Kaebauk Investimentu No Finansas, SA

Financial Statements for the year ended
December 31, 2022

KAEBAUK INVESTIMENTU NO FINANSAS, SA

DIRECTORS' REPORT

The Directors present their report on the affairs of the Kaebauk Investimentu No Finansas, SA ("the Company") for the year ended 31 December 2022.

The Company is an institution registered as joint stock company.

Information on Directors
The names of the directors in office at any time during or since the end of the period are:

Mr. Hernani V. Soares	31 January 2016 - 29 March 2022	Chairman Until 29 March 2022
Mr. Alvaro Menezes	1 January 2022 - 28 March 2022 29 March 2022 - Present	Board Director Chairman
Mr. Christian Andersen	31 January 2016 - 29 March 2022	Board Director Until 29 March 2022
Ms. Aida Silva Pinto Baptista	31 October 2017 To 31 October 2022	Independent Board Director Until October 2022
Mr. Muhammad Shamim Khan	1 May 2020 - present	Board Director
Mr. Mamadou Aliou Diallo	20 July 2022 - Present	Board Director
Mr. Neak Niporn	1 May 2022 - Present	Board Director

All directors have held their office from 1 January 2022 to the date of this report unless otherwise stated.

Insurance and Indemnification of Officers or Auditor
No insurance cover has been provided for the benefit of the auditor.

No indemnities have been given to the officers or auditor.

Principal Activities
The principal activities of the Company during the year were the provision of financial services to clients in the form of taking deposits and giving loans as prescribed by the Constitution.

No significant changes in the nature of these activities occurred during the year.

Operating Results
The net profit of the Company for the year was $1,978,703 (2021:$1,340,527)

Dividends
A dividend of $1,644,790 has been declared for the year ended 31 December 2022 (2021: $970,000).

Options

No options over unissued shares or interests in the Company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

No shares have been issued as a result of the exercise of an option.

Significant Changes in State of Affairs

Apart from disclosures elsewhere in this report, there were no significant changes in the state of the affairs of the Company during the year.

KAEBAUK INVESTIMENTU NO FINANSAS, SA

DIRECTORS' REPORT

Events Subsequent to the End of the Reporting Period

No other matters or circumstances have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of the Company in subsequent financial period.

Proceedings

No person has applied for leave of the Court to bring proceedings on behalf of the Company or interfere in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2022 forms part of this report and a copy of this declaration is attached.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the State.

Signed for and on behalf of the directors in accordance with a resolution of the Board.

Director: Mr. Alvaro Menezes

Dated this 11 April 2023

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DECLARATION OF INDEPENDENCE BY C TAZIWA TO THE DIRECTORS OF KAEBAUK INVESTIMENTU NO FINANSAS, SA

As lead auditor of Kaebauk Investimentu No Finansas, SA for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kaebauk Investimentu No Finansas, SA during the period.

C Taziwa
Partner

BDO Audit (NT)

Darwin, 13 April 2023

Kaebauk Investimentu No Finansas, SA
Director's Declaration
For the Year Ended 31 December 2022

The Directors of Kaebauk Investimentu No Finansas, SA ("the Company") declare that:

a) the financial statements, accompanying the statement of profit and loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes:

   (i) comply with International Financial Reporting Standards; and

   (ii) presents fairly the financial position as at 31 December 2022 and of the results of operations for the period then ended.

b) the Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards; and

c) in the Director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed for and behalf of the Directors in accordance with a resolution of the Board.

Alvaro Menezes
Director

Date: April 11, 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of Kaebauk Investimentu No Finansas, SA

Opinion

We have audited the financial report of Kaebauk Investimentu No Finansas, SA (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit and loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Financial Reporting Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the *International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Timor-Leste. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial report and our auditor's report thereon.

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

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

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

Other Matter

The financial report of the Company for the year ended 31 December 2021, was audited by another auditor who expressed an unmodified opinion on that report on 25 April 2022.

Responsibilities of management and directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Financial Reporting Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the International Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the

related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

BDO

BDO Audit (NT)

Casmel Taziwa
Partner

Darwin, 13 April 2023

KAEBAUK INVESTIMENTU NO FINANSAS, SA
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	31-Dec-22	31-Dec-21 *(Restated)*
		-------- USD --------	-------USD-------
Interest Income	3	**7,073,192**	5,708,270
Interest Expense	3	**(934,458)**	(686,975)
Net Interest Income		**6,138,734**	5,021,295
Other revenue and income	4	**284,240**	294,781
Provisions and write-offs	9.1	**(232,650)**	(682,718)
Administrative Expenses		**(294,528)**	(152,418)
Repairs and maintenance		**(231,975)**	(233,095)
Fuel and oil		**(181,728)**	(145,149)
Employee salaries and benefits expense		**(2,624,833)**	(2,204,712)
Rent expense	18	**(16,618)**	(78,149)
Travel and lodging allowance		**(58,492)**	(28,825)
Utilities		**(129,675)**	(115,266)
Depreciation and amortisation expense		**(383,487)**	(273,497)
Other expenses	4	**(90,603)**	(61,720)
Profit before tax		**2,178,385**	1,340,527
Income tax expense	28	**(199,682)**	-
Profit after tax		**1,978,703**	1,340,527
Other Comprehensive Income for the year		**-**	-
Total Comprehensive Income for the year		**1,978,703**	1,340,527

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

KAEBAUK INVESTIMENTU NO FINANSAS, SA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Note	31-Dec-22 ------- USD ------	31-Dec-21 *(Restated)* ------- USD ------	31-Dec-20 *(Restated)* ------- USD ------
ASSETS				
Cash and cash equivalents	**7**	**5,557,231**	1,654,477	1,355,445
Term Deposits	**8**	**-**	3,205,373	3,203,157
Loans and advances	**9**	**21,605,119**	17,029,809	16,351,084
Property , plant and equipment	**10,11 & 11a**	**1,449,581**	1,677,450	1,380,002
Other assets	**12**	**421,522**	369,181	64,818
TOTAL ASSETS		**29,033,453**	23,936,290	22,354,506
LIABILITIES				
Cash Collateral	**13**	**3,631,526**	2,734,085	2,721,112
Payables due to other financial institutions	**14**	**13,811,355**	10,758,608	9,883,613
Subordinated debt	**15**	**900,000**	900,000	900,000
Deposits	**16**	**604,294**	843,895	986,045
Lease Liability	**18**	**1,071,688**	1,213,082	1,088,773
Other payables	**17**	**2,882,008**	1,687,951	1,346,821
TOTAL LIABILITIES		**22,900,871**	18,137,621	16,926,364
NET ASSETS		**6,132,582**	5,798,669	5,428,142
EQUITY				
Share Capital		**2,000,000**	2,000,000	2,000,000
Retained Earnings		**3,453,559**	3,211,931	3,104,138
Reserves		**679,023**	586,738	324,004
TOTAL EQUITIES		**6,132,582**	5,798,669	5,428,142

The above statement of financial position should be read in conjunction with the accompanying notes.

