

CREDIT LIMITED

**FINANCIAL STATEMENTS
31 DECEMBER 2007**

CREDIT LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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*** This Appendix does not form part of the financial statements**

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors (“BOD”) submits its report and the audited financial statements of CREDIT Limited (“the Company”) for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

CREDIT Limited (Cambodia Rural Economic Development Initiatives for Transformation) is a registered limited liability company incorporated under Cambodian laws. Its activities are an offshoot of the World Relief Cambodia – CREDIT Program (the “Program”) which was managed by and funded through World Relief Cambodia, an international non-profit organisation registered with the Ministry of Foreign Affairs in Cambodia. The Program started on 1 October 1999 on assignment from World Relief Cambodia of a segment of the activities of World Relief/Cambodia Community Building (“WR/CCB”), a micro-finance organization supported by World Relief.

CREDIT MFI was established on 1 January 2004, based on the assets transfer document dated 1 January 2004. On 9 December 2005, CREDIT MFI changed its name to CREDIT Limited.

CREDIT Limited was registered as a limited liability company on 13 June 2003. The National Bank of Cambodia (“the Central Bank”) granted CREDIT Limited a license to conduct business as a micro-finance institution for a three year period commencing from 18 May 2004 to 18 May 2007. CREDIT Limited is in the process of applying renewal of its indefinite period of license from the Central Bank. CREDIT Limited got the permanent license on 27 April 2007.

CREDIT Limited’s principal activity is to provide credit to local customers.

FINANCIAL PERFORMANCE

The financial performance for the year ended 31 December 2007 are set out in the income statement on page 8.

SHARE CAPITAL

During the year ended 31 December 2007, there have been no changes in the registered and paid up share capital of CREDIT Limited as set out in the statement of changes in shareholders’ equity on page 9.

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year under review.

BAD AND DOUBTFUL LOANS

Before the financial statements of CREDIT Limited were drawn up, the BOD took reasonable steps to ascertain that appropriate action had been taken in relation to the writing off of bad loans and the provision for bad and doubtful loans. The BOD has 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 CREDIT Limited inadequate to any material extent.

CURRENT ASSETS

Before the financial statements of CREDIT Limited were drawn up, the BOD took reasonable steps to ensure that any current 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 CREDIT Limited, 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 CREDIT Limited 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 method of valuation of assets and liabilities in the financial statements of CREDIT Limited 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 CREDIT Limited which has arisen since the end of the year which secures the liabilities of any other person; or
- ii) any contingent liability in respect of CREDIT Limited 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 CREDIT Limited 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 CREDIT Limited 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 CREDIT Limited, which would render any amount stated in the financial statements misleading in any material respect.

ITEMS OF AN UNUSUAL NATURE

The financial performance of CREDIT Limited for the year ended 31 December 2007 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 financial performance of CREDIT Limited for the current year in which this report is made.

SIGNIFICANT EVENTS

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 year and at the date of this report are:

- Mr. Timothy Mark Amstutz Chairman
- Mr. Greg Burgess Member
- Ms. Serey Hem Member
- Ms. Ing Varony Member

All members are non-executive board members, except Mr. Timothy Mark Amstutz and Mr. Greg Burgess are the representative of World Relief US and World Relief Canada, respectively.

DIRECTORS' INTERESTS

There are no interests of directors in shares and transactions of CREDIT Limited during the year and as at the date of this report.

DIRECTORS' BENEFITS

During and at the end of the year, no arrangement existed, to which CREDIT Limited was a party, with the object of enabling the Directors of CREDIT Limited to acquire benefits by means of the acquisition of shares in or debentures of CREDIT Limited or any other body corporate.

No Director of CREDIT Limited has received or become entitled to receive any benefit by reason of a contract made by CREDIT Limited or with a firm of which the Director is a member, or with a company in which the director has a material financial interest.

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

The Board of Directors is responsible for ensuring that the financial statements are properly drawn up, so as to present fairly, in all material respects, of the financial position of CREDIT Limited as at 31 December 2007, and of its financial performance and of its cash flows for the year then ended. In preparing these financial statements, the BOD is required to:

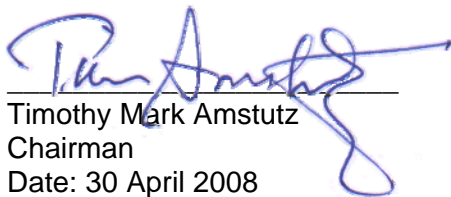
- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii) comply with guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards or, if there has been any departure in the interests of 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 CREDIT Limited will continue operations in the foreseeable future;
- v) set overall policies for CREDIT Limited, ratify all decisions and actions by the management that have a material effect on the operations and performance of CREDIT Limited, and ensure they have been properly reflected in the financial statements.

The Board of Directors confirms that CREDIT Limited has complied with these requirements in preparing the financial statements.

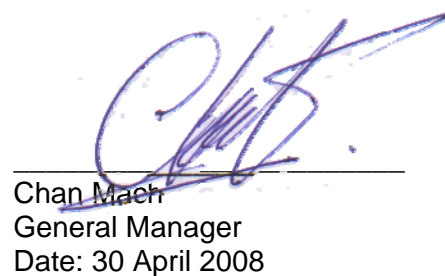
STATEMENT BY THE DIRECTORS

On behalf of the Board of Directors of CREDIT Limited, we do hereby state that the accompanying financial statements, together with the notes thereto, present fairly, in all material respects, the financial position of CREDIT Limited as at 31 December 2007 and of its financial performance and its cash flows for the year then ended and have been properly drawn up in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards.

On behalf of the Board of Directors



Timothy Mark Amstutz
Chairman
Date: 30 April 2008



Chan Mach
General Manager
Date: 30 April 2008

Independent auditor's report

To the Shareholders of CREDIT Limited

We have audited the accompanying financial statements of CREDIT Limited ("the Company") which comprise the balance sheet as of 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes on pages 7 to 39.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian Accounting Standards and guidelines issued by the National Bank of Cambodia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

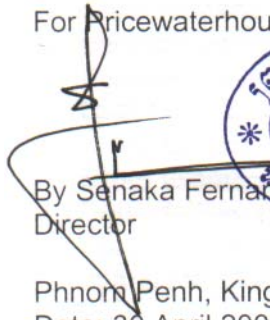
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards.

For PricewaterhouseCoopers (Cambodia) Limited


By Senaka Fernando
Director



Phnom Penh, Kingdom of Cambodia
Date: 30 April 2008

CREDIT LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
ASSETS					
Cash on hand	3	75,474	70,154	302,123	284,615
Balance with the Central Bank	4	70,668	43,886	282,884	178,046
Balance with banks	5	107,729	745,456	431,239	3,024,315
Loans and advances to customers	7	10,216,909	4,523,148	40,898,287	18,350,411
Other assets	8	697,261	32,416	2,791,136	131,512
Deferred tax assets	9	2,689	2,621	10,764	10,633
Property and equipment	10	176,469	103,400	706,405	419,494
Intangible assets	11	62,818	57,223	251,461	232,154
Total assets		<u>11,410,017</u>	<u>5,578,304</u>	<u>45,674,299</u>	<u>22,631,180</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Customers' deposits	12	1,190,584	571,268	4,765,908	2,317,634
Borrowings	13	6,129,766	2,072,582	24,537,453	8,408,465
Accruals and other liabilities	14	534,449	157,425	2,139,399	638,676
Deferred revenue	15	246,017	164,779	984,807	668,508
Total liabilities		<u>8,100,816</u>	<u>2,966,054</u>	<u>32,427,567</u>	<u>12,033,283</u>
EQUITY					
Share capital	16	500,000	500,000	2,001,500	2,028,499
Donated capital	17	1,842,030	1,787,705	7,373,646	7,252,719
Retained earnings		967,171	324,545	3,871,586	1,316,679
Total equity		<u>3,309,201</u>	<u>2,612,250</u>	<u>13,246,732</u>	<u>10,597,897</u>
Total liabilities and equity		<u>11,410,017</u>	<u>5,578,304</u>	<u>45,674,299</u>	<u>22,631,180</u>

Chan Mach
General Manager
Date: 30 April 2008

Hay Vanhom
Finance Manager
Date: 30 April 2008

The accompanying notes on pages 11 to 38 are an integral part of these financial statements.

