	12,536,553

The accompanying notes on pages 9 to 28 form an integral part of these financial statements.

THANEAKEA PHUM (CAMBODIA), LTD.

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 Riel '000	2004 Riel '000
Interest income		6,271,012	4,886,703
Interest expense		<u>(613,251)</u>	<u>(240,080)</u>
Net interest income		5,657,761	4,646,623
Grant income	16	194,863	112,676
Other operating income	17	58,351	189,966
Foreign exchange gain-net		<u>(93,041)</u>	<u>67,247</u>
Net operating income		5,817,934	5,016,512
Operating expenses			
Personnel costs	18	(2,098,987)	(1,714,720)
General and administration expenses	19	(1,261,143)	(1,138,434)
Depreciation		<u>(229,204)</u>	<u>(161,589)</u>
		<u>(3,589,334)</u>	<u>(3,014,743)</u>
Provision for doubtful loans	6	<u>(289,265)</u>	<u>(135,005)</u>
Profit before tax		1,939,335	1,866,764
Taxation	20	<u>(387,867)</u>	<u>(373,353)</u>
Profit for the year		<u>1,551,468</u>	<u>1,493,411</u>



Mr. Chuon Sophal
Chief Executive Officer
Date: 31 March 2006



Mr. Oum Sophan
Chief Financial Officer
Date: 31 March 2006

The accompanying notes on pages 9 to 28 form an integral part of these financial statements.

THANEAKEA PHUM (CAMBODIA), LTD.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 Riel '000	2004 Riel '000
Cash flows from operating activities			
Profit for the year		1,551,468	1,493,411
Adjustments for:			
Depreciation	7	229,204	161,589
Amortisation of grant income	12	(22,894)	(30,525)
Provision for doubtful loans	6	289,265	135,005
Operating income before changes in operating assets and liabilities		2,047,043	1,759,480
Changes in operating assets and liabilities:			
Loans to customers		(4,093,443)	(5,627,923)
Other assets		(131,368)	(93,990)
Customer deposits		449,922	469,767
Accruals and other liabilities		43,841	378,717
Net cash outflow from operating activities		<u>(1,684,005)</u>	<u>(3,113,949)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		<u>(310,637)</u>	<u>(22,222)</u>
Cash flows from financing activities			
Cash from non merging partners		-	15,426
Proceeds from borrowings		2,558,884	3,043,131
Net cash inflow from financing activities		<u>2,558,884</u>	<u>3,058,557</u>
Net increase/(decrease) in cash and cash equivalents		564,242	(77,614)
Cash and cash equivalents at the beginning of the year		<u>1,483,459</u>	<u>1,561,073</u>
Cash and cash equivalents at end of the year	21	<u>2,047,701</u>	<u>1,483,459</u>

The accompanying notes on pages 9 to 28 form an integral part of these financial statements.

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. BACKGROUND INFORMATION

The Thaneakea Phum (Cambodia) Company, Ltd. ("TPC"), is a registered limited liability company incorporated under the Cambodian laws. Its activities are an offshoot of the Thaneakea Phum Program ("the Program") which the Catholic Relief Services (CRS) launched in December 1994 as part of CRS Cambodia's strategy for rural reconstruction and poverty alleviation. TPC is the result of the operational merger and transformation of CRS branches and two of its non-government organizations (NGO) partners who spun off their micro-finance operations to become a branch of a licensed micro-finance institution. The transferred assets and liabilities of TPC were established based on the asset transfer document dated 19 September 2002.

TPC as a micro-finance institution will continue to be primarily, a rural-based credit and savings institution with ten branches and a head office in Phnom Penh. TPC's corporate focus is to provide reliable and affordable access to financial services to poor women micro-entrepreneurs in rural areas and in the vicinity of Phnom Penh. Out of a total 21 provinces in Cambodia, TPC is already operating in eight provinces, namely Takeo, Kampot, Battambang, Svay Rieng, Banteay Meanchey, Siem Reap, Kampong Cham and Kandal. The Kandal and Phnom Penh operations are already fully functioning towards the end of 2002. Financial services are provided either through village banks made up of solidarity groups of five members each, or to solidarity groups themselves.

TPC was registered as a limited liability company ("LLC") on 27 June 2002. The Central Bank granted TPC a license to conduct business as a micro-finance institution for a three-year period commencing from 12 February 2003 to 12 February 2006. On 20 January 2006, the Central Bank granted TPC the extension of this license for another three-year period commencing from 12 February 2006 to 12 February 2009.

TPC's head office is at No. 94, Street 360, Boeung Keng Kang III, Chamkar Morn, Phnom Penh, Cambodia.

As at 31 December 2005, TPC had 191 employees (2003: 171 employees) of whom 29 are situated at the Head Office in Phnom Penh and 162 in the branches.