KAEBAUK INVESTIMENTU NO FINANSAS, SA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	31-Dec-22	31-Dec-21 *(Restated)*
		------- USD -------	------ USD ------
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit		**1,978,703**	1,340,527
Adjustments:			
Expected credit losses provision	**9.1**	**232,650**	682,718
Depreciation & Amortisation		**383,487**	273,497
Gain on sale of Property, plant and equipment		**(11,425)**	(10,000)
Changes in assets and liabilities:			
Loans & Advances		**(4,807,960)**	(1,361,443)
Prepayments and other receivables		**(52,341)**	(304,363)
Saving deposits and other accruals		**1,177,107**	166,129
Net cash generated from/(used in) operating activities		**(1,099,779)**	787,065
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed term deposits		**3,205,373**	(2,216)
Payments for property, plant and equipment		**(121,220)**	(316,789)
Proceeds from sale of property, plant and equipment		**11,425**	10,000
Net cash generated from/(used in) investing activities		**3,095,578**	(309,005)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans	**14**	**11,757,826**	8,737,292
Repayments of loans	**14**	**(8,705,079)**	(7,862,297)
Changes in Lease liability		**(175,792)**	(129,847)
Dividend paid		**(970,000)**	(924,176)
Net cash generated from/(used in) financing activities		**1,906,955**	(179,028)
Net Increase in cash held		**3,902,754**	299,032
Cash at beginning of the financial year		**1,654,477**	1,355,445
Cash at the end of financial year	**7**	**5,557,231**	1,654,477

The above statement of cash flows should be read in conjunction with the accompanying notes.

KAEBAUK INVESTIMENTU NO FINANSAS, SA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	31-Dec-22				31-Dec-21			
	Share Capital	**Retained Earnings**	**Reserves**	**Total Equity**	Share Capital	Retained Earnings	Reserve	Total Equity
Balance at the beginning of the year	**2,000,000**	**3,211,931**	**586,738**	**5,798,669**	2,000,000	3,104,138	324,004	5,428,142
Profit for the year	**-**	**1,978,703**	**-**	**1,978,703**	-	1,340,527	-	1,340,527
Transferred to reserves		**(92,285)**	**92,285**	**-**		(262,734)	262,734	-
Dividend Declared	**-**	**(1,644,790)**	**-**	**(1,644,790)**	-	(970,000)	-	(970,000)
Balance at the end of the year	**2,000,000**	**3,453,559**	**679,023**	**6,132,582**	2,000,000	3,211,931	586,738	5,798,669

The above statement of changes in equity should be read in conjunction with the accompanying notes.

GENERAL INFORMATION

The financial statements cover KAEBAUK INVESTIMENTU NO FINANSAS, SA "Kaebauk or KIF or company" as an individual entity. Kaebauk is registered as joint stock company with Company registration No. 1242933A/MCIA/III/2016 with total share capital of USD 2,000,000, shareholders are Tuba Rai Metin ("TRM") -58.5%, BOPA Pte Ltd -16.5%, IFC- World Bank Group- 12.5% and Tuir Rasik Mehi (TURAME) -12.5% (to manage stocks of employees collectively). Kaebauk is the first Other Deposit Taking Institution 'ODTI' in the country.

Kaebauk is mainly promoted by Tuba Rai Metin which had its firm footing for over 15 years in the country with market leader status among MFIs. TRM has transferred its business to Kaebauk with effect from 1st March 2016. BOPA and IFC's equity with Kaebauk is their 1st investment in Timor Leste to strengthen the microfinance sector in the country running on commercial principles with social mission. Kaebauk had 22 branches to make the easy access to financial services.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements which have been prepared in accordance with International Financial Reporting Standards.

The financial statements were authorised for issue in accordance with a resolution of the directors on 11 April 2023.

The financial statements of KAEBAUK INVESTIMENTU NO FINANSAS, SA as an individual entity comply with all International Financial Reporting Standards (IFRS) that are relevant to the Company. For the purpose of preparing the financial statement, the Company is a for-profit entity.

The financial statements have been prepared on an accrual basis and are based on historical cost except for financial assets available for sale that have been measured at fair value.

The presentation currency of the financial statements is United States Dollars, which is also the functional currency.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated

(a) Financial assets and financial liabilities

Introduction

(i) Initial recognition

The Company initially recognise loans and advances, deposits, on the date that they are originated. All other financial assets and financial liabilities (including financial assets and financial liabilities designated at fair value through profit and loss) are initially recognised on trade date when the related contractual rights or obligations

(ii) De-recognition

The Company de-recognises a financial asset when the contractual right to the cash flows from the asset expire, or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Interest in transferred financial assets that is created or retained by the Company is recognise as a separate asset or a liability. The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled or when they expire.

(iii) Off- setting

Financial assets and financial liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to off set the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(iv) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus or reduction for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held in banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risks of changes in their value, and are used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost. Interest is calculated on flat rate basis.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(a) Financial assets and financial liabilities (Cont.)

Deposits
Refer Note 1 (i) for details.

Borrowings
Refer Note 1 (j) for details.

(b) Revenue
Loan interest income is calculated on the initial loan balance disbursed and is charged upfront to the member's loan account on the first day of the loan. Loan interest income is recognised on the basis of the amount received from the member's loan account balance.

When the loan is classified as impaired, the Company ceases to charge interest. Loan interest is generally not charged when the Company is informed that the member has deceased. No interest is charged on loans where repayments are in arrears and the prospect of a contribution from the member is minimal. However, accrued interest may be recovered as part of the recovery of the debt.

Loan origination fee income and loan transaction costs that are recognised as income when loan is disbursed.

Fees and commissions are recognised when the performance obligation has been satisfied at a point in time when service to the customer has been rendered.

(c) Impairment - loans and advances
A provision for losses on impaired loans is recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which the credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those determined to be credit impaired, lifetime expected credit losses along with the interest income on a net basis are recognised. All loans are subject to continuous management review to assess whether there is any objective evidence that any loan or group of loans is impaired. Evidence of impairment may include indications that the borrower has defaulted, is experiencing significant financial difficulty, or where the debt has been restructured to reduce the burden of the borrower. The critical assumptions used in the collections are set out in note 9. Note 22 details the credit risk management approach to loan impairment.

Bad debts are written off as determined by management and the Board, when it is reasonable to expect that the recovery of the loan is unlikely. All write-offs are on case by case basis, taking into the account the exposure at the date of the write-off. On secured loans, the write-off take place following ultimate realisation of collateral value.

Bad debts are written off against the provision for impairment where impairment has previously been recognised in relations to a loan. If no provision for impairment has previously been recognised, write offs for bad debts are recognised as expenses in profit or loss.

Renegotiated loans are loans and other similar facilities where the original contractual terms have been modified to provide for concessions of interest, principal or repayment for reasons to related to financial difficulties of the member or group of members.

(d) Income Tax
Under the scheme of Trade Invest, the Company has been exempted from Income Tax with effect from February 01, 2017 until the 31 January 2022. Starting from February 2022 the Company started to pay the Income tax as the tax exemption has expired.

(e) Property, plant and equipment
Each class of property, plant and equipment is carried out at cost less any accumulated depreciation and impairment losses.

Depreciation
The depreciable amount of all property, plant and equipment, including buildings, is depreciated over their useful lives to the Company commencing from the time asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or estimated useful life of the improvements.

Property, plant and equipment is depreciated on a straight line basis.

A summary of rates used is:

Buildings	10 - 33.3%	Furniture, Fixtures and Office Equipment	20.0 - 33.3%
Leasehold improvements	20.0 - 33.3%	Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These gains and losses are included in profit or loss.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Impairment of assets (excluding financial assets)
At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of asset, being the higher of asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in profit or loss (except for items carried at revalued amount).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Derecognition of Property, plant and equipment
An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(h) Intangible assets
Computer Software
Items of computer software which are not integral to the computer hardware owned by the Company are classified as an intangible asset with a finite life. Computer software has a finite life and, accordingly, is amortised on a straight line basis over the expected useful life of the software. These lives range from 2 - 5 years.