CREDIT LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel' 000 (Unaudited)
Interest income	18	2,172,137	1,133,584	8,695,064	4,598,950
Interest expense	19	(442,903)	(114,192)	(1,772,941)	(463,277)
Net interest income		<u>1,729,234</u>	<u>1,019,392</u>	<u>6,922,123</u>	<u>4,135,673</u>
Grant income	20	159,532	87,828	638,607	356,318
Other operating income	21	54,478	14,109	218,075	57,240
Net operating income		<u>1,943,244</u>	<u>1,121,329</u>	<u>7,778,805</u>	<u>4,549,231</u>
Operating expenses					
Administrative expenses	22	1,058,714	722,141	4,238,032	2,929,726
Depreciation	10	59,763	39,111	239,231	158,673
Amortisation	11	17,326	5,202	69,356	21,105
Total operating expenses		<u>1,135,803</u>	<u>766,454</u>	<u>4,546,619</u>	<u>3,109,504</u>
Provision for doubtful debts	7	-	43,246	-	175,449
Total expenses		<u>1,135,803</u>	<u>809,700</u>	<u>4,546,619</u>	<u>3,284,953</u>
Net profit before tax		807,441	311,629	3,232,186	1,264,278
Income tax expense	23	<u>164,815</u>	<u>61,699</u>	<u>659,754</u>	<u>250,313</u>
Net profit for the year		<u>642,626</u>	<u>249,930</u>	<u>2,572,432</u>	<u>1,013,965</u>

Chan Mach
General Manager
Date: 30 April 2008

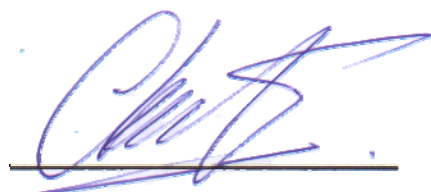
Hay Vanhom
Finance Manager
Date: 30 April 2008

The accompanying notes on pages 11 to 38 are an integral part of these financial statements.

CREDIT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	Share capital US\$	Donated capital US\$	Retained earnings US\$	Total US\$	Total Riel'000 <i>(Unaudited)</i>
Year ended 31 December 2006						
Balance as at 1 January 2006		500,000	1,552,322	74,615	2,126,937	8,745,965
Increase in donated capital	17	-	235,383	-	235,383	954,949
Net profit for the year		-	-	249,930	249,930	1,013,966
Currency revaluation at balance sheet date		-	-	-	-	(116,983)
Balance as at 31 December 2006		<u>500,000</u>	<u>1,787,705</u>	<u>324,545</u>	<u>2,612,250</u>	<u>10,597,897</u>
Year ended 31 December 2007						
Balance as at 1 January 2007		500,000	1,787,705	324,545	2,612,250	10,597,897
Increase in donated capital	17	-	54,325	-	54,325	217,463
Net profit for the year		-	-	642,626	642,626	2,572,432
Currency revaluation at balance sheet date		-	-	-	-	(141,060)
Balance as at 31 December 2007		<u>500,000</u>	<u>1,842,030</u>	<u>967,171</u>	<u>3,309,201</u>	<u>13,246,732</u>



Chan Mach
General Manager
Date: 30 April 2008



Hay Vanhom
Finance Manager
Date: 30 April 2008

The notes on pages 11 to 38 are an integral part of these financial statements.

CREDIT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Cash flows from operating activities					
Net profit before tax		807,441	311,629	3,232,186	1,264,278
Adjustments for:					
Provision for doubtful loans	7	-	43,246	-	175,449
Depreciation of property and equipment	10	59,763	39,111	239,231	158,673
Gain on disposal of property and equipment		(3,447)	(3,350)	(13,799)	(13,591)
Amortisation of intangible assets	11	17,326	5,202	69,356	21,105
Cash flows generated from operations		881,083	395,838	3,526,974	1,605,914
Changes in working capital:					
Increase in guarantee deposit with the Central Bank		(610)	(580)	(2,441)	(2,353)
Increase in reserve requirement with the Central Bank		(30,335)	(8,653)	(121,432)	(35,105)
Increase in loans and advances to customers		(5,681,483)	(2,089,185)	(22,742,978)	(8,475,824)
Decrease/(Increase) in other assets		(664,845)	6,439	(2,661,375)	26,123
Decrease/(Increase) in deferred tax assets		(68)	9,892	(273)	40,132
Increase in customers' deposits		619,316	221,346	2,479,122	898,001
Increase in deferred revenue		366,159	82,326	1,465,734	333,997
Increase in other accrued and liabilities		368,194	27,549	1,473,880	111,766
Tax paid		(164,815)	(40,849)	(659,755)	(165,724)
Net cash used in operating activities		(4,592,326)	(1,395,877)	(18,383,082)	(5,663,073)
Cash flows from investing activities					
Purchases of property and equipment	10	(136,279)	(76,119)	(545,525)	(308,815)
Purchases of intangible assets	11	(22,921)	(62,425)	(91,753)	(253,258)
Proceeds from disposal of property and equipment		3,447	3,350	13,799	13,591
Net cash used in investing activities		(155,753)	(135,194)	(623,479)	(548,482)
Cash flows from financing activities					
Proceeds from borrowings		4,873,593	2,007,562	19,508,992	8,144,679
Repayments of borrowings		(816,409)	(184,980)	(3,268,085)	(750,464)
Proceeds from increase in donated capital	17	54,325	235,383	217,463	954,949
Net cash generated from financing activities		4,111,509	2,057,965	16,458,370	8,349,164
Net increase /(decrease) in cash and cash equivalents		(636,570)	526,894	(2,548,191)	2,137,609
Cash and cash equivalents at beginning of the year		821,691	294,797	3,333,600	1,212,205
Currency revaluation at balance sheet date		-	-	(44,369)	(16,214)
Cash and cash equivalents as at end of the year	6	185,121	821,691	741,040	3,333,600

The accompanying notes on pages 11 to 38 are an integral part of these financial statements.

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. GENERAL

CREDIT Limited (“the Company”) was registered as a limited liability company on 13 June 2003, and the assets transfer was made from the World Relief Cambodia – CREDIT Program to the Company on 1 January 2004. The National Bank of Cambodia (“the Central Bank”) granted CREDIT Limited a license to conduct business as a micro-finance institution for a three year period commencing from 18 May 2004 to 18 May 2007. CREDIT Limited is in the process of applying renewal of its indefinite period of license from the Central Bank. CREDIT Limited got the permanent license on 17 April 2007.

CREDIT Limited’s principal activity is to provide credit to local customers.

CREDIT Limited’s Central office is at House No. 18, Street 422, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia. CREDIT Limited has five branch offices and another program called VSU (Vulnerable Service Unit) located in Kampong Cham, Kampong Chhnang, Siem Reap, Prey Veng, Phnom Penh, and Battambang.

As at 31 December 2007, CREDIT Limited employed 223 staff (2006: 150 staff).