The financial statements were approved for issue by the Board of Directors on 31 March 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of the Company, which are expressed in Cambodian Riel ("Riel"), are prepared under the historical cost convention and drawn up in accordance with Cambodian Accounting Standards ("CAS"). The Company maintains its accounting records in Riel, the functional currency in Cambodia.

THANEAKEA PHUM (CAMBODIA), LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (continued)

The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Cambodia. Consequently, these financial statements are only addressed to those who are informed about CAS.

Basis of aggregation

The financial statements include the financial statements of the head office and TPC's ten branches. On aggregation of balances, all significant inter-branch balances and transactions are eliminated in full.

Loans to customers

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

The amount of provision established by TPC as at the balance sheet date is in full compliance with the requirement of the Central Bank's Prakas No B-7-02-186 on classification and provisioning for bad and doubtful loans, including interest in suspense. This is determined by applying defined percentages to the outstanding balances in various aging categories (other than those classified as current or standard where no provision is required), as follows:

Loan status/classification	Percentage applied (%)
<i>Loan of one year or less</i>	
Standard	0
Sub standard loans (where repayments are more than 30 days overdue)	10
Doubtful loans (where repayments are more than 60 days overdue)	30
Loss (where repayments are more than 90 days overdue)	100
<i>Loan of more than one year</i>	
Standard	0
Sub standard loans (where repayments are more than 30 days overdue)	10
Doubtful loans (where repayments are more than 180 days overdue)	30
Loss (where repayments are more than 360 days overdue)	100

The adequacy of the provision for bad and doubtful loans established as at balance sheet date was evaluated by management up to the date of the auditors' report. Factors considered in evaluating the adequacy of the provision include the size of the portfolio, previous loss experience, current economic conditions and their effect on clients, the financial situation of clients and the performance of loans in relation to contract terms. Based on management's judgment, no additional amount is necessary to maintain the provision balance at an adequate level to absorb losses.

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated at their transferred values represented by the respective net book values (cost less accumulated depreciation) as at the date of transfer on 30 June 2002 when the Program's equipment was transferred to TPC. All acquisitions subsequently are recorded at cost.

Depreciation is computed using the reducing balance method as follows:

	Percentage (%)
Computer	50%
Office equipment	25%
Motor vehicles	25%

Expenditure for maintenance and repairs that do not extend the useful lives of assets will be expensed in the year in which they are incurred.

Gains or losses on the sale of property and equipment will be recognised upon the disposal of such assets.

Interest income and expense recognition

Interest earned on loans is recognised on an accrual basis. When a loan is classified as less than standard, the recording of interest as income is suspended until it is realised on a cash basis.

Interest expense on deposits is recognized on an accrual basis.

Fee income is recognised in the income statement when the transaction occurs.

Grants

Revenue grants received to subsidize TPC's operating expenses are released to the income statement on a systematic and rational basis, matching the related costs which they are intended to compensate.

Grants received for the purchase of property, plant and equipment are amortised to the income statement on a systematic and rational basis over the useful life of the asset. The unamortised grants are shown as *Deferred grant income*.

Funds received to be used exclusively for funding its loan disbursement are recognized as *Hybrid capital* and treated as part of shareholder's equity in the balance sheet.

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

Foreign currency transactions are translated into Khmer Riel using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of the monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. The exchange rates used for the translations of monetary assets and liabilities denominated in foreign currencies are as follows:

	2005	2004
Khmer Riel / US\$	4,112	4,027
Khmer Riel / Thai Baht	100.00	103.28

Taxation

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income taxes are calculated using a principal tax rate of 20%.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the leaser are classified as operating leases. Payments made under operating leases (net of any incentives received from the leaser) are charged to the income statement on a straight-line basis over the period of the lease.

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk management

Financial risk management and policies

By its nature, TPC's activities are principally related to the use of financial instruments. TPC accepts funds from its shareholders and lenders and seeks to earn interest margins by lending at higher rates whilst maintaining sufficient liquidity to meet all claims that might fall due.

TPC is exposed to risks from changes in market interest rates and in currency exchange rates. TPC manages and assumes such risks by monitoring the market movements of interest and currency exchange rates. There is no hedging currently. TPC does not hold or issue derivative instruments.

Since the majority of the financial assets are short-term and the interest rates are subject to the market rate, TPC does not use derivative financial instruments to hedge such risk.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of TPC's operations and its cash flows. Its exposure to interest rate risk relates primarily to its loans and bank deposits.