(i) Deposits
Deposits are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method. Interest on deposit is recognised on an accrual basis. Interest accrued at the end of the reporting date is shown as a part of deposits.

(j) Borrowings
Borrowings are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Company chooses to carry the liabilities at fair value through the profit or loss. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

(k) Accounting estimates and judgements
The key assumptions concerning the future and other key sources of estimations at reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with in a next financial year are discussed below:

(i) **Impairment of non-financial assets**
The Company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculation performed in assessing recoverable amount incorporate a number of key estimates.

No impairment has been recognised in respect of property, plant and equipment for the year ended 31 December 2022.

(ii) **Provision for impaired loans**
The provision for impaired loans assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the expected credit loss model, credit risk and the specific knowledge of the individual borrower's financial position. The provision amounted to $1,181,588 as at 31 December 2022 (2021: $1,016,093).

(l) Reserves
Reserve is created in accordance with Central Bank of Timor Leste - Banco Central Timor Leste (BCTL) statutory requirement to have 2% provisioning of standard loan as reserve under equity. Additional reserve was recognised during the year in accordance with terms and conditions agreed with a specific lender.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(m) New and Amended Accounting Policies Adopted by the Company

New standards impacting the Company that are adopted in the annual financial statements for the year ended 31 December 2022, and which have given rise to changes in the Company's accounting policies is IFRS 16 Leases (IFRS 16).
Details of the impact this standard have had are given below. Other new and amended standards and interpretations issued by the IFRS that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

Effects of changes in accounting policies

The Company adopted IFRS 16 on 01 January 2022. The Company has restated comparatives on adoption of the standard, and therefore, the revised requirements are reflected in the prior year financial statements. These changes have been processed as of 01 January 2020, details of the impact this standard have had are given below. Other new and amended standards and interpretations issued by the IFRS did not impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and Interpretation 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have any leasing activities acting as a lessor.

The Company has adopted IFRS 16 and restated the financial statements from 2020 to align comparative figure from the date of initial application.

Transition Method and Practical Expedients Utilised

The Company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (01 January 2020), with restatement of comparative figures. The Company elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and Interpretation 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 01 January 2020.
IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:
(a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and
(c) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.
As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases. However, the Company has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.
On adoption of IFRS 16, the Company recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Lease liabilities
All operating leases	Office spaces Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.	Measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 31 December 2020. The Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 8.30%.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 31 December 2020:

	Adjustments	31 December 2020 As originally Presented	IFRS 16 adjustment	31 December 2020
Assets				
Right-of-use assets	(a)	-	1,080,283	1,080,283
Liabilities				
Lease liabilities	(a)	-	1,088,774	1,088,774

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 31 December 2021:

	Adjustments	31 December 2021 As originally Presented	IFRS 16 adjustment	31 December 2021
Assets				
Right-of-use assets	(a)	-	1,159,753	1,159,753
Liabilities				
Lease liabilities	(a)	-	1,213,082	1,213,082

Leases

The majority of the Company's accounting policies for leases are set out in Note 18.

Identifying Leases
The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) The Company obtains substantially all the economic benefits from use of the asset; and
(c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits. In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre- determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

2 Restatement of comparatives

Correction of error
During the year ended 31 December 2022, material errors were identified in the accounting treatment of one matter during the year ended 31 December 2022.

Incorrect treatment of Leases

Effective 1 January 2019, IFRS 16 replaces IAS 17 Leases and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. The date of initial application of IFRS 16 Leases for the Company will be 1 January 2020.

The Company adopted IFRS 16 using the cumulative-effect method in accordance with IFRS 16:C5(b). Consequently, the comparative financial statements will not be restated prior to 1 January 2019.

For contracts in respect of lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

Restated Profit or loss Statement for year ending 31 December 2021

	2021 $ Reported	$ Adjustment	2021 $ Restated
Revenue			
Interest Income -	5,708,270		5,708,270
Interest Expense	(595,273)	(91,702)	(686,975)
Net Interest Income	5,112,997	(91,702)	5,021,295
Expenses			
Other revenue and income	294,781	-	294,781
Provisions and write-offs	(682,718)	-	(682,718)
Administrative Expenses	(152,418)	-	(152,418)
Repairs and maintenance	(233,095)	-	(233,095)
Fuel and oil	(145,149)	-	(145,149)
Employee salaries and benefits expense	(2,204,712)	-	(2,204,712)
Rent expense	(299,699)	221,550	(78,149)
Travel and lodging allowance	(28,825)	-	(28,825)
Utilities	(115,266)	-	(115,266)
Depreciation and amortisation expense	(98,810)	(174,687)	(273,497)
Other expenses	(61,720)	-	(61,720)
Profit before tax	1,385,366	(44,839)	1,340,527
Income tax expenses	-	-	-
Profit after tax	1,385,366	(44,839)	1,340,527

Statement of financial position at the beginning of the earliest comparative period

	Restated 2020		Restated 2020
	$	$	$
	Reported	Adjustment	Restated
Assets			
Non-current assets			
Right-of-use assets	-	1,080,283	1,080,283
Total non-current assets	-	1,080,283	1,080,283
Total assets	-	1,080,283	1,080,283
Liabilities			
Current			
Lease liabilities	-	105,213	105,213
Total current liabilities	-	105,213	105,213
Non-current liabilities			
Lease liabilities	-	983,560	983,560
Total non-current liabilities	-	983,560	983,560
Total liabilities	-	1,088,773	1,088,773
Accumulated Funds			
Retained surpluses	3,112,628	(8,490)	3,104,138
Total accumulated funds	3,112,628	(8,490)	3,104,138

	Restated 2021		Restated 2021
	$	$	$
	Reported	Adjustment	Restated
Assets			
Non-current assets			
Right-of-use assets	1,080,283	79,470	1,159,753
Total non-current assets	1,080,283	79,470	1,159,753
Total assets	1,080,283	79,470	1,159,753
Liabilities			
Current liabilities			
Lease liabilities	105,213	49,681	154,894
Total current liabilities	105,213	49,681	154,894
Non-current liabilities			
Lease liabilities	983,560	74,627	1,058,187
Total non-current liabilities	983,560	74,627	1,058,187
Total liabilities	1,088,773	124,308	1,213,081
Accumulated Funds			
Retained surpluses	3,104,138	(44,838)	3,059,300
Total accumulated funds	3,104,138	(44,838)	3,059,300

	31-Dec-22	31-Dec-21
	…….USD……	…….USD……

3 INTEREST INCOME AND INTEREST EXPENSE

(a) Interest Income		
Assets at amortised cost		
Loans and advances	**6,666,267**	5,528,063
Fee and commission	**406,925**	180,207
Total Interest Income	**7,073,192**	5,708,270
(b) Interest Expense		
Liabilities at amortised cost		
Borrowings	**836,405**	587,168
Lease Liability	**96,778**	91,702
Deposits	**1,275**	8,105
Total Interest Expense	**934,458**	686,975

4 OTHER REVENUE AND INCOME

Interest on Term Deposits	**13,945**	19,121
Gain on disposal of assets	**11,425**	10,000
Others	**258,870**	265,660
Total other revenue and income	**284,240**	294,781