The financial statements were approved for issue by the Board of Directors on 30 April 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted 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 have been prepared in accordance with the guidelines issued by the Central Bank and Cambodian Accounting Standards. The accounting principals applied may differ from generally accepted accounting principals adopted in other countries and jurisdictions. The accompanying financial statements are not intended to present the financial position, financial performance and cash flows in accordance with jurisdictions other than the Kingdom of Cambodia. Consequently, these financial statements are addressed to only those who are informed about Cambodia accounting principles, procedures and practices.

The financial statements of the Company, which are expressed in United States Dollars (“US\$”), are prepared under the historical cost convention. The Company maintains its accounting records in US\$, the functional and widely accepted currency in Cambodia.

Basis of aggregation

The financial statements include the financial statements of the Central Office, VSU, and six branch offices located in Kampong Cham, Kampong Chhnang, Siem Reap, Prey Veng, Phnom Penh, and Battambang. On aggregation of balances, all significant inter-branch transactions and balances are eliminated in full.

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company's financial assets and liabilities include cash and cash equivalents, originated loans and receivables, deposits, borrowings, and other receivables and payables. The accounting policies for the recognition and measurement of these items are disclosed in the respective accounting policies.

Foreign currency translation

The Company transacts primarily in and maintains its accounting records in US\$. Foreign currency transactions other than US\$ are accounted for at the exchange rates prevailing at the date of transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Monetary assets and liabilities dominated in the currencies other than Riel at the balance sheet date are translated into Riel at the rates of exchange ruling at that date.

The principal rates used to translate monetary assets and liabilities at the balance sheet date are:

	31 December 2007	31 December 2006
Riel/US Dollar	4,003	4,057

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, current account with the Central Bank and balances with banks with less than 90 days' maturity from the date of acquisition and they are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Loans and advances to customers

Loans and advances to customers are stated in the balance sheet at the amount of principal outstanding less any amounts written off and impairment allowance for bad and doubtful loans and advances, including specific and/or general provisions, to reflect the estimated recoverable amount. The principal is calculated using the effective interest rate method, which is based on expected future cash flows of contractual installment payments discounted at prevailing market rates offered for similar loans with similar risk profiles.

Provision for bad and doubtful loans

The adequacy of the provision for bad and doubtful loans is evaluated monthly by management. Factors considered in evaluating the adequacy of the provision include the size of the loan portfolio, previous loss experience, current economic conditions and their effect on clients, the financial and economic situation of clients, and the performance of individual loans in relation to the contract terms.

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for bad and doubtful loans (continued)

The provision for bad and doubtful loans charged to the income statements is based on management's judgment, which is consistent with the Central Bank's guidelines on the amount necessary to maintain the provision at a level adequate to absorb losses. Presently, the amount of provision is being determined by applying defined percentages to the respective category to which each of the loans belong, as set out below.

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

In addition to minimum specific provisioning, the Company provides a general provision based on the Company's experience and industry prospects mainly focusing on Risk Coverage Ratio. Every year, the risk coverage ratio must be equal to or more than 100%. Loan losses (write-offs) are charged against the provision for doubtful loans when management believes that the principal amounts are unlikely to be collected. There are two kinds of write-off. The first write-off is provided in the case of client's failure to pay the loan and the period is six months after the maturity date. The second write-off is provided in the case of client's death with inability to pay the loan back.

Overdue loans

In accordance with Prakas B 700-51K issued by the Central Bank on 17 February 2000, overdue loans are defined as the total outstanding principal where principal or interest are past due unless the payment terms on interest or principal have been adjusted.

The provision will be calculated as a percentage of the loan amount outstanding at the time the loan is classified, excluding accrued interest. The provision shall be recorded in the institution's accounts and charged to the income statement for the month during which the corresponding loan has been classified below standard. The analysis of overdue loans is set out in Note 7.

Recoveries on loans previously written off and reversal of previous provisions are disclosed as a deduction from the bad debts and doubtful accounts expense in the statement of income.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Overdue loans (continued)

An uncollectible loan or portion of a loan classified as bad is written off after taking into consideration the realisable value of the collateral, if any, when, in the judgment of the management with the approval of the Board of Directors, there is no prospect of recovery. Loans written off are reviewed on a quarterly basis.

Deposits with banks

Deposits and placements with banks are carried at cost.

Other receivables

Other receivables are carried at estimated realisable value.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation over their useful lives. Depreciation is provided using the straight-line method over the estimated useful lives of the property, plant and equipment as follows:

	<u><i>Estimated useful lives</i></u>
Computer	3 years
Vehicles	5 years
Office equipment	8 years

Expenditure for maintenance and repairs that do not extend the useful lives of assets are charged to the income statement in which it was incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains or losses on the sale of property and equipment are recognized upon the disposal of such assets.

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

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

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

Intangible assets

Computer software

Acquired computer software licenses and development are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four years using the straight-line method.

Cost associated with maintaining computer software programs are charged to the income statement in which it was incurred.

Customer deposits

Deposits from customers are stated at placement value and adjusted for accrued interest.

Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

Deferred income tax

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 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%.

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income and expense recognition

Interest income earned on loans is recognised on an accruals basis taking into consideration the principal amount of loans outstanding. Interest on loans is calculated on a monthly basis using the balances of the principal amount outstanding as at the previous month end. The accrual on interest income is provided at the end of fiscal year by using the standard loan amount outstanding. When a loan becomes non-performing, the recording of interest as income is suspended until it is realised on a cash basis. Expenses are recognised in the income statement on an accruals basis.

Donations and grants

Revenue grants received to subsidise the Company's operating and administrative expenses are released to the income statement as *Grant income* over the periods in which they are expected to be utilised for intended purposes as stipulated in their respective grant agreements.

Grants received to be used by the Company for funding its loan disbursements are treated as *Donated capital* as part of shareholders' equity in the balance sheet. However, if the donors advise clearly in the grant agreement that it should be the Company's income, it will be treated as *Grant income* in the income statement.

The remaining grants as of the year ended are shown in the balance sheet as *Deferred revenue*.

Provident fund

A provident fund is maintained by the Company for its employees. A monthly provision equal to 1/12 of each employee's salary for those who work less than or equal 5 years and 1.3/12 of each employee's salary for those who work more than 5 years is accrued for this provident fund. This provident fund will be fully paid to employees when they leave. No separate fund is maintained i.e. there is no separate interest bearing bank account or any other assets for the fund.

Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other parties are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

In accordance with the Law on Banking and Financial Institutions, related parties are defined as parties who hold, directly or indirectly, at least 10% of the capital of the Company or voting rights and include any individual who participates in the administration, direction, management or internal control of the Company.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

3. CASH ON HAND

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Phnom Penh	26,337	42,498	105,427	172,414
Kampong Cham	15,506	1,694	62,071	6,873
Prey Veng	10,711	5,784	42,876	23,466
Siem Reap	8,158	3,590	32,657	14,565
Kampong Chhnang	8,115	6,443	32,484	26,139
Central Office	4,454	10,145	17,829	41,158
Battambang	2,178	-	8,719	-
VSU	15	-	60	-
	<u>75,474</u>	<u>70,154</u>	<u>302,123</u>	<u>284,615</u>

4. BALANCES WITH THE CENTRAL BANK

	Note	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Capital guarantee deposit	(i)	25,000	24,390	100,075	98,950
Reserve requirement for savings deposits	(ii)	43,750	13,415	175,131	54,425
Current account		1,918	6,081	7,678	24,671
		<u>70,668</u>	<u>43,886</u>	<u>282,884</u>	<u>178,046</u>

(i) Following the Central Bank's Prakas No B700-006, "*the Licensing of Micro-finance Institution*", the Company shall maintain an amount equal to 5% of its registered capital. The deposit earns interest rate at a half of the refinancing rate set by the Central Bank.