Foreign currency risk

TPC is exposed to foreign exchange risk mainly arising from borrowings in various currency exposures, primarily with respect to the Thai Bath and US dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. In accordance with Central Bank's guidelines, TPC is limited in foreign currency exposure to a ratio not to exceed 5% per individual currency and 15% of its aggregate net worth. There is no reserve for currency risk of unhedged borrowings which are denominated in United State Dollars (USD). In order to mitigate currency risk, TPC uses the cash from borrowing in USD to provide loans in USD.

Credit risk

TPC is exposed to credit risk primarily with respect to loans. Such risks are monitored on a revolving basis and subject to an annual or regular follow up visits. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Management believes that TPC's maximum exposure to credit risk is limited to the carrying amount of loans less provisions for doubtful loans. Loans are also provided to those borrowers that are deemed profitable.

Fair value

Since the majority of financial assets are short-term (maturities of less than one year) with interest close to current market rates, the management believes the fair value of TPC's financial assets do not materially differ from their carrying values.

THANEAKEA PHUM (CAMBODIA), LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Transactions entered into by TPC with related parties consisted mainly of property and equipment and loan fund grants received from CRS, as disclosed in notes 12 and 15.

Reserves

This account represents profits from the previous Program under CRS. After deduction of previous losses, five percent of the net profits shall be transferred into the legal reserve funds. Such transfer will cease when the reserve funds reach 10% of the registered capital of the Company.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

3. CASH ON HAND

	31 December 2005 Riel '000	31 December 2004 Riel '000
Chhuk	21,925	4,939
Siem Reap	14,878	11,394
Svay Rieng	14,375	5,392
Samroung Bati	7,319	6,631
Phnom Penh	7,212	10,709
Tramkok	7,127	6,716
Banteay Meanchey	6,559	10,811
Kompong Cham	6,021	6,809
Kandal	5,363	6,894
Battambang	3,483	3,379
Head office	2,000	2,000
	<u>96,262</u>	<u>75,674</u>

4. DEPOSITS WITH THE CENTRAL BANK

	Note	31 December 2005 Riel '000	31 December 2004 Riel '000
Statutory deposits	(i)	200,000	200,000
Current account		500	500
		<u>200,500</u>	<u>200,500</u>

- (i) Following the Central Bank's Prakas No. 8700-006 on the "Licensing of Micro-finance Institution", each licensed MFI shall maintain an amount equal to 5% of its registered capital in a non-interest earning permanent account with the Central Bank.

5. BALANCES WITH BANKS

	31 December 2005 Riel '000	31 December 2004 Riel '000
Current accounts		
ACLEDA Bank (without interest)	767,572	595,738
Saving deposits		
Rural Development Bank (RDB)	989,012	543,754
Canadia Bank	194,355	267,793
	<u>1,950,939</u>	<u>1,407,285</u>

Interest rates	2005	2004
Saving deposits (per annum)	0.75% to 2%	0.75% to 2%
Current account	Nil	Nil

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

6. LOANS TO CUSTOMERS

	31 December 2005 Riel '000	31 December 2004 Riel '000
Loans and advances to customers	18,201,624	14,228,574
Provision for bad and doubtful loans	<u>(206,395)</u>	<u>(37,523)</u>
Net	<u>17,995,229</u>	<u>14,191,051</u>

All loans and advances were made to Cambodian nationals.

The details of gross loans and advances by currency are as follows:

	31 December 2005 Riel '000	31 December 2004 Riel '000
In Riel	14,585,631	11,414,533
In Thai Baht	3,599,711	2,814,041
In USD	<u>16,282</u>	<u>-</u>
	18,201,624	14,228,574
Provision for bad and doubtful loans	<u>(206,395)</u>	<u>(37,523)</u>
	<u>17,995,229</u>	<u>14,191,051</u>

Effective interest rates	2005	2004
Group loans	3% - 3.5% per month	3% - 3.5% per month
Special loans	3.5% per month	3.5% per month

Movements in provision for doubtful loans are as follows:

	31 December 2005 Riel'000	31 December 2004 Riel'000
Balance as at beginning of the year	37,523	41,483
Provision for the year	289,265	135,005
Bad debts written off	(120,028)	(138,627)
Bad debts recovered	<u>(365)</u>	<u>(338)</u>
	<u>206,395</u>	<u>37,523</u>

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

6. LOANS TO CUSTOMERS (Continued)

The details of gross loans to customers, by branches, are as follows:

	31 December 2005 Riel '000	31 December 2004 Riel '000
Samroung Bati	2,151,689	1,588,089
Banteay Meanchey	3,599,711	2,814,041
Tramkok	1,307,463	1,153,369
Chhuk	1,854,842	1,805,635
Battambang	1,808,945	1,485,552
Svay Rieng	1,632,163	903,327
Siem Reap	2,032,528	1,414,449
Kompong Cham	946,673	700,022
Kandal	974,847	693,083
Phnom Penh	1,892,763	1,671,007
	<hr/>	<hr/>
	18,201,624	14,228,574
Provision for bad and doubtful loans	(206,395)	(37,523)
	<hr/>	<hr/>
	17,995,229	14,191,051

Total non-performing loans on which recognition of interest is suspended amounted to Riel 274,358 thousand (2004: Riel 100,332 thousand). Loans are considered as non-performing when they become overdue by 30 days or more.