5 OTHER EXPENSES

Bank Charges	**7,586**	14,158
Misc Expenses	**2,255**	490
Meals for staff	**68,762**	47,072
Research & Development Expenses	**12,000**	-
Total Other Expenses	**90,603**	61,720

6 RELATED PARTIES

6.1 In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties.

Transactions occurred during the year			
TRM	Dividend paid	**567,450**	540,643
	Rental expense	**183,733**	180,020
	Interest Expense on Sub-debt and saving deposits	**85,000**	85,000
	Commission Income	**176**	-
TURAME	Dividend paid	**121,250**	115,522
Balances as at 31 December			
TRM	Sub Debt	**900,000**	900,000
	Payable	**3,177**	529
	Saving deposit	**-**	146
	Dividend payable	**962,202**	567,450
TURAME	Dividend payable	**205,599**	121,250
	Saving deposit	**17**	17

6.2 *Compensation of KMPs in total and for each of the following categories was as follows:*

Short-term employee benefits	**741,605**	543,532
Post-employment benefits	**93,263**	20,266
Total	**834,868**	563,798

		Note	31-Dec-22	31-Dec-21
			…….USD……	…….USD……
7	**CASH AND CASH EQUIVALENT**			
	Cash on hand		**44,627**	59,562
	Banks			
	Current		**5,512,604**	1,594,915
			5,557,231	1,654,477

The effective interest rate on short-term bank deposits is 0% and having maturity of less than three months.

		Note	31-Dec-22	31-Dec-21
8	**TERM DEPOSITS**			
	Banks			
	Mandiri		**-**	3,000,000
	BNCTL		**-**	205,373
			-	3,205,373

Management has decided to terminate the Deposit at Mandiri and BNCTL banks when the deposit amounts are matured as at 31 December 2022.

		Note	31-Dec-22	31-Dec-21
9	**LOANS AND ADVANCES**			
	Loans and advances to customers		**22,786,707**	18,045,902
	Gross loan portfolio		**22,786,707**	18,045,902
	Impairment of Loans and advances	**9.1**	**(1,181,588)**	(1,016,093)
	Net Loans and advances		**21,605,119**	17,029,809

Loans outstanding by geographical location:

	31-Dec-22	31-Dec-21
Aileu	**853,583**	662,032
Ainaro	**475,234**	397,618
Atauro	**308,331**	234,478
Atsabe	**482,527**	407,843
Batugade	**977,727**	816,358
Baucau	**1,528,022**	1,085,003
Bazartete	**946,913**	731,828
Becora	**1,782,105**	1,409,599
Colmera/ Aitarak Laran	**1,556,847**	1,143,820
Comoro	**3,191,063**	2,855,406
Ermera	**598,993**	454,835
Laclubar/ Natarbora	**383,960**	220,829
Liquica	**1,010,794**	900,975
Lospalos	**1,178,057**	771,643
Maliana	**1,365,129**	1,188,783
Manatuto	**566,144**	437,952
Maubisse	**509,664**	411,293
Oecusse	**1,182,879**	948,970
Same	**1,024,220**	728,391
Suai	**1,277,688**	985,376
Viqueque	**981,617**	750,490
Zumalai	**605,210**	502,380
	22,786,707	18,045,902

9 LOANS AND ADVANCES (continued)

Loans accounts by geographical location:
(by number of account holders)

	31-Dec-22	31-Dec-21
Aileu	**771**	714
Ainaro	**453**	425
Atauro	**331**	318
Atsabe	**364**	321
Batugade	**760**	741
Baucau	**798**	648
Bazartete	**777**	628
Becora	**1,194**	963
Colmera/ Aitarak Laran	**898**	709
Comoro	**1,627**	1,297
Ermera	**494**	390
Laclubar/ Natarbora	**408**	283
Liquica	**968**	919
Lospalos	**877**	625
Maliana	**933**	895
Manatuto	**492**	426
Maubisse	**492**	433
Oecusse	**837**	798
Same	**796**	689
Suai	**695**	607
Viqueque	**624**	437
Zumalai	**389**	344
	15,978	13,610

9.1 Impairment of loans and advances

	31-Dec-22	31-Dec-21
	.......USD......	.......USD......
Provision for impairment		
Opening balance	**1,016,093**	368,660
Bad debts written off	**(102,654)**	(60,485)
Recoveries from written off	**35,499**	25,200
Charge for the year	**232,650**	682,718
Closing Balance	**1,181,588**	1,016,093

Details of credit risk management
are set out in Note 22.

Key assumptions in determining the provision for impairment

In the course of the preparation of the financial statements, the Company has determined the likely impairment loss on loans and overdrafts which have not maintained loan repayments in accordance with the loan contract, or where there is other evidence of impairment such as bankruptcy, industrial restructuring, job losses or economic circumstances.

In identifying the impairment arising from these events, the Company is required to estimate the impairment, using the length of time the loan is in arrears, the historical losses arising in past years and increase in expected credit losses from significant customer credit deterioration. Given the relatively small number of impaired loans, the circumstances may vary for each loan over time resulting in higher or lower impairment losses.

9.1 Impairment of loans and advances (Cont.)

Ageing Analysis

As at 31 December 2022, the aging analysis and credit classification of loans to customers was as follows:

		31-Dec-22	31-Dec-21
		---------USD---------	---------USD---------
Credit Classification	*Days past due*		
Standard	0	**21,451,125**	16,836,891
Substandard	1-60	**147,728**	205,323
Doubtful	61-90	**52,192**	30,589
Loss	>90	**1,135,662**	973,099
Closing Balance		**22,786,707**	18,045,902

The ageing analysis of loans to customers by branch is as follows:

As at 31 December 2022

Branches	**Accounts**				
	Standard	**Sub Standard**	**Doubtful**	**Loss**	**Total**
	…….USD……	**…….USD……**	**…….USD……**	**…….USD……**	**…….USD……**
Aileu	**813,307**	**4,824**	**2,109**	**33,343**	**853,583**
Ainaro	**452,848**	**915**	**-**	**21,471**	**475,234**
Atauro	**306,531**	**-**	**-**	**1,800**	**308,331**
Atsabe	**456,142**	**12,863**	**1,001**	**12,521**	**482,527**
Batugade	**948,702**	**556**	**268**	**28,201**	**977,727**
Baucau	**1,407,952**	**2,622**	**4,373**	**113,075**	**1,528,022**
Bazartete	**945,784**	**-**	**-**	**1,129**	**946,913**
Becora	**1,583,297**	**22,987**	**1,771**	**174,050**	**1,782,105**
Colmera/ Aitarak Laran	**1,401,969**	**21,537**	**3,295**	**130,046**	**1,556,847**
Comoro	**2,760,928**	**42,860**	**22,793**	**364,482**	**3,191,063**
Ermera	**566,654**	**1,429**	**224**	**30,686**	**598,993**
Laclubar/Natarbora	**371,494**	**3,753**	**1,081**	**7,632**	**383,960**
Liquica	**993,738**	**4,464**	**1,231**	**11,361**	**1,010,794**
Lospalos	**1,171,387**	**-**	**-**	**6,670**	**1,178,057**
Maliana	**1,333,437**	**5,345**	**-**	**26,347**	**1,365,129**
Manatuto	**556,219**	**2,087**	**6,404**	**1,434**	**566,144**
Maubisse	**505,623**	**1,438**	**-**	**2,603**	**509,664**
Oecusse	**1,156,121**	**5,251**	**-**	**21,507**	**1,182,879**
Same	**1,010,115**	**-**	**-**	**14,105**	**1,024,220**
Suai	**1,236,216**	**625**	**-**	**40,847**	**1,277,688**
Viqueque	**905,117**	**8,507**	**6,354**	**61,639**	**981,617**
Zumalai	**567,544**	**5,665**	**1,288**	**30,713**	**605,210**
Total	**21,451,125**	**147,728**	**52,192**	**1,135,662**	**22,786,707**