(ii) Following the Central Bank's Prakas No B702-045, "*the Maintenance of reserve requirement for Microfinance Institutions*", the Company shall deposit 5% of their deposit into an account maintained with the Central Bank. The reserve requirement on deposit will be calculated on the basis of deposits outstanding at the end of each month, as reported in the institution's balance sheet and in the prescribed reporting on the breakdown of deposits mobilized by the institution. For the purpose of calculating the reserve requirement, compulsory savings, which are savings required as condition to participate in a credit scheme, shall be excluded.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

5. BALANCES WITH BANKS

	2007	2006	2007	2006
	US\$	US\$	Riel'000	Riel'000
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Saving deposits</i>				
ACLEDA Bank				
- Restricted portion	58,304	44,010	233,391	178,549
- Unrestricted portion	6,181	656,363	24,742	2,662,864
Cambodian Public Bank	25,086	35,277	100,419	143,119
Citibank	18,158	9,806	72,687	39,783
	<u>107,729</u>	<u>745,456</u>	<u>431,239</u>	<u>3,024,315</u>

Savings accounts earn interest at rates ranging from 0% to 1% per annum.

Included in the ACLEDA Bank account of US\$ 58,304 and Cambodian Public Bank US\$ 25,086 (2006: US\$ 44,010) are set aside for provident fund (Note 14) for employees.

6. CASH AND CASH EQUIVALENTS

	2007	2006	2007	2006
	US\$	US\$	Riel'000	Riel'000
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash on hand	75,474	70,154	302,123	284,615
Current account with the Central Bank	1,918	6,081	7,678	24,670
Balances with banks	107,729	745,456	431,239	3,024,315
	<u>185,121</u>	<u>821,691</u>	<u>741,040</u>	<u>3,333,600</u>

7. LOANS AND ADVANCES TO CUSTOMERS

a) Analysis by branches

	2007	2006	2007	2006
	US\$	US\$	Riel'000	Riel'000
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
Phnom Penh	3,477,232	1,952,706	13,919,360	7,922,128
Kampong Cham	2,570,024	1,049,104	10,287,806	4,256,215
Kampong Chhnang	1,700,500	685,752	6,807,102	2,782,096
Prey Veng	1,219,132	457,315	4,880,185	1,855,327
Siem Reap	919,726	466,014	3,681,663	1,890,619
Battambang	309,254	-	1,237,944	-
Head Office	92,634	11,113	370,814	45,085
VSU	14,985	-	59,985	-
	<u>10,303,487</u>	<u>4,622,004</u>	<u>41,244,859</u>	<u>18,751,470</u>
Provision for doubtful loans	<u>(86,578)</u>	<u>(98,856)</u>	<u>(346,572)</u>	<u>(401,059)</u>
Loans and advances to customers	<u>10,216,909</u>	<u>4,523,148</u>	<u>40,898,287</u>	<u>18,350,411</u>

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

7. LOANS AND ADVANCES TO CUSTOMERS (continued)

b) Analysis by performing and non-performing loans

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
<i>Performing loans</i>				
Standard loans				
-unsecured	10,269,028	4,523,148	41,106,919	18,350,411
<i>Non-performing loans</i>				
Substandard loans				
-unsecured	8,422	40,418	33,713	163,976
Doubtful loans				
-unsecured	1,640	10,381	6,566	42,116
Losses				
-unsecured	24,397	48,057	97,661	194,967
	<u>10,303,487</u>	<u>4,622,004</u>	<u>41,244,859</u>	<u>18,751,470</u>

c) Analysis by industries

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Trade and commerce	9,203,849	4,261,552	36,843,008	17,289,116
Agriculture	1,099,638	360,452	4,401,851	1,462,354
	<u>10,303,487</u>	<u>4,622,004</u>	<u>41,244,859</u>	<u>18,751,470</u>

d) Analysis by relationship

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Non-related parties	10,246,960	4,610,891	41,018,581	18,706,385
Loans to management and staff	56,527	11,113	226,278	45,085
	<u>10,303,487</u>	<u>4,622,004</u>	<u>41,244,859</u>	<u>18,751,470</u>

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

7. LOANS AND ADVANCES TO CUSTOMERS (continued)

e) Analysis by type of customers

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Solidarity	217,829	211,472	871,969	857,942
Individual	<u>10,085,658</u>	<u>4,410,532</u>	<u>40,372,890</u>	<u>17,893,528</u>
	<u>10,303,487</u>	<u>4,622,004</u>	<u>41,244,859</u>	<u>18,751,470</u>

f) Analysis by currency

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
In US\$	7,583,755	3,270,181	30,357,772	13,267,124
In Khmer Riel	<u>2,719,732</u>	<u>1,351,823</u>	<u>10,887,087</u>	<u>5,484,346</u>
	<u>10,303,487</u>	<u>4,622,004</u>	<u>41,244,859</u>	<u>18,751,470</u>

g) Analysis by maturity

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Maturity within one year	5,254,778	2,357,222	21,034,878	9,563,249
Over one year but within three years	5,048,709	2,264,782	20,209,981	9,188,221
Over three years but within five years				
Over five years				
	<u>10,303,487</u>	<u>4,622,004</u>	<u>41,244,859</u>	<u>18,751,470</u>

h) Provision for bad and doubtful loans

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Specific provision in accordance with the Central Bank	25,731	55,213	103,002	223,999
General provision	<u>60,847</u>	<u>43,643</u>	<u>243,570</u>	<u>177,060</u>
	<u>86,578</u>	<u>98,856</u>	<u>346,572</u>	<u>401,059</u>

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

7. LOANS AND ADVANCES TO CUSTOMERS (continued)

h) Provision for bad and doubtful loans (continued)

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

	2007	2006	2007	2006
	US\$	US\$	Riel'000	Riel'000
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
Opening balance	98,856	83,571	395,721	339,048
Provision for the year	-	43,246	-	175,449
Write-offs	(13,117)	(29,394)	(52,509)	(119,251)
Currency revaluation at the balance sheet date	839	1,433	3,360	5,813
Closing balance	<u>86,578</u>	<u>98,856</u>	<u>346,572</u>	<u>401,059</u>

The details of interest rate during the year are as follows:

	2007		2006	
	Loan in Riel	Loan in US\$	Loan in Riel	Loan in US\$
Repayment at branch offices	2.5% - 3%	2% - 2.5%	2.5% - 3%	2% - 3%
Repayment at community	3% - 3.2%	2.5% - 3%	3% - 3.5%	2% - 3%

8. OTHER ASSETS

	2007	2006	2007	2006
	US\$	US\$	Riel'000	Riel'000
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash in transit	500,000	-	2,001,500	-
Accrued interest income	132,743	12,047	531,370	48,875
Prepayments	46,765	12,369	187,199	50,181
Others	17,753	8,000	71,066	32,456
	<u>697,261</u>	<u>32,416</u>	<u>2,791,136</u>	<u>131,512</u>

The Cash in transit represents the borrowing from Planet Finance which disbursed on 28 December 2007 (refer to Note 13 (ii)), but the Company received on 4 January 2008.