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment Riel '000	Motor vehicle Riel'000	Computer Riel '000	Total Riel '000
At 1 January 2004				
Cost	52,665	950,884	391,450	1,394,999
Accumulated depreciation	<u>(33,269)</u>	<u>(646,632)</u>	<u>(239,972)</u>	<u>(919,873)</u>
Net book amount	<u>19,396</u>	<u>304,252</u>	<u>151,478</u>	<u>475,126</u>
Year ended 31 December 2004				
Opening net book amount	19,396	304,252	151,478	475,126
Additions	22,222	-	-	22,222
Depreciation charged	<u>(9,381)</u>	<u>(81,944)</u>	<u>(69,909)</u>	<u>(161,234)</u>
Closing net book amount	<u>32,237</u>	<u>222,308</u>	<u>81,569</u>	<u>336,114</u>
At 31 December 2004				
Cost	74,887	950,884	391,450	1,417,221
Accumulated depreciation	<u>(42,650)</u>	<u>(728,576)</u>	<u>(309,881)</u>	<u>(1,081,107)</u>
Net book amount	<u>32,237</u>	<u>222,308</u>	<u>81,569</u>	<u>336,114</u>
Year ended 31 December 2005				
Opening net book amount	32,237	222,308	81,569	336,114
Additions	13,656	132,057	164,924	310,637
Depreciation charged	<u>(11,822)</u>	<u>(92,933)</u>	<u>(124,450)</u>	<u>(229,204)</u>
Closing net book amount	<u>34,071</u>	<u>261,432</u>	<u>122,043</u>	<u>417,546</u>
At 31 December 2005				
Cost	88,543	1,082,941	556,374	1,727,858
Accumulated depreciation	<u>(54,472)</u>	<u>(821,509)</u>	<u>(434,331)</u>	<u>(1,310,312)</u>
Net book amount	<u>34,071</u>	<u>261,432</u>	<u>122,043</u>	<u>417,546</u>

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

8. INTEREST RECEIVABLE

	31 December 2005 Riel '000	31 December 2004 Riel '000
Accrued interest receivable	313,526	191,468
	<u>313,526</u>	<u>191,468</u>

9. OTHER ASSETS

	31 December 2005 Riel '000	31 December 2004 Riel '000
Prepaid rental	13,323	22,822
Others	23,903	17,314
	<u>37,226</u>	<u>40,136</u>

10. CUSTOMER DEPOSITS

This account represents the compulsory deposits from customers representing 5% to 10% of their principal loan amounts. Customers receive interest of 1% per month on their savings deposits that will be paid at the maturity of their loans.

The details of customer deposits, by location, are as follows:

	31 December 2005 Riel '000	31 December 2004 Riel '000
Banteay Meanchey	462,284	366,868
Samroung Bati	217,243	161,162
Battambang	223,805	184,059
Tramkok	137,448	118,041
Svay Rieng	226,544	134,338
Chhuk	203,261	176,423
Siem Reap	217,615	146,583
Kompong Cham	117,829	95,947
Kandal	83,813	62,418
Phnom Penh	187,735	181,816
	<u>2,077,577</u>	<u>1,627,655</u>

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

11. ACCRUALS AND OTHER LIABILITIES

	31 December 2005 Riel '000	31 December 2004 Riel '000
Accrued expenses		
Salaries	272,073	234,593
Withholding tax	13,649	7,989
Income tax	331,478	329,185
Others	109,202	123,015
	<u>726,402</u>	<u>694,782</u>

12. DEFERRED GRANT INCOME

This account is originally represented by grant received from CRS for three motor vehicles amounting to Riel 231,958 thousand.

	31 December 2005 Riel '000	31 December 2004 Riel '000
Balance as at beginning of the year	91,575	122,100
Amortisation of grant income for the year	(22,894)	(30,525)
	<u>68,681</u>	<u>91,575</u>

13. BORROWINGS

	Note	31 December 2005 Riel '000	31 December 2004 Riel '000
Rural Development Bank ("RDB")	(i)	2,000,000	2,000,000
Triodos	(ii)	2,000,000	-
Micro-finance Alliance Fund	(iii)	804,000	1,005,000
CRS local	(iv)	575,680	-
Other		222,335	38,131
		<u>5,602,015</u>	<u>3,043,131</u>

i) Rural Development Bank ("RDB")

Credit limit in original currency	Effective interest rate		Repayment terms
	2005	2004	
KHR 2,000,000,000	6%+6 months LIBOR (8.64%-10.60%)	6%+6 months LIBOR (8.64%)	The principal is to be repaid annually with monthly interest repayments.