As at 31 December 2021

Branches	Accounts				
	Standard	Sub Standard	Doubtful	Loss	Total
	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……
Aileu	635,481	12,027	-	14,524	662,032
Ainaro	380,920	7,442	1,111	8,145	397,618
Atauro	232,164	2,072	-	242	234,478
Atsabe	400,030	-	-	7,813	407,843
Batugade	795,619	936	-	19,803	816,358
Baucau	944,370	23,977	7,394	109,262	1,085,003
Bazartete	730,149	280	-	1,399	731,828
Becora	1,223,945	7,165	1,238	177,251	1,409,599
Colmera/ Aitarak Laran	984,925	19,545	4,584	134,766	1,143,820
Comoro	2,474,630	54,300	10,372	316,104	2,855,406
Ermera	433,557	501	-	20,777	454,835
Laclubar/ Natarbora	213,875	1,010	-	5,944	220,829
Liquica	894,174	3,034	244	3,523	900,975
Lospalos	768,989	-	-	2,654	771,643
Maliana	1,158,156	15,615	-	15,012	1,188,783
Manatuto	419,388	-	863	17,701	437,952
Maubisse	409,873	-	-	1,420	411,293
Oecusse	928,788	3,333	-	16,849	948,970
Same	710,834	8,073	40	9,444	728,391
Suai	958,826	329	1,276	24,945	985,376
Viqueque	652,817	34,627	2,584	60,462	750,490
Zumalai	485,381	11,057	883	5,059	502,380
Total	16,836,891	205,323	30,589	973,099	18,045,902

10 Property and equipment

31-Dec-22

	Cost				Accumulated Depreciation				Net Book value as at December 31, 2022	Rate of depreciation
	As at January 01, 2022	Additions	Disposals	As at December 31, 2022	As at January 01, 2022	Charge for the period	(Disposals)	As at December 31, 2022		
	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	
Buildings & Leasehold improvement on leasehold land	**60,324**	**264,450**	**-**	**324,774**	**60,324**	**52,307**	**-**	**112,631**	**212,143**	**10-33.3%**
Right-of-use assets	**1,411,765**	**34,398**	**-**	**1,446,163**	**252,012**	**212,822**	**-**	**464,834**	**981,329**	**10-33.3%**
Furniture and fixtures and Office equipment	**762,497**	**116,471**	**(13,257)**	**865,711**	**606,987**	**80,118**	**(13,257)**	**673,848**	**191,863**	**20-33.3%**
Vehicles	**226,150**	**-**	**(34,950)**	**191,200**	**123,664**	**38,240**	**(34,950)**	**126,954**	**64,246**	**20%**
	2,460,736	**415,319**	**(48,207)**	**2,827,848**	**1,042,987**	**383,487**	**(48,207)**	**1,378,267**	**1,449,581**	

31-Dec-21

	Cost				Accumulated Depreciation				Net Book value as at December 31, 2021	Rate of depreciation
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Charge for the year	(Disposals)	As at December 31, 2021		
	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	…….USD……	
Buildings on leasehold land	60,324	-	-	60,324	60,324	-	-	60,324	-	10-33.3%
Right-of-use assets	1,157,609	254,156	-	1,411,765	77,325	174,687	-	252,012	1,159,753	10-33.3%
Furniture and fixtures and Office equipment	652,460	110,037	-	762,497	546,435	60,552	-	606,987	155,510	20-33.3%
Vehicles	209,150	57,000	(40,000)	226,150	126,374	37,290	(40,000)	123,664	102,486	20%
	2,079,543	421,193	(40,000)	2,460,736	810,458	272,529	(40,000)	1,042,987	1,417,749	

11 Intangible assets

31-Dec-22

	Cost				Accumulated Amortisation				Net Book value as at December 31, 2022	Rate of depreciation
	As at January 01, 2022	Additions	Disposals	As at December 31, 2022	As at January 01, 2022	Charge for the period	(Disposals)	As at December 31, 2022		
	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	
Computer Software	**43,302**	**-**	**-**	**43,302**	**43,302**	**-**	**-**	**43,302**	**-**	**33.3%**
	43,302	**-**	**-**	**43,302**	**43,302**	**-**	**-**	**43,302**	**-**	

31-Dec-21

	Cost				Accumulated Amortisation				Net Book value as at December 31, 2021	Rate of depreciation
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Charge for the period	(Disposals)	As at December 31, 2021		
	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	
Computer Software	43,302	-	-	43,302	42,334	968	-	43,302	-	33.3%
	43,302	-	-	43,302	42,334	968	-	43,302	-	

(a) Work In Process

	31-Dec-22	31-Dec-21
	............USD..........	
Opening Balance	**259,701**	109,950
Add : Lease hold improvements	**4,749**	149,751
Transfer to Leasehold Improvements	**(264,450)**	-
	-	259,701

		Note	31-Dec-22	31-Dec-21
			…….USD……	…….USD……
12	**OTHER ASSETS**			
	Advances to vendors and staff		**15,755**	25,755
	Accrued Interest Receivables		**401,083**	337,064
	Prepayments		**4,684**	6,362
			421,522	369,181
13	**Cash Collateral**			
	Cash Collateral	13.1	**3,631,526**	2,734,085
			3,631,526	2,734,085

13.1 The Cash Collateral represents the compulsory deposits required from loan customers.

Cash Collateral balances by geographical location:

	31-Dec-22	31-Dec-21
Aileu	**130,333**	108,631
Ainaro	**72,066**	62,236
Atauro	**47,342**	37,431
Atsabe	**75,714**	62,134
Batugade	**153,937**	125,865
Baucau	**235,208**	155,113
Bazartete	**140,380**	112,110
Becora	**287,440**	184,002
Colmera/ Aitarak Laran	**231,139**	157,737
Comoro	**542,616**	378,190
Ermera	**99,250**	73,165
Laclubar/ Natarbora	**56,796**	33,295
Liquica	**163,495**	141,016
Lospalos	**180,657**	126,982
Maliana	**232,801**	193,828
Manatuto	**92,854**	70,839
Maubisse	**83,328**	69,442
Oecusse	**182,562**	145,802
Same	**162,585**	126,900
Suai	**198,931**	166,235
Viqueque	**164,567**	120,593
Zumalai	**97,525**	82,539
	3,631,526	2,734,085