9. DEFERRED TAX ASSETS

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2007	2006	2007	2006
	US\$	US\$	Riel'000	Riel'000
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
Deferred tax assets	30,866	14,970	123,556	60,733
Deferred tax liabilities	(28,177)	(12,349)	(112,792)	(50,100)
	<u>2,689</u>	<u>2,621</u>	<u>10,764</u>	<u>10,633</u>

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

9. DEFERRED TAX ASSETS (continued)

The gross movement on the deferred income tax account is as follows:

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Opening balance	2,621	12,513	10,492	50,765
Credited / (charged) to the income statement (Note 24)	<u>68</u>	<u>(9,892)</u>	<u>272</u>	<u>(40,132)</u>
Closing balance	<u><u>2,689</u></u>	<u><u>2,621</u></u>	<u><u>10,764</u></u>	<u><u>10,633</u></u>

The movement of deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdiction, is as follows:

Deferred tax assets

	Provision				Unrealised losses on exchange US\$	Total US\$
	Provident fund US\$	Bonus US\$	Staff retreat US\$	Accident insurance US\$		
As at 1 January 2006	-	-	-	4,144	9,107	13,251
Credited/(charged) to income statement	<u>8,802</u>	<u>3,718</u>	<u>2,450</u>	<u>(4,144)</u>	<u>(9,107)</u>	<u>1,719</u>
As at 31 December 2006	8,802	3,718	2,450	-	-	14,970
Credited to income statement	<u>7,876</u>	<u>3,810</u>	<u>4,210</u>	<u>-</u>	<u>-</u>	<u>15,896</u>
As at 31 December 2007	<u><u>16,678</u></u>	<u><u>7,528</u></u>	<u><u>6,660</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>30,866</u></u>
Equivalent to Riel'000 (Unaudited)	<u><u>66,761</u></u>	<u><u>30,135</u></u>	<u><u>26,660</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>123,556</u></u>

Deferred tax liabilities

	Accelerated tax depreciation US\$	Accelerated tax amortisation US\$	Unrealised gain on exchange US\$	Total US\$
As at 1 January 2006	(738)	-	-	(738)
Charged to income statement	<u>(1,917)</u>	<u>(5,202)</u>	<u>(4,492)</u>	<u>(11,611)</u>
As at 31 December 2006	(2,655)	(5,202)	(4,492)	(12,349)
Charged to income statement	<u>(2,640)</u>	<u>(1,948)</u>	<u>(11,240)</u>	<u>(15,828)</u>
As at 31 December 2007	<u><u>(5,295)</u></u>	<u><u>(7,150)</u></u>	<u><u>(15,732)</u></u>	<u><u>(28,177)</u></u>
Equivalent to Riel'000 (Unaudited)	<u><u>(21,195)</u></u>	<u><u>(28,623)</u></u>	<u><u>(62,974)</u></u>	<u><u>(112,792)</u></u>

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

10. PROPERTY AND EQUIPMENT

	Computer US\$	Vehicles US\$	Office equipment US\$	Total US\$
At 1 January 2006				
Cost	20,809	96,020	16,138	132,967
Accumulated depreciation	(13,971)	(40,863)	(11,741)	(66,575)
Net book value	<u>6,838</u>	<u>55,157</u>	<u>4,397</u>	<u>66,392</u>
Equivalent to Riel'000 (<i>Unaudited</i>)	<u>28,118</u>	<u>226,806</u>	<u>18,080</u>	<u>273,004</u>
Year ended 31 December 2006				
Opening net book value	6,838	55,157	4,397	66,392
Additions	12,318	56,910	6,890	76,118
Disposals – Net	-	-	-	-
Depreciation charge	(4,953)	(32,224)	(1,933)	(39,110)
Closing net book value	<u>14,203</u>	<u>79,843</u>	<u>9,354</u>	<u>103,400</u>
Equivalent to Riel'000 (<i>Unaudited</i>)	<u>57,618</u>	<u>323,923</u>	<u>37,949</u>	<u>419,490</u>
At 31 December 2006				
Cost	33,127	140,365	23,028	196,520
Accumulated depreciation	(18,924)	(60,522)	(13,674)	(93,120)
Net book value	<u>14,203</u>	<u>79,843</u>	<u>9,354</u>	<u>103,400</u>
Equivalent to Riel'000 (<i>Unaudited</i>)	<u>57,618</u>	<u>323,923</u>	<u>37,949</u>	<u>419,490</u>
Year ended 31 December 2007				
Opening net book value	14,203	79,843	9,354	103,400
Additions	19,095	108,155	9,029	136,279
Disposals – Net	-	(3,447)	-	(3,447)
Depreciation charge	(10,948)	(45,976)	(2,838)	(59,763)
Closing net book value	<u>22,350</u>	<u>138,575</u>	<u>15,545</u>	<u>176,469</u>
Equivalent to Riel'000 (<i>Unaudited</i>)	<u>89,464</u>	<u>554,715</u>	<u>62,226</u>	<u>706,405</u>
At 31 December 2007				
Cost	52,222	231,522	32,057	315,801
Accumulated depreciation	(29,872)	(92,947)	(16,513)	(139,332)
Net book value	<u>22,350</u>	<u>138,575</u>	<u>15,544</u>	<u>176,469</u>
Equivalent to Riel'000 (<i>Unaudited</i>)	<u>89,464</u>	<u>554,715</u>	<u>62,226</u>	<u>706,405</u>

CREDIT LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007****11. INTANGIBLE ASSETS**

	Computer Software US\$
At 1 January 2006	
Cost	18,576
Accumulated amortisation	<u>(18,576)</u>
Net book value	<u>-</u>
Equivalent to Riel' 000 (<i>Unaudited</i>)	<u>-</u>
Year ended 31 December 2006	
Opening net book value	-
Additions	62,425
Amortisation charge	<u>(5,202)</u>
Closing net book value	<u>57,223</u>
Equivalent to Riel' 000 (<i>Unaudited</i>)	<u>232,154</u>
At 31 December 2006	
Cost	81,001
Accumulated amortisation	<u>(23,778)</u>
Net book value	<u>57,223</u>
Equivalent to Riel' 000 (<i>Unaudited</i>)	<u>232,154</u>
Year ended 31 December 2007	
Opening net book value	57,223
Additions	22,921
Amortisation charge	<u>(17,326)</u>
Closing net book value	<u>62,818</u>
Equivalent to Riel' 000 (<i>Unaudited</i>)	<u>251,461</u>
At 31 December 2007	
Cost	103,922
Accumulated depreciation	<u>(41,104)</u>
Net book value	<u>62,818</u>
Equivalent to Riel' 000 (<i>Unaudited</i>)	<u>251,461</u>

The additions during 2006 and 2007 represent the purchase of Kredits Microfinance and Banking Software and the new license for Sun System.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

12. CUSTOMERS' DEPOSITS

The details of customers' deposits are as follows:

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
<i>By location</i>				
Head Office	852,915	210,153	3,414,219	852,591
Phnom Penh	127,015	162,003	508,441	657,246
Kampong Cham	75,652	72,857	302,835	295,581
Kampong Chhang	59,852	58,063	239,587	235,562
Prey Veng	38,905	32,494	155,737	131,827
Siem Reap	36,245	35,698	145,089	144,827
	<u>1,190,584</u>	<u>571,268</u>	<u>4,765,908</u>	<u>2,317,634</u>

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
<i>By currency</i>				
Compulsory savings				
In US\$	247,405	182,374	990,362	739,891
In Riel	90,264	133,990	361,327	543,597
Voluntary savings				
In US\$	850,958	252,137	3,406,385	1,022,920
In Riel	1,957	2,767	7,834	11,226
	<u>1,190,584</u>	<u>571,268</u>	<u>4,765,908</u>	<u>2,317,634</u>

Compulsory and voluntary deposits bear interest per annum at the following rates:

	2007		2006	
	Riel	US\$	Riel	US\$
<i>Saving deposits</i>				
Compulsory	7.2%	3%	7.2%	3%
Voluntary	3%	3%	3%	3%
Staff savings	-	6%	-	6%
<i>Term deposits</i>				
12 months	-	8.5%	-	8.5%