This loan is unsecured as under the Rural Credit and Savings Project financed by the Asian Development Bank ("ADB").

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

13. BORROWINGS (Continued)

i) Rural Development Bank ("RDB") (continued)

The proceeds of the loan shall be used exclusively to finance sub-loans to rural micro-enterprises.

(ii) Hovos-Triodos Fonds

Credit limit in original currency	Effective interest rate		Repayment terms
	2005		
KHR 2,000,000,000	11.50% per annum		Quarterly interest payment and full repayment of principal at the maturity date.

(iii) Micro-finance Alliance Fund

Credit limit in original currency	Effective interest rate		Repayment terms
	2005	2004	
KHR 1,005,000,000	11.63% per annum	11.63% per annum	The principal is to be repaid within three years from November 2004 with quarterly interest re-payment.

(iv) CRS Cambodia

This interest free loan is US\$140,000 in original currency which equivalent to KHR 575,680,000. The specific term and condition of this loan will be finalised in 2006.

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

14. SHARE CAPITAL

	31 December 2005			31 December 2004		
	Number of shares	%	Paid up capital Riel'000	Number of shares	%	Paid up capital Riel'000
CRS	39,200	98	3,920,000	39,200	98	3,920,000
Elizabeth Obed Abrera	400	1	40,000	400	1	40,000
Richard Balmadier	400	1	40,000	400	1	40,000
	<u>40,000</u>	<u>100</u>	<u>4,000,000</u>	<u>40,000</u>	<u>100</u>	<u>4,000,000</u>

Based on the articles of incorporation (Aol), TPC's registered, issued and fully paid capital amounted to Riel 4,000,000,000 represented by 40,000 ordinary shares, each having an issue price of Riel 100,000. Each share will have one vote and will participate equally in all dividends and other distributions of TPC.

15. HYBRID CAPITAL

The hybrid capital resulted from the transfer of the Program to TPC based on the asset transfer document dated 19 September 2002. The terms and conditions between CRS, its majority shareholder and TPC for this hybrid capital are being drafted.

16. GRANT INCOME

	For the year ended 31 December 2005 Riel '000	For the year ended 31 December 2004 Riel '000
Technical fees	49,344	82,151
MAF grant for general training	73,206	-
USAID-PACT grant for DPAT practicality test	28,910	-
Amortisation of grant income from CRS	22,894	30,525
CGAP Financial Transparency Award	20,509	-
	<u>194,863</u>	<u>112,676</u>

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

17. OTHER OPERATING INCOME

	For the year ended 31 December 2005 Riel '000	For the year ended 31 December 2004 Riel '000
Recovery from loans written off	20,304	15,469
Training income	18,211	-
Interest income from banks	9,321	6,315
Penalty income	8,720	4,276
Other income	1,795	35,467
Loan processing fee	-	127,766
CRS's loan collection fee	-	673
	<u>58,351</u>	<u>189,966</u>

18. PERSONNEL COSTS

	For the year ended 31 December 2005 Riel '000	For the year ended 31 December 2004 Riel '000
Staff salaries	1,919,956	1,638,634
Health benefits	71,703	51,128
Training	59,621	-
Uniform	21,041	-
Employee activities	19,531	14,323
Other related costs	7,135	10,635
	<u>2,098,987</u>	<u>1,714,720</u>

19. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December 2005 Riel '000	For the year ended 31 December 2004 Riel '000
Office expenses	341,489	330,758
Traveling expenses	266,923	242,802
Commission	262,514	219,431
Occupancy expenses	232,168	205,715
Technical fee	49,344	82,151
Bank charge	95,330	30,448
Other tax expense	11,131	26,715
Others	2,244	414
	<u>1,261,143</u>	<u>1,138,434</u>

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

20. TAXATION

	For the year ended 31 December 2005 Riel'000	For the year ended 31 December 2004 Riel'000
Taxation	<u>387,867</u>	<u>373,353</u>

Under the Law on Taxation, the Company has obligation to pay Tax on Profit at 20% of taxable profit or Minimum Tax at 1% of total revenue, whichever is higher.