14 PAYABLE DUE TO OTHER FINANCIAL INSTITUTIONS

	31-Dec-22					
	Balance as at 1-Jan-22	**Loans received during the year**	**Loans repaid during the year**	**Balance as at 31-Dec-22**	**Current Loans**	**Non-Current Loans**
European Investment Bank-EIB	**2,003,660**	**-**	**(445,460)**	**1,558,200**	**445,460**	**1,112,740**
KIVA	**734,948**	**277,826**	**(259,619)**	**753,155**	**564,866**	**188,289**
Incofin	**2,000,000**	**2,000,000**	**(1,000,000)**	**3,000,000**	**1,000,000**	**2,000,000**
Triple Jump	**1,000,000**	**-**	**(500,000)**	**500,000**	**500,000**	**-**
Mandiri Bank	**2,020,000**	**4,480,000**	**(6,500,000)**	**-**	**-**	**-**
International Financial Corporation-IFC	**3,000,000**	**-**	**-**	**3,000,000**	**625,000**	**2,375,000**
Symbiotics S A	**-**	**3,000,000**	**-**	**3,000,000**	**-**	**3,000,000**
BNCTL	**-**	**1,000,000**	**-**	**1,000,000**	**1,000,000**	**-**
Cordaid	**-**	**1,000,000**	**-**	**1,000,000**	**-**	**1,000,000**
	10,758,608	**11,757,826**	**(8,705,079)**	**13,811,355**	**4,135,326**	**9,676,029**

	31-Dec-21					
	Balance as at 1-Jan-21	Loans received during the year	Loans repaid during the year	Balance as at 31-Dec-21	Current Loans	Non-Current Loans
European Investment Bank-EIB	2,227,273	-	(223,613)	2,003,660	445,460	1,558,200
KIVA	611,340	212,292	(88,684)	734,948	522,106	212,842
Incofin	1,985,000	1,015,000	(1,000,000)	2,000,000	1,000,000	1,000,000
Triple Jump	-	1,000,000	-	1,000,000	500,000	500,000
Mandiri Bank	1,560,000	5,010,000	(4,550,000)	2,020,000	2,020,000	-
International Financial Corporation-IFC	1,500,000	1,500,000	-	3,000,000	-	3,000,000
Symbiotics S A	2,000,000	-	(2,000,000)	-		-
	9,883,613	8,737,292	(7,862,297)	10,758,608	4,487,566	6,271,042

The Symbiotics SA, loan is issued to finance micro, small, or medium enterprises and/or low and middle income households. The loan agreement requires that Kaebauk Investimentu No Finansas, SA to maintain a Capital Adequacy ratio of not less that 20% and all other Regulatory Prudential Ratios.

The KIVA Micro funds represents small loans obtained from KIVA web based business which allows website user throughout the world to connect with local lenders that provide small loans to individuals or groups in developing countries.

The purpose of European Investment Bank (EIB)'s loan is to provide funds to KIF to support micro and small enterprises, self employed entrepreneurs and sole proprietorships in urban and rural areas and also low-income house hold to improve housing & sanitation.

The Incofin loan is intended for KIF to follow its set growth pattern and consolidate its existing activities of extending small loans to micro-entrepreneurs. The loan term is for 2 years, among others, the loan agreement requires that KIF shall at all times maintain a capital adequacy ratio of not less than 20%, risk coverage ratio of not less than 100% and liquidity ratio of a minimum of 20%.

The loan from "MicroBuild I.B.V (represented by "Triple Jump B.V.)" aims to support the on-lending activities of the Borrower aimed at improving housing condition of low income families in home country. The loan term is for two years from the date of disbursement.

Mandiri loan represents amounts withdrawn for the revolving loan facility to provide support for capital funding of Kaebauk Investimentu no Finansas, SA. The loan is 100% secured with cash collateral as Term Deposit.

BNCTL loan represents amounts withdrawn for the revolving loan facility to provide support for capital funding of Kaebauk Investimentu no Finansas, SA. The term for this loan is 3 years.

The Stichting Cordaid loan is intended to finance micro-credit loans to expand the microfinance portfolio. The loan is provided for the period of 3 years. The loan agreement requires that Kaebauk Investimentu No Finansas, SA to maintain a Capital Adequacy ratio of not less that 20%.

The purpose of the IFC Loan is to provide the borrower with funding to be used by the borrower for financing its lending operations to micro and small enterprises in the Country. The loan term is for four years from the date of disbursement.

The COVID-19 pandemic and subsequent government-imposed lockdowns had a significant impact on the business and operational activities of the Company, which also affected its ability to meet the terms of its covenant with various funding agencies until the end of 2022. However, the Company was granted waivers by these funding agencies to address the situation, covering the period until the end of the financial year 2022.

15 SUB ORDINATED DEBT

	31-Dec-22					
	Balance as at January 01, 2022	**Loans received during the year**	**Loans repaid during the year**	**Balance as at December 31, 2022**	**Current Loans**	**Non-Current Loans**
Tuba Rai Metin-TRM	**900,000**	**-**	**-**	**900,000**	**900,000**	**-**
	900,000	**-**	**-**	**900,000**	**900,000**	**-**

	31-Dec-21					
	Balance as at January 01, 2021	Loans received during the year	Loans repaid during the year	Balance as at December 31, 2021	Current Loans	Non-Current Loans
Tuba Rai Metin-TRM	900,000	-	-	900,000		900,000
	900,000	-	-	900,000	-	900,000

	31-Dec-22	31-Dec-21
	…….USD……	…….USD……
16 DEPOSITS		
Demand Deposits	**604,294**	843,895
	604,294	843,895
Deposit balances by geographical location:		
Aileu	**93,917**	141,144
Ainaro	**9,240**	13,896
Atauro	**315**	2,613
Atsabe	**3,806**	4,370
Batugade	**44,321**	60,201
Baucau	**45,952**	56,727
Bazartete	**9,212**	27,148
Becora	**40,398**	39,134
Colmera/ Aitarak Laran	**7,308**	12,997
Comoro	**60,825**	70,410
Ermera	**31,925**	33,633
Laclubar/ Natarbora	**1,746**	1,819
Liquica	**13,567**	44,990
Lospalos	**13,458**	13,973
Maliana	**42,136**	62,492
Manatuto	**18,869**	33,391
Maubisse	**13,483**	15,702
Oecusse	**37,294**	53,687
Same	**33,802**	49,121
Suai	**51,054**	58,294
Viqueque	**29,703**	37,845
Zumalai	**1,963**	10,308
	604,294	843,895

17 OTHER PAYABLES

Dividend payable	**1,644,790**	970,000
Sundry creditors and accruals	**1,237,218**	717,951
	2,882,008	1,687,951

18 LEASES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
•Leases of low value assets; and
•Leases with a duration of 12 months or less.
IFRS 16 was adopted 1 January 2020 with restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 January 2020, see Note 1. The following policies apply subsequent to the date of initial application, 1 January 2020.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
•amounts expected to be payable under any residual value guarantee;
•the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
•any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

•if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
•in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
•if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Nature of leasing activities (in the capacity as lessee)

The Company leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or in others to be reset periodically to market rental rates. In some jurisdictions' property leases the periodic rent is fixed over the lease term. The Company leases buildings under agreements of between one to ten years which in some cases include options to extend. On renewal, the lease terms are renegotiated.

Right-of-Use Assets	**Building USD**	**Total USD**
As at 1 January 2022	1,159,753	1,159,753
Additions	34,398	34,398
Amortisation	(212,822)	(212,822)
Variable lease payments adjustments	-	-
As at 31 December 2022	981,329	981,329

Lease Liabilities

	Building USD	**Total USD**
As at 1 January 2022	1,213,082	1,213,082
Additions	34,398	34,398
Amortisation	96,778	96,778
Variable lease payments adjustments	(272,570)	(272,570)
As at 31 December 2022	1,071,688	1,071,688

	2022
Short-term and low value lease expense	16,618
Expense relating to variable lease payments not included in the measurement of lease liabilities	-

Financial Liability

	31-Dec-22	31-Dec-21
Current		
Lease liabilities	**176,083**	154,895
Non-current		
Lease liabilities	**895,605**	1,058,187
Total lease liabilities	**1,071,688**	1,213,082

19 COMMITMENTS

The Company has no commitment as at 31 December 2022.