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

13. BORROWINGS

		2007	2006	2007	2006
		US\$	US\$	Riel'000	Riel'000
				<i>(Unaudited)</i>	<i>(Unaudited)</i>
Oikocredit	i	1,000,000	-	4,003,000	-
Planet Finance	ii	1,000,000	-	4,003,000	-
Blueorchard	iii	825,000	525,000	3,302,475	2,129,925
Triple Jump	iv	750,000	-	3,002,250	-
Kiva	v	716,678	32,562	2,868,862	132,104
Micro Credit Enterprise	vi	675,000	800,000	2,702,025	3,245,600
Etimos	vii	618,669	350,000	2,476,532	1,419,950
Stromme	viii	249,500	235,000	998,749	953,395
World Hope International	ix	145,115	-	580,895	-
World Relief Cambodia	x	100,000	-	400,300	-
MAF	xi	49,804	130,020	199,365	527,491
		<u>6,129,766</u>	<u>2,072,582</u>	<u>24,537,453</u>	<u>8,408,465</u>

i) Oikocredit

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 1,000,000	9.08%	-	The principal of the borrowing is to be repaid in seven equal semi-annual instalments starting from 02 Aug 2008.

This borrowing is unsecured.

ii) Planet Finance

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$500,000	LIBOR (6 month) + 5.9%	-	The principal of the borrowing is to be fully repaid on 28 Feb 2008.
US\$500,000 (*)	9.8%	-	The principal of the borrowing is to be fully repaid on 28 Dec 2009.

(*) This loan was disbursed on 28 December 2007. However, the Company received on 2 January 2008 (refer to Note 6).

This borrowing is unsecured.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

13. BORROWINGS (continued)

iii) Blueorchard

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 375,000	-	LIBOR (6 month) + 6.5%	The principal of the borrowing is to be as follows: 27 Jun 2008 : US\$125,000 27 Dec 2008 : US\$250,000
US\$ 450,000	LIBOR (6 month) + 4.25%	-	The principal of the borrowing is to be as follows: 02 Apr 2008 : US\$112,500 02 Oct 2009 : US\$337,500

This borrowing is unsecured.

vi) Triple Jump

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 750,000	9.25%	-	

This borrowing is unsecured.

v) Kiva

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 716,678	-	-	The principal of the borrowing is to be repaid where the loan out for the Kiva-qualified loan is less than the principal collected of the existing Kiva loan.

This borrowing is unsecured.

vi) Micro Credit Enterprise ("MCE")

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 375,000	-	9%	The principal of the borrowing is to be repaid in four equal semi-annual instalments starting from 31 Dec 2007.
US\$300,000	-	9%	The principal of the borrowing is to be repaid in four equal semi-annual instalments starting from 31 May 2008.

This borrowing is unsecured.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

13. BORROWINGS (continued)

vii) Etimos

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 191,906	-	LIBOR (6 month) + 4.5%	The principal of the borrowing is to be amortised in four semi-annual instalments starting from 06 Dec 2007.
US\$ 76,763	-	10.02%	The principal of the borrowing is to be amortised in four semi-annual instalments starting from 06 Dec 2007.
US\$350,000	LIBOR (6 month) + 4.5%	-	The principal of the borrowing is to be amortised in six semi-annual instalments starting from 06 Dec 2008.

This borrowing is unsecured.

viii) Stromme Foundation

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 50,000	-	6%	The principal of the borrowing is to be repaid in eight equal quarter instalments starting from 31 March 2007.
US\$ 37,500	-	6%	The principal of the borrowing is to be repaid in eight equal quarter instalments starting from 31 Mar 2007.
US\$ 162,000	7%	-	The principal of the borrowing is to be repaid in ten equal quarter instalments starting from 30 Nov 2007.

This borrowing is unsecured.

CREDIT LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007****13. BORROWINGS** (continued)

ix) World Hope International

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 145,115	10.75%	-	This loan will be amortised sixty instalments starting from 30 Sep 2007.

This borrowing is unsecured.

x) World Relief Cambodia

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 100,000	10.8%	-	The principal of the borrowing is to be fully repaid on 24 Jan 2008.

This borrowing is unsecured.

xi) MAF

Credit balance in original currency	Effective interest rates		Repayment terms
	2007	2006	
US\$ 10,253	-	11.36%	The borrowing is given for a period of three years with six months grace period. The repayment of the loan and interest will be repaid in five equal semi-annual instalments starting from 27 May 2006.
US\$ 39,551	-	11.36%	The borrowing is given for a period of three years with six months grace period. The repayment of the loan and interest will be repaid in five equal semi-annual instalments starting from 5 January 2007.

This borrowing is unsecured.

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

14. ACCRUALS AND OTHER LIABILITIES

	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
Income tax liabilities	153,394	39,526	614,036	160,357
Accrued staff costs	117,178	18,589	469,063	75,416
Accrued interest on borrowing	86,691	10,793	347,024	43,787
Accrued provident fund	83,390	44,010	333,810	178,549
Accrued interest on customer deposits	35,483	14,092	142,040	57,171
Accrued staff retreat	33,300	12,250	133,300	49,698
Others	25,013	18,165	100,126	73,698
	<u>534,449</u>	<u>157,425</u>	<u>2,139,399</u>	<u>638,676</u>

15. DEFERRED REVENUE

This account represents the unamortized part of the grant subsidy received from World Relief US, World Relief Canada, Tearfund Netherland, Tearfund Newzealand, and Erikshjapen mainly for capacity building and loan disbursement.

16. SHARE CAPITAL

The details of authorised, issued and fully paid share capital of the Company are as follows:

Shareholder	% of ownership	Number of shares	Price/Share US\$	Total US\$	Total Riel'000 <i>(Unaudited)</i>
World Relief US	74%	740	500	370,000	1,501,089
World Relief Canada	17%	170	500	85,000	344,845
World Hope International	9%	90	500	45,000	182,565
	<u>100%</u>	<u>1,000</u>	<u>500</u>	<u>500,000</u>	<u>2,028,499</u>

Each share will have one vote and will participate equally in all dividends and other distributions of the Company.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

17. DONATED CAPITAL

	World Relief US US\$	World Relief Canada US\$	World Hope Internatio nal US\$	Others US\$	Total US\$	Total Riel'000 <i>(Unaudited)</i>
As at 1 January 2006	1,122,918	324,404	105,000	-	1,552,322	6,302,427
Proceeds during the year	71,233	164,150	-	-	235,383	955,655
Currency revaluation at balance sheet date	-	-	-	-	-	-
As at 31 December 2006	1,194,151	488,554	105,000	-	1,787,705	7,258,082
Proceeds during the year	-	-	-	54,325	54,325	217,463
Currency revaluation at balance sheet date	-	-	-	-	-	(101,899)
As at 31 December 2007	<u>1,194,151</u>	<u>488,554</u>	<u>105,000</u>	<u>54,325</u>	<u>1,842,030</u>	<u>7,373,646</u>

18. INTEREST INCOME

	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
Loans and advances to customers	2,167,556	1,129,655	8,676,726	4,583,010
Bank deposits	4,581	3,929	18,338	15,940
	<u>2,172,137</u>	<u>1,133,584</u>	<u>8,695,064</u>	<u>4,598,950</u>

19. INTEREST EXPENSE

	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
Borrowings	377,193	76,639	1,509,904	310,924
Customers' deposits	65,710	37,553	263,037	152,353
	<u>442,903</u>	<u>114,192</u>	<u>1,772,941</u>	<u>463,277</u>

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

20. GRANT INCOME

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
World Relief Canada	94,830	9,548	379,606	38,736
Tearfund Netherland-Pourk	22,566	-	90,331	-
Tearfund Netherland-MIS	17,932	5,202	71,780	21,104
Erikjshapen	12,189	-	48,794	-
CGAP	6,000	1,740	24,018	7,059
MAF	4,435	10,034	17,753	40,708
Tearfund Newzealand	1,060	-	4,243	-
Habitat	520	-	2,082	-
World Relief USA	-	45,277	-	183,689
Stromme	-	12,052	-	48,895
USAID	-	3,975	-	16,127
	<u>159,532</u>	<u>87,828</u>	<u>638,607</u>	<u>356,318</u>

21. OTHER OPERATING INCOME

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Others income	11,916	9,085	47,700	36,857
Service fee/penalty fee	<u>42,562</u>	<u>5,024</u>	<u>170,375</u>	<u>20,383</u>
	<u>54,478</u>	<u>14,109</u>	<u>218,075</u>	<u>57,240</u>

Other income represents proceeds from gain of equipments including non-capitalised assets.