The reconciliation of effective tax rate, subject to agreement with the Cambodian Tax Department, is as follows:

	For the year ended 31 December 2005 Riel'000	For the year ended 31 December 2004 Riel'000
Profit before income tax	<u>1,939,335</u>	<u>1,866,764</u>
Income tax using Tax on Profit at 20% minimum tax at 1% of turnover	387,867	373,353
Expenses not deductible for tax purposes	-	-
Income not subject to tax	<u>-</u>	<u>-</u>
Current tax on profit expense	<u>387,867</u>	<u>373,353</u>

Tax on profit expense is calculated on the basis of the current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of the income tax expense will be made following inspection by the tax authorities.

21. CASH AND CASH EQUIVALENT

	2005 Riel'000	2004 Riel'000
Balances with banks	1,950,939	1,407,285
Cash on hand	96,262	75,674
Current account with the Central Bank	<u>500</u>	<u>500</u>
	<u>2,047,701</u>	<u>1,483,459</u>

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

22. CURRENCY ANALYSIS

An analysis of TPC's assets and liabilities by currency (in Riel '000) as at 31 December 2005 follows:

	US\$	Thai Baht	Riel	Total
ASSETS				
Cash on hand	5,303	6,559	84,400	96,262
Balance with Central Bank	-	-	200,500	200,500
Balances with banks	20,648	176,675	1,753,616	1,950,939
Loans to customers	16,283	3,643,854	14,335,092	17,995,229
Property and equipment	-	-	417,546	417,546
Interest receivable	-	-	313,526	313,526
Other assets	33,477	-	3,749	37,226
Total Assets	<u>75,711</u>	<u>3,827,088</u>	<u>17,108,429</u>	<u>21,011,228</u>
LIABILITIES				
Customer deposits	-	462,284	1,615,293	2,077,577
Accruals and other liabilities	100,604	180,233	445,565	726,402
Deferred grant income	-	-	68,681	68,681
Borrowing	798,015	-	4,804,000	5,602,015
Total Liabilities	<u>898,619</u>	<u>642,517</u>	<u>6,933,539</u>	<u>8,474,675</u>
Net (liability)/asset position	<u>(822,908)</u>	<u>3,184,571</u>	<u>10,174,890</u>	<u>12,536,553</u>
As at 31 December 2004				
Total Assets	538,523	3,075,483	12,828,222	16,442,228
Total Liabilities	<u>138,249</u>	<u>523,364</u>	<u>4,795,530</u>	<u>5,457,143</u>
Net asset position	<u>400,274</u>	<u>2,552,119</u>	<u>8,032,692</u>	<u>10,985,085</u>

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

23. MATURITY PROFILE

The maturity profile of assets and liabilities are as follows:

	Less than 1 month Riel'000	From 1 month to 3 months Riel'000	From 3 months to 1 year Riel'000	From 1 year to 5 years Riel'000	Over 5 years Riel'000	No fixed maturity date Riel'000	Total Riel'000
<i>31 December 2005</i>							
ASSETS							
Cash on hand	96,262	-	-	-	-	-	96,262
Deposits with the Central Bank	500	-	-	-	-	200,000	200,500
Balances with banks	1,950,939	-	-	-	-	-	1,950,939
Loans to customers	2,484,803	5,626,006	9,884,420	-	-	-	17,995,229
Property and equipment	11,241	22,482	101,169	282,654	-	-	417,546
Interest receivable	313,526	-	-	-	-	-	313,526
Other assets	23,903	-	13,323	-	-	-	37,226
Total Assets	4,881,174	5,648,488	9,998,912	282,654	-	200,000	21,011,228
LIABILITIES							
Customers' deposits	2,077,577	-	-	-	-	-	2,077,577
Accruals and other liabilities	1,562	715,991	8,849	-	-	-	726,402
Deferred grant income	1,908	3,816	17,172	45,785	-	-	68,681
Borrowings	222,335	100,500	2,301,500	2,977,680	-	-	5,602,015
Total Liabilities	2,303,382	820,307	2,327,521	3,023,465	-	-	8,474,675
Net liquidity surplus/(gap)	2,577,792	4,828,181	7,671,391	(2,740,811)	-	200,000	12,536,553
<i>31 December 2004</i>							
Total Assets	3,609,035	3,850,389	8,593,555	189,249	-	200,000	16,442,228
Total Liabilities	1,646,701	681,460	2,356,803	772,179	-	-	5,457,143
Net liquidity surplus/(gap)	1,962,334	3,168,929	6,236,752	(582,930)	-	200,000	10,985,085