20 BORROWING FACILITIES

The Company has the following borrowing facilities :

	Approved Facility	**Used at Reporting Date**	**Net Available**
	.......USD......	**.......USD......**	**.......USD......**
2022			
Pre-approved loan facility			
BNCTL (Credit Line Facility)	**3,000,000**	**1,000,000**	**2,000,000**
Cordaid (Unsecured Term Loan)	**2,000,000**	**1,000,000**	**1,000,000**
	5,000,000	**2,000,000**	**3,000,000**

Kaebauk has signed a credit line facility agreement with amount of USD 3,000,000 From Banco Nacional Commercio de Timor Leste (BNCTL). However, in our current Bank Balance, USD 1 million has been locked as a collateral for this Credit Line Facility

	Approved Facility	Used at Reporting Date	Net Available
	.......USD......	.......USD......	.......USD......
2021			
Pre-approved loan facility			
Mandiri Bank (Credit Line Facility)	2,940,000	2,020,000	920,000
IFC (Unsecured Term Loan)	5,000,000	3,000,000	2,000,000
	7,940,000	5,020,000	2,920,000

21 CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 31 December 2022.

22 RISK MANAGEMENT POLICY AND OBJECTIVES

Introduction
The risk philosophy of KIF is to establish a robust risk management system in the organisation, with a view to inculcate risk culture, enhance stakeholder value and comply with regulatory guidelines.
The board of Directors (the Board) has endorsed a policy of compliance and risk management and Risk appetite to suit the risk profile of the Company.

Key risk management policies encompassed in the overall risk management framework include:
- Interest rate risk management
- Liquidity risk management
- Credit risk management
- Operations risk management including data risk management

Authority flows from the Board to the risk management committee and from there to the audit committee which are integral to the management of risk.

The main elements of risk governance are as follows:

(i) Board
This is the primary governing body and approves the level of risk to which the Company is exposed and the framework for reporting and mitigating those risks.

22 RISK MANAGEMENT POLICY AND OBJECTIVES (Cont.)

(ii) Audit Committee

As part of the integrated risk framework, a three line defence mechanism has been implemented. Business as the first line of defence defines and adheres to controls. Risk and compliance units act as the second line to monitor and enhance controls. The Internal Audit Department as the third line of defence provides oversight and independent assurance on the effectiveness of the design and operations of the risk control framework.

Its key role in risk management is the assessment of the controls that are in place to mitigate risks. The Audit Committee considers and confirms that the significant risks and controls are to be assessed within the internal audit plan. The Audit Committee receives the internal audit reports on assessment and compliance with controls, and provides feedback to the Risk Management Committee for their consideration.

(iii) Internal Audit

Internal Audit has responsibility for implementing the controls testing and assessment as required by the Audit Committee. On periodic basis Audit Committee reviews reports and recommends for action.

(iv) Risk Management Committee

This is a key body in the control of risk. It has three representatives from the Board and reports are put up by the Company 's Risk Manager. CEO is not present in the meetings to keep independence of risk reporting. The Risk Management Committee does not form a view on the acceptability of risks but instead reviews risks and controls that are used to mitigate those risks. This includes the identification, assessment and reporting of risks. Regular monitoring is carried out by the Risk Management Committee through monthly review of operational reports. Control assignments are reviewed by the Risk Management Committee monthly to confirm whether risks are within the parameters outlined by Board.

The Risk Management Committee carries out a regular review of all operational areas to ensure that operational risks, credit risks and other risks are being properly controlled and reported. It also ensures that contingency plans are in place to achieve business continuity in the event of serious disruptions to business operations. The Risk Management Committee monitors compliance with the framework laid out in the policy on a quarterly basis and reports in turn to the Board, where actual exposures to risks are measured against prescribed limits.

Arrears are strictly controlled. The size of loan book is such that it is possible to monitor each individual exposure to evaluate whether provisions are necessary and adequate. A dedicated credit control team, which reports to the committee, implements the Company credit risk policy.

The Company has undertaken the following strategies to minimise the risks arising from financial instruments.

(v) Risk Manager

Risk Manager has responsibility for both liaising with the operational function to ensure timely production of information for the Risk Committees and ensuring that instructions passed down from the Board via the Risk Committee are implemented.

(vi) Asset and Liability Committee (ALCO) - IRR and Liquidity Risk

This committee meets monthly as financial market in the country is not very dynamic yet and has responsibility for managing interest rate risk exposures, and ensuring that the treasury and finance functions adhere to exposure limits as outlined in the policies for interest rate GAP. The monthly scrutiny of liquidity position in different time buckets to ensure liquidity risk is well monitored.
The management of market risk is the responsibility of the ALCO Committee whose reports go to the audit committee of the Board and on a monthly basis to Risk Management Committee.

(vii) Interest rate Risk

Interest rate risk is the risk of variability of the fair value or future cash flows arising from financial instruments due to changes in interest rates. Most ADIs are exposed to interest rate risk within their Treasury operations but in Timor Leste financial market and control measures are still at infancy stage and local currency is also USD. KIF is putting all interest on fixed rate for lending as well as borrowing. ALCO reporting needs to keep pace of market dynamics as per growth of vibrancy.

A. Credit Risk

Credit risk is the risk that customers, financial institutions and other counterparties will be unable to meet to their obligations to the Company which may result in financial losses. Credit risk arises principally from the Company's loan book and investment assets.

22 RISK MANAGEMENT POLICY AND OBJECTIVES (Cont.)

A. Credit risk - loans and advances
The maximum credit risk exposure in relation to loans is discussed in Note 23. Concentrations are discussed below.

The method of managing credit risk is by way of strict adherence to the credit assessment policies before loans are approved and close monitoring of defaults in the repayment of loans thereafter on a regular basis. The credit policy has been endorsed by the Board to ensure that loans are only made to members that are credit-worthy (capable of meeting loans repayments).

The Company has established policies over the:
- Credit assessment and approval of loans and facilities covering acceptable risk assessment and security requirements;
- Limits of acceptable exposure over the individual borrowers, ending and concentrations of geographic groups considered a high risk of default;
- Reassessing and review of the credit exposures on loan and facilities;
- Establishing appropriate provisions to recognise the impairment of loans and facilities;
- Debt recovery procedures; and
- Review of compliance with the above policies.

A regular review of compliance is conducted as part of the internal audit scope.

(i) Past due and impairment loans
A loan is past due when the counterparty has failed to make payment when contractually due. Past due does not means that a counter-party will never pay but it can trigger various actions such as renegotiation, enforcement of covenants, or legal proceedings.
Reports monitor loan repayments or detect delays in repayments and recovery action is undertaken regularly. For loans where repayments are doubtful recovery action is undertaken once the loan is in arrears. The exposures to losses arise predominantly in the personal loans.
Provisions are maintained at a level that the management deems sufficient to absorb probable incurred losses in the Company's loan portfolio from homogenous portfolios of assets and individually identified loans.
(i) Concentration risk - individuals
Concentration risk is a measurement of the Company's exposure to an individual counterparty.
The Company minimises concentrations of credit risk in relation to loans by undertaking transactions with a large number of customers and different sectors. Sector wise portfolio's division is as follows:

Agriculture Water & Forestry	13.49%
Construction/Housing	8.36%
Individuals	1.39%
Manufacturing	0.55%
Others	0.04%
Services	13.02%
Trade & Finance	62.85%
Transport & Communication	0.30%

B. Liquidity Risk
Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments associated with financial instruments e.g. borrowing repayments or member withdrawal demands. It is the policy of the Board that treasury maintains adequate cash reserves and committed credit facilities so as to meet the member withdrawal demands when requested.