Service fee/penalty fee comprises of the service fee charged up front from customer at a rate of 0.1% on the loan disbursed and the penalty fee charged from client in the case of missing the repayment at a rate of 0.05% to 0.2% per day with 3-day grace period.

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

22. ADMINISTRATIVE EXPENSES

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Salaries and staff benefits	727,978	433,091	2,827,213	1,757,050
Offices expense	102,891	56,902	411,873	230,851
Other expenses	49,390	52,863	371,470	214,465
Office rental	64,902	41,603	259,804	168,783
Repairs and maintenance	62,368	32,356	249,658	131,269
Professional fees	41,944	70,395	167,901	285,593
Rebates	24,290	30,944	97,231	125,540
Travel and business meeting	21,968	32,868	87,936	133,345
Communication	19,188	15,279	76,808	61,987
Reversal of provision for accident insurance	-	(21,704)	(86,881)	(88,053)
Unrealised gain on foreign exchange rate	(56,205)	(22,456)	(224,981)	(91,104)
	<u>1,058,714</u>	<u>722,141</u>	<u>4,238,032</u>	<u>2,929,726</u>

In 2006, the Company got the in-kind donation from World Relief US for Mr. Paul Wesley Luchtenburg as Acting General Manager from January to August 2006 in the amount of US\$ 41,327. This amount is included in Professional fees.

In 2006, the managements have decided to reverse provision for accident insurance as it is no longer needed based on the past insignificant claim record.

There is no any in-kind donation for the year ending 31 December 2007.

23. INCOME TAX EXPENSE

(a) Income tax expense

	2007 US\$	2006 US\$	2007 Riel'000 (Unaudited)	2006 Riel'000 (Unaudited)
Current tax	164,883	51,807	660,028	210,181
Deferred tax (Note 10)	(68)	9,892	(274)	40,132
	<u>164,815</u>	<u>61,699</u>	<u>659,754</u>	<u>250,313</u>

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

23. INCOME TAX EXPENSE (continued)

(b) Reconciliation between income tax expense and accounting profit

	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
Profit before taxation	<u>807,439</u>	<u>311,629</u>	<u>3,232,180</u>	<u>1,264,280</u>
Profit tax at 20% of accounting profit	161,488	62,326	646,436	252,857
Income not subject to taxation	592	(940)	2,370	(3,814)
Expenses not deductible for tax purposes	<u>2,735</u>	<u>313</u>	<u>10,948</u>	<u>1,270</u>
Tax charged	<u>164,815</u>	<u>61,699</u>	<u>659,754</u>	<u>250,313</u>

(c) Other tax matters

The Company's tax returns are subject to periodic examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

24. CURRENCY ANALYSIS

An analysis of the Company's assets and liabilities in US\$ by currency are as follows:

	<u>US\$</u>	<u>Riel</u>	<u>Total</u>
<i>As at 31 December 2007</i>			
ASSETS			
Cash on hand	56,960	18,514	75,474
Balances with the Central Bank	520	70,148	70,668
Balances with banks	104,625	3,104	107,729
Loans and advances to customers	7,533,728	2,683,181	10,216,909
Other assets	697,261		697,261
Deferred tax assets	2,689		2,689
Property and equipment	176,469		176,469
Intangible assets	62,818		62,818
Total assets	<u>8,635,070</u>	<u>2,774,947</u>	<u>11,410,017</u>
LIABILITIES			
Customers' deposits	1,098,363	92,221	1,190,584
Borrowings	6,079,962	49,804	6,129,766
Accrual and other liabilities	534,449		534,449
Deferred revenue	246,017		246,017
Total liabilities	<u>7,958,791</u>	<u>142,025</u>	<u>8,100,816</u>
Net liquidity surplus	<u>676,279</u>	<u>2,632,922</u>	<u>3,309,201</u>
<i>As at 31 December 2006</i>			
Total assets	4,196,604	1,381,700	5,578,304
Total liabilities	<u>2,693,606</u>	<u>272,448</u>	<u>2,966,054</u>
Net liquidity surplus	<u>1,502,998</u>	<u>1,109,252</u>	<u>2,612,250</u>

CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

25. MATURITY PROFILE

The maturity profile of assets and liabilities are as follows:

	Total US\$	Less than 1 month US\$	From 1 month to 3 months US\$	From 3 months to 1 year US\$	From 1 year to 5 years US\$	Over 5 years US\$	No fixed date of maturity US\$
<i>As at 31 December 2007</i>							
ASSETS							
Cash on hand	75,474	75,474	-	-	-	-	-
Balances with the Central Bank	70,668	1,918	-	-	-	-	68,750
Balances with banks	107,729	96,956	-	10,773	-	-	-
Loans and advances to customers	10,216,909	31,080	252,520	2,013,859	7,919,450	-	-
Other assets	697,261	518,640	37,279	57,464	83,878	-	-
Deferred tax assets	2,689	-	-	-	-	-	2,689
Property and equipment	176,469	3,529	10,588	21,176	141,176	-	-
Intangible assets	62,818	-	-	-	62,818	-	-
Total assets	11,410,017	727,597	300,387	2,103,272	8,207,322	-	71,439
LIABILITIES							
Customers' deposits	1,190,584	59,529	119,058	595,292	416,705	-	-
Borrowings	6,129,766	19,805	542,475	1,977,792	3,589,694	-	-
Accruals and other liabilities	534,449	5,344	192,192	163,418	173,495	-	-
Deferred revenue	246,017	4,920	24,602	196,814	19,681	-	-
Total liabilities	8,100,816	89,598	878,327	2,933,316	4,199,575	-	-
Net liquidity surplus	3,309,201	637,999	(577,940)	(830,044)	4,007,747	-	71,439
<i>As at 31 December 2006</i>							
Total assets	5,578,304	783,535	265,207	2,108,917	2,380,219	-	40,426
Total liabilities	2,966,054	53,238	148,631	888,748	1,875,437	-	-
Net liquidity surplus	2,612,250	730,297	116,576	1,220,169	504,782	-	40,426

CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

26. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the balance sheet are reasonable estimates of their fair values and of the credit risk associated with these assets. In making this assessment, the management assumes that loans to customers are mainly held to maturity. Fair value approximates to the book value of loans adjusted for the provision for doubtful loans.

27. LEASE COMMITMENTS

The Company leases various offices under cancellable operating lease agreements. The Company is required to give three to six month's notice for the termination of these agreements. The lease expenditure charged to office rental in the income statement during the year is disclosed in Note 22.

28. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties.

a) Compensation

	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
<i>The Board of Directors</i>				
Fee and related expenses	2,392	4,890	9,574	19,839
<i>Key managements</i>				
Salaries and short-term benefits	212,013	102,172	848,686	414,512

b) Loans to directors and key management

	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
Opening balance	4,902	2,640	19,623	10,710
Loans advanced during the year	47,646	10,818	190,727	43,889
Loans repayment during the year	(33,493)	(8,556)	(134,073)	(34,712)
Closing balance	19,055	4,902	76,277	19,887

Loans to directors and key management bear interest rate at 1.2% per month (2006: 1% per month).

CREDIT LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007****28. RELATED PARTY TRANSACTIONS (continued)****c) Deposits from directors and key management**

	2007 US\$	2006 US\$	2007 Riel'000 <i>(Unaudited)</i>	2006 Riel'000 <i>(Unaudited)</i>
Opening balance	56,143	35,551	224,740	144,230
Deposits during the year	184,940	74,601	740,317	302,658
Withdrawals during the year	<u>(208,573)</u>	<u>(54,009)</u>	<u>(834,918)</u>	<u>(219,116)</u>
Closing balance	<u>32,510</u>	<u>56,143</u>	<u>130,139</u>	<u>227,772</u>

Deposits from directors and key management bear interest rate at 6% per year (2006: 6% per year).

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

CREDIT LIMITED

APPENDIX: NOTES ON COMPLIANCE WITH THE CENTRAL BANK'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2007

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

A Licensed Micro-finance Institution shall at all times, maintain capital adequacy ratio of more than 15%. As at 31 December 2007, Capital Adequacy Ratio of CREDIT Limited is 25.07%.

The Capital Adequacy Ratio calculation is detailed in Schedule 1.

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

A Licensed Micro-finance Institution shall at all times, maintain a liquidity ratio of more than 100%. As at 31 December 2007, the Liquidity Ratio is 134%.

The Liquidity Ratio calculation is detailed in Schedule 2.

3. CALCULATION OF FOREIGN CURRENCY EXPOSURE, Prakas No B7-07-134

The foreign currency exposure ratio should not exceed 20% of net worth for each individual currency. As at 31 December 2007, the foreign currency exposure ratio is 20.51% in aggregate. (There is only one foreign currency).

(Note: CREDIT Limited transacts its business primarily in US\$ and maintains its books of accounts in US\$. Accordingly, for computation of this ratio, all currencies other than US\$ are considered as foreign currencies).

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 2007, the reserve requirement is Riel 107,711 thousand, CREDIT Limited has deposited with the Central Bank amounting to Riel 175,131 thousand.

The Reserve Requirement calculation is detailed in Schedule 4.

CREDIT LIMITED

APPENDIX: NOTES ON COMPLIANCE WITH THE CENTRAL BANK'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2007

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

Licensed microfinance 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.

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 2007, the specific provision provided by CREDIT Limited is Riel 103,002 thousand which was in compliance with the Central Bank's Prakas.

Loan classification, provision and delinquency ratio calculation is detailed in Schedule 5.

CREDIT LIMITED

SCHEDULE 1

CAPITAL ADEQUACY RATIO AS AT 31 DECEMBER 2007

	<u>Riel'000</u>		
1 - NUMERATOR : NET WORTH			
1.1 Sub-total A: Items to be added			
- Paid in capital	2,001,500		
- Reserves	-		
- Retained earnings	1,299,154		
- Net profit for the year	<u>2,572,432</u>		
Sub total A	<u>5,873,086</u>		
1.2 Sub-total B: Items to be deducted			
- Unpaid capital	-		
- Loan to related parties	226,278		
Sub-total B	<u>226,278</u>		
Total C: Base Net Worth (A-B)	<u>5,646,808</u>		
1.3 Sub-total D: Items to be added			
- Revaluation reserves			
- Subordinated Debt(up to 100% of base net worth)			
- Other Items (not more base net worth)	<u>5,646,808</u>		
Sub-total D:	<u>5,646,808</u>		
Total E: Total Net Worth = C + D	<u>11,293,616</u>		
2 - DENOMINATOR:RISK-WEIGHTED ASSETS (R)			
Assets	Amount Riel'000	Weighting	
- Cash	302,122	0%	-
- Gold	-	0%	-
- Deposits with the Central Bank	282,884	0%	-
- Deposits with bank rated AAA to AA-	-	20%	-
- Deposits with bank rated A+ to A-	-	50%	-
- Loans and advances to customers	40,898,287	100%	40,898,287
- Other assets	<u>4,191,004</u>	100%	<u>4,191,004</u>
Total	<u>45,674,298</u>		<u>45,089,291</u>
CAPITAL ADEQUACY RATIO (F = E/R)			<u>25.05%</u>

CREDIT LIMITED**SCHEDULE 2
LIQUIDITY RATIO AS AT 31 DECEMBER 2007**

			<u>Riel'000</u>
1 - Numerator: liquid assets			
- Cash in hand			302,123
- Balances with the Central Bank			282,884
- Balances with banks			<u>431,239</u>
Sub-total A			1,016,246
Less :			
- Amount owed to the Central Bank			-
- Amount owed to banks			-
Sub-total B			-
Net liquidity (A-B)			<u>1,016,246</u>
Plus :			
- Portion of loans maturing in less than one month			<u>124,413</u>
Liquid assets (L)			<u>1,140,659</u>
2 - Denominator: Adjusted amount of deposits (A)			
Category of deposits	Amount	%	
Voluntary savings	3,414,219	25%	853,555
Total	3,414,219		<u>853,555</u>
LIQUIDITY RATIO (L/A)			<u><u>134%</u></u>

CREDIT LIMITED

SCHEDULE 3

CALCULATION OF FOREIGN CURRENCY EXPOSURE AS AT 31 DECEMBER 2007

	<u>Riel'000</u>
1 - Assets in foreign currency	11,108,113
2 - Minus: Liabilities and Capital in that currency	8,792,021
3 - Net position (long or short)	2,316,092
4 - Minus: provision for foreign exchange losses	-
5 - Adjusted net position (long or short)	2,316,092
6 - Net worth	<u>11,293,616</u>
7 - Foreign currency exposure ratio: 5/6	<u>20.51%</u>

CREDIT LIMITED

SCHEDULE 4 RESERVE REQUIREMENT AS AT 31 DECEMBER 2007

	<u>Riel'000</u>
1 – Voluntary	
1-1 Demand	-
1-2 Saving	3,414,219
1-3 Term	-
1-4 Other	-
	<hr/>
1-5 Total reserve deposits	3,414,219
	<hr/>
2 – Compulsory	
2-1 Program (3% for guarantee)	1,351,689
2-2 Program	-
2-3 Program	-
	<hr/>
2-4 Total compulsory saving	1,351,689
	<hr/>
3 - Total saving mobilised	4,765,908
	<hr/>
5% of reserve deposits	<u>170,711</u>

CREDIT LIMITED

SCHEDULE 5

**LOAN CLASSIFICATION, PROVISION, AND DELINQUENCY RATIO
AS AT 31 DECEMBER 2007**

Loan classification	Amount Riel'000	Rate %	Specific Provision Riel'000
1 - Loans of one year or less			
1-1 Standard	41,106,919	0%	-
1-2 Substandard past due >30 days	33,713	10%	3,371
1-3 Doubtful past due >60 days	6,566	30%	1,970
1-4 Loss past due >90 days	97,661	100%	97,661
Sub-Total 1	41,244,859		103,002
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	41,244,859		103,002
All loans past due > 30 days (A)			137,940
Loan outstanding (B)			41,244,859
Delinquency ratio (A/B)			0.33%