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

24. INTEREST RATE ANALYSIS

	Less than 1 month Riel'000	From 1 month to 3 months Riel'000	From 3 months to 1 year Riel'000	From 1 year to 5 years Riel'000	Over 5 years Riel'000	No fixed maturity date Riel'000	Total Riel'000
<i>31 December 2005</i>							
ASSETS							
Cash on hand	-	-	-	-	-	96,262	96,262
Deposits with the Central Bank	-	-	-	-	-	200,500	200,500
Balances with banks	1,183,367	-	-	-	-	767,572	1,950,939
Loans to customers	2,484,803	5,626,006	9,884,420	-	-	-	17,995,229
Property and equipment	-	-	-	-	-	417,546	417,546
Interest receivable	-	-	-	-	-	313,526	313,526
Other assets	-	-	-	-	-	37,226	37,226
Total Assets	3,668,170	5,626,006	9,884,420	-	-	1,832,632	21,011,228
LIABILITIES							
Customers' deposits	2,077,577	-	-	-	-	-	2,077,577
Accruals and other liabilities	-	-	-	-	-	726,402	726,402
Deferred grant income	-	-	-	-	-	68,681	68,681
Borrowings	222,335	100,500	2,301,500	2,977,680	-	-	5,602,015
Total Liabilities	2,299,912	100,500	2,301,500	2,977,680	-	795,083	8,474,675
Net liquidity surplus/(gap)	1,368,258	5,525,506	7,582,920	(2,977,680)	-	1,037,549	12,536,553
<i>31 December 2004</i>							
Total Assets	2,854,051	3,866,393	8,473,621	-	-	1,248,163	16,442,228
Total Liabilities	1,627,655	-	2,339,631	703,500	-	786,357	5,457,143
Net liquidity surplus/(gap)	1,226,396	3,866,393	6,133,990	(703,500)	-	461,806	10,985,085

THANEAKEA PHUM (CAMBODIA), LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

25. LEASE COMMITMENTS

TPC has lease commitments for the lease of its headquarters and provincial offices as follows:

	31 December 2005 Riel'000	31 December 2004 Riel'000
No later than one year	<u>123,322</u>	<u>172,740</u>
	<u>123,322</u>	<u>172,740</u>

APPENDIX I: NOTES ON COMPLIANCE WITH THE CENTRAL BANK'S PRAKAS

**APPENDIX 1: NOTES ON COMPLIANCE WITH THE CENTRAL PRAKAS
FOR THE YEAR ENDED 31 DECEMBER 2005**

1. CAPITAL ADEQUACY RATIO, Prakas No. B7-00-46

Licensed Micro-finance Institution shall at all times, maintain capital adequacy ratio of more than 20%. As at 31 December 2005, Capital Adequacy Ratio of the Company is 65.45%.

The Capital Adequacy Ratio calculation is detailed in Schedule 1.

2. LIQUIDITY RATIO, Prakas No. B7-02-48

Licensed Micro-finance Institution shall at all times, maintain a liquidity ratio of more than 100%. As at 31 December 2005, the Company does not have any voluntary saving deposit from their customers.

The liquidity ratio calculation is detailed in Schedule 2.

3. CALCULATION OF FOREIGN CURRENCY EXPOSURE, Prakas No B 795-001

Licensed Micro-finance Institution's foreign currency exposure ratio should not exceed 5% of net worth for each currency and 15% of net worth aggregate. As at 31 December 2005, the foreign currency exposure ratio are 25.40% and -6.56% for Thai Baht and US\$ currencies respectively which were **not** in compliance with the Central Bank's Prakas.

Foreign currency exposure ratio calculation is detailed in Schedule 3.

4. RESERVE REQUIREMENT, Prakas No. B7-02-45

Licensed Micro-finance Institution shall deposit 5% of their deposits into an account maintained with the Central Bank. As at 31 December 2005, the Company does not have any voluntary saving deposit from their customers.

The Reserve Requirement calculation is detailed in Schedule 4.

**5. LOAN CLASSIFICATION, PROVISIONING, AND DELINQUENCY RATIO, Prakas
No. B702-186**

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

Loan term of one year or less than one year

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

APPENDIX 1: NOTES ON COMPLIANCE WITH THE CENTRAL PRAKAS
FOR THE YEAR ENDED 31 DECEMBER 2005

5. LOAN CLASSIFICATION, PROVISIONING, AND DELINQUENCY RATIO, Prakas
No. B702-186 (Continued)

Loan term more than one year

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

Specific provisions on the loans classified as follow:

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

As at 31 December 2005, the specific provision provided by the Company is Riel 206,395 thousand which was in compliance with the Central Bank's Prakas.

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

THANEAKEA PHUM (CAMBODIA), LTD.