The Company manages liquidity risk by:
- Continuously monitoring actual cash flows and longer term forecasted cash flows;
- Monitoring the maturity profiles of financial assets and financial liabilities;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities.

The maturity profile of financial liabilities based on the contractual repayment terms is set out in Note 23.

23 MATURITY PROFILE OF FINANCIAL LIABILITIES

The table below shows the periods in which the financial liabilities mature. Contractual cash flows relating to the principal amount are shown in the table at undiscounted values.

	Carrying amount	Total Cash Flows	Within 1 month	2 - 6 months	7 - 12 months	1 - 5 years	Over 5 years
	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD...
2022							
Cash Collateral	3,631,526	3,631,526	290,523	1,416,295	1,162,088	762,620	-
Payables due to other financial institutions	14,711,355	14,711,355	14,711,355	-	-	-	-
Lease liability	1,071,688	1,071,688	14,673	73,368	88,042	895,605	-
Other payables	2,882,008	2,882,008	541,936	1,967,532	186,269	186,270	-
Deposits	604,294	604,294	60,429	96,687	447,178		-
	22,900,871	22,900,871	15,618,916	3,553,882	1,883,577	1,844,495	-
2021							
Cash Collateral	2,734,085	2,734,085	218,635	1,066,332	874,939	574,179	-
Payables due to other financial in	11,658,608	11,658,608	-	261,053	4,226,513	7,171,042	-
Lease liability	1,213,082	1,213,082	12,908	64,539	77,448	1,058,187	
Other payables	1,687,951	1,687,951	137,970	1,194,004	130,005	225,972	-
Deposits	843,895	843,895	84,390	135,023	624,482		-
	18,137,621	18,137,621	453,903	2,720,951	5,933,387	9,029,380	-

To manage liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents. These assets are readily available to meet liquidity requirements.

24 INTEREST RATE RISK

The Company's exposure to interest rate risk, which is the risk that financial instrument's value or cash flows will fluctuate as a result of changes in market interest rates is set below.

	Floating interest rate	Fixed interest rate maturing			Non-interest sensitive	Total
		Within 1 year	1 - 5 years	Over 5 years		
	.......USD......	.......USD......	.......USD......	.......USD......	.......USD......	.......USD...
2022						
Cash and cash equivalents		5,512,604	-	-	44,627	5,557,231
Term Deposits in Banks		-	-	-	-	-
Loans Portfolio		16,819,911	4,785,208	-	-	21,605,119
Other Assets		-	-	-	421,522	421,522
Cash Collateral		-	-	-	(3,631,526)	(3,631,526)
Saving Deposits		(604,294)	-	-	-	(604,294)
Payables due to other financial		(14,711,355)	-	-	-	(14,711,355)
Lease Liability		(176,083)	(895,605)			(1,071,688)
Other Current Liabilities		-	-	-	(2,882,008)	(2,882,008)
Interest sensitivity gap	-	6,840,783	3,889,603	-	(6,047,385)	4,683,001
2021						
Cash and cash equivalents		1,594,915	-	-	59,562	1,654,477
Term Deposits in Banks		3,205,373	-	-	-	3,205,373
Loans Portfolio		14,256,261	3,789,641	-	-	21,605,119
Other Assets		-	-	-	369,181	369,181
Cash Collateral		-	-	-	(2,734,085)	(2,734,085)
Saving Deposits		(843,895)	-	-	-	(843,895)
Payables due to other financial		(4,487,566)	(7,171,042)	-	-	(11,658,608)
Lease Liability		(154,895)	(1,058,187)			(1,213,082)
Other Current Liabilities		-	-	-	(1,687,951)	(1,687,951)
Interest sensitivity gap	-	13,570,193	(4,439,588)	-	(3,993,293)	8,696,529

25 CREDIT RISK

The Company incurs risks with regards to loans and advances made to customers and other monies or investments held with financial institutions. The Company's exposure to credit risk arises from potential default of the customer, with a maximum credit risk exposure equal to carrying value of the loans. Exposure at the balance sheet date is addressed in each applicable note. The Company extends loans only to recognised and credit worthy customers.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value estimates
The fair value estimates were determined as follows:

Cash and cash equivalents, receivables due from other financial institutions and other receivables
The carrying values approximate their value as they are short term in nature or are receivable on demand.

Loans and Advances
The fair value for fixed rate loans is their carrying values.

Short-term borrowings, payables due to other financial institutions and other payables
The carrying value approximates their fair value as they are short term in nature.

Deposits
The fair value of saving deposit is their carrying values.

27 WORKING CAPITAL

	31-Dec-22	31-Dec-21
	…….USD……	…….USD……
Current Assets		
Cash and cash equivalents	**5,557,231**	1,654,477
Term Deposits in Banks	**-**	3,205,373
Loans and advances	**16,819,911**	14,256,261
Total Current Assets	**22,377,142**	19,116,111
Current Liabilities		
Cash Collateral	**2,868,906**	2,159,906
Payables due to other financial institutions	**4,135,326**	4,487,566
Other payables	**2,882,008**	1,687,951
Deposits	**604,294**	843,895
Total Current Liabilities	**10,490,534**	9,179,318
Net Current Assets	**11,886,608**	9,936,793

28 TAX RECONCILIATION

		31-Dec-22	31-Dec-21
	Profit before tax	2,178,385	1,340,527
Less	Tax Exempted Period Profit (Jan-2022)	220,074	1,340,527
	Tax Period Profit	**1,958,311**	-
Add	**Expenses not-allowed under Tax (Feb to Dec 2022)**		
	Donation Expense	4,891	-
	Interest expense on lease liability	88,713	-
	Depreciation Expense - Right-of-Use Assets	195,087	-
Less	**Expenses Paid (Feb to Dec 2022)**		
	Actual Rent paid for lease	(250,186)	-
	Taxable Profit	**1,996,816**	**-**
	Deferred Tax		
Add	Depreciation as per FS from Feb to December	157,322	-
Less	Total PPE Addition during Feb to Dec 2022	(108,898)	-
	Tax Payable Profit	**2,045,240**	**-**
	Tax Expense (10% of Taxable Profit)	**199,682**	**-**
	Tax Payable (10% of Tax Payable Profit)	**204,524**	**-**

28.1 Under the scheme of Trade Invest, Company has been exempted from Income Tax with effect from February 01, 2017 until the 31 January 2022. Starting from February 2022 the Company started to pay the Income tax as the tax exemption has expired.

IFRS 16 requires to recognise Right-of-Use Assets and Lease liability for the long term leases and then depreciate the Right-of-Use asset over the lease term and simultaneously pay off the liability with interest expense over the lease period.
For Tax purpose, company add back the depreciation over Right-of-Use assets and interest expense over lease liability and deduct the actual rent paid for the leases during the year.

29 ECONOMIC DEPENDENCY

Sustainability is a major issue for microfinance institutions and their funders. The future operations of the Company are dependent upon the current market and economic situation and continue funding in Timor Leste.