SCHEDULE 1
CAPITAL ADEQUACY RATIO CALCULATION AS AT 31 DECEMBER 2005

		Riel'000	
1-NUMERATOR : ELIGIBLE CAPITAL			
1.1. CORE CAPITAL			
- Paid in capital		4,000,000	
- Reserves		788,740	
- Retained earnings		2,230,253	
- Net profit for the year		<u>1,551,468</u>	
Sub total A		<u>8,570,461</u>	
Less :			
- Unpaid capital		-	
- Loan to related parties		-	
- Intangible asset		<u>-</u>	
Sub-total B		-	
Core capital (A-B)		8,570,461	
1.2. HYBRID CAPITAL			
- Nun-refundable grants		-	
- Public guarantee funds		-	
- Perpetual subordinated debt		3,966,092	
Hybrid capital		3,966,092	
1.3 ELIGIBLE CAPITAL (Core capital + Hybrid capital) (E)		<u>12,536,553</u>	
2-DENOMINATOR:RISK-WEIGHTED ASSET (R)			
Asset	Amount Riel'000	Weighting	
-Cash	96,262	0%	-
- Gold	-	0%	-
- Deposits with the Central Bank	200,500	0%	-
- Deposits with bank rated AAA to AA-	1,950,939	20%	390,188
- Deposits with bank rated A+ to A-	-	50%	-
- Loans	17,995,229	100%	17,995,229
- Others asset	768,298	100%	768,298
Total	<u>21,011,228</u>		<u>19,153,715</u>
CAPITAL ADEQUACY RATIO (C=E/R)			<u>65.45%</u>

THANEAKEA PHUM (CAMBODIA), LTD.

SCHEDULE 2
LIQUIDITY RATIO AS AT 31 DECEMBER 2005

	Riel'000		
1- Numerator : liquid asset			
- Cash on hand	96,262		
- Balance with the Central Bank	200,500		
- Balances with banks	<u>1,950,939</u>		
Sub- Total (A)	2,247,701		
Less:			
- Amount owed to the Central Bank	-		
- Amount owed to banks	<u>-</u>		
Sub-total (B)	-		
Net liquidity (A – B)	<u>2,247,701</u>		
Plus:			
Portion of loans maturing in less than one month	<u>2,484,803</u>		
Liquid assets (L)	<u>4,732,504</u>		
2. Denominator : Adjusted amount of deposits (A)			
Category of deposits	Amount	%	
Voluntary savings	-	25%	-
Total	-		-
LIQUIDITY RATIO (L/A)			-

THANEAKEA PHUM (CAMBODIA), LTD.

SCHEDULE 3
CALCULATION OF FOREIGN CURRENCY EXPOSURE AS AT 31 DECEMBER 2005

	THB Riel'000	US\$ Riel'000	Total Riel'000
1- Asset in foreign currency (Riel)	3,827,088	75,711	3,902,799
2- Minus: Liabilities in that currency (Riel)	(642,518)	(898,619)	(1,541,137)
3- Net Position (Long or Short)	3,184,570	(822,908)	2,361,662
4- Minus: Provision for FX losses	-	-	-
5- Adjusted Net Position (Long or Short)	3,184,570	(822,908)	2,361,662
6- Net worth	<u>12,536,553</u>	<u>12,536,553</u>	<u>12,536,553</u>
7- Foreign currency exposure ratio: 5/6	<u>25.40%</u>	<u>-6.56%</u>	<u>18.84%</u>

THANEAKEA PHUM (CAMBODIA), LTD.

SCHEDULE 4
RESERVE REQUIREMENT AS AT 31 DECEMBER 2005

	Riel'000
1-Voluntary	
1-1 Demand	-
1-2 Saving (18% per annum)	-
1-3 Term	-
1-4 Other	-
1-5 Total Reservable Deposits	-
2- Compulsory	
2-1 Program (12% per annum)	2,077,577
2-2 Program	-
2-3 Program	-
2-4 Total Compulsory saving	2,077,577
3- Total saving mobilized	2,077,577
5% Reservable Deposit	-

THANEAKEA PHUM (CAMBODIA), LTD.

SCHEDULE 5
 LOAN CLASSIFICATION, PROVISIONING AND DELINGUENCY RATIO
 AS AT 31 DECEMBER 2005

Loan classification	Amount Riel'000	Rate %	Specific Provision Riel'000
1-Loans of one year or less			
1-1 Standard	122,093	0%	-
1-2 Substandard Past Due > 30 days	42,182	10%	4,218
1-3 Doubtful Past Due > 60 days	42,856	30%	12,857
1-4 Loss Past Due > 90 days	189,320	100%	189,320
Sub-Total 1	396,451		206,395
2-Loans of more than one year			
2-1 Standard	-	0%	-
2-2 Substandard Past Due ≥30 days	-	10%	-
2-3 Doubtful Past Due ≥180 days	-	30%	-
2-4 Loss Past Due ≥360 days	-	100%	-
Sub-Total 2	-		-
Grand total 1+2	396,451		206,395
All loan past due > 30 days (A)	274,358		
Loan outstanding (B)			18,201,624
Delinquency Ratio (A/B)			<u>1.51%</u>