

**PRASAC MICROFINANCE INSTITUTION PLC.**

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

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**STATEMENT BY BOARD OF DIRECTORS**

The Board of Directors has pleasure in submitting the condensed interim financial information of PRASAC Microfinance Institution Plc. (the Company) for the three-month period ended 31 March 2023.

**BOARD OF DIRECTORS**

The Board of Directors of the Company during the period and up to the date of this report are:

- |                        |                      |
|------------------------|----------------------|
| 1. Mr. JUN Kwi Sang    | Chairman             |
| 2. Mr. CHUNG Hui Tae   | Director             |
| 3. Mr. OUM Sam Oeun    | Director             |
| 4. Mr. CHOI Dong Hyun  | Director             |
| 5. Mr. LEE Kyung Cheon | Independent Director |
| 6. Mr. PAK Jaehong     | Independent Director |
| 7. Mr. CHAN Sophal     | Independent Director |

In the opinion of the Board of Directors, the condensed interim financial information of the Company is prepared, in all material respects, the financial position of the Company as at 31 March 2023 and its financial performance, changes in equity and cash flows of the Company for the three-month period then ended, in accordance with Cambodian International Accounting Standard 34, 'Interim Financial Reporting'.

On behalf of the Board of Directors




Mr. JUN Kwi Sang  
Chairman

12 May 2023



## Report on review of condensed interim financial information

To the Shareholders of Prasac Microfinance Institution Plc.

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Prasac Microfinance Institution Plc. (the Company) as at 31 March 2023 and the related condensed interim statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and notes, comprising significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Cambodian International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, 'Interim Financial Reporting'.

For PricewaterhouseCoopers (Cambodia) Ltd.



By Kuy Lim  
Partner

Phnom Penh, Kingdom of Cambodia  
12 May 2023

**PRASAC MICROFINANCE INSTITUTION PLC.**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

	Notes	31 March 2023		31 December 2022	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand	6	127,245,330	515,852,568	127,423,827	524,603,896
Deposits and placements with the central bank	7	197,221,299	799,535,146	65,508,803	269,699,742
Deposits and placements with other banks	8	20,339,256	82,455,344	5,946,137	24,480,246
Loans and advances at amortised cost	9	4,457,869,605	18,072,203,379	4,296,121,785	17,687,133,389
Statutory deposits with the central bank	10	285,708,136	1,158,260,783	260,775,738	1,073,613,713
Property and equipment	11	8,957,831	36,315,047	4,786,735	19,706,988
Right-of-use assets	12	18,455,949	74,820,417	18,483,310	76,095,787
Intangible assets	13	8,261,558	33,492,358	1,079,327	4,443,589
Deferred tax assets		16,005,395	64,885,871	14,516,880	59,765,995
Other assets	14	5,091,046	20,639,100	4,374,308	18,009,026
<b>TOTAL ASSETS</b>		<b>5,145,155,405</b>	<b>20,858,460,013</b>	<b>4,799,016,850</b>	<b>19,757,552,371</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from banks and other financial institutions	15	75,134,805	304,596,499	50,037,118	206,002,815
Deposits from customers	16	2,757,042,875	11,177,051,815	2,727,207,862	11,227,914,768
Borrowings	17	1,250,766,175	5,070,606,073	971,259,425	3,998,675,053
Subordinated debts	18	90,387,498	366,430,917	89,677,427	369,201,967
Debt securities	19	32,367,618	131,218,323	31,168,428	128,320,418
Lease liabilities	12	18,959,298	76,860,994	18,973,227	78,112,776
Current income tax liabilities	30	9,709,379	39,361,822	41,048,919	168,998,400
Employee benefits		2,128,689	8,629,705	1,031,425	4,246,377
Other liabilities	20	17,205,929	69,752,839	12,998,586	53,515,176
<b>TOTAL LIABILITIES</b>		<b>4,253,702,266</b>	<b>17,244,508,987</b>	<b>3,943,402,417</b>	<b>16,234,987,750</b>
<b>EQUITY</b>					
Share capital	21	400,000,000	1,600,000,000	400,000,000	1,600,000,000
Retained earnings		461,862,644	1,897,889,321	423,741,506	1,742,202,594
Regulatory reserves	22	29,590,495	119,959,867	31,872,927	129,696,057
Other reserves		-	(3,898,162)	-	50,665,970
<b>TOTAL EQUITY</b>		<b>891,453,139</b>	<b>3,613,951,026</b>	<b>855,614,433</b>	<b>3,522,564,621</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,145,155,405</b>	<b>20,858,460,013</b>	<b>4,799,016,850</b>	<b>19,757,552,371</b>

The accompanying notes on pages 7 to 38 form an integral part of these condensed interim financial information.

PRASAC MICROFINANCE INSTITUTION PLC.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

	Notes	Three-month period ended			
		31 March 2023		31 March 2022	
		US\$	KHR'000	US\$	KHR'000
Interest income	23	154,958,588	632,850,873	140,746,793	571,854,220
Interest expense	23	(70,311,033)	(287,150,259)	(56,971,835)	(231,476,566)
<b>Net interest income</b>		<u>84,647,555</u>	<u>345,700,614</u>	<u>83,774,958</u>	<u>340,377,654</u>
Fee and commission income	24	2,690,440	10,987,757	2,547,402	10,350,094
Fee and commission expense	24	(387,658)	(1,583,195)	(23,112)	(93,904)
<b>Net fee and commission income</b>		<u>2,302,782</u>	<u>9,404,562</u>	<u>2,524,290</u>	<u>10,256,190</u>
Other operating income	25	2,586,187	10,561,988	2,820,292	11,458,846
Grant income		-	-	134,492	546,441
Other gains – net		2,857,320	11,669,295	380,696	1,546,768
<b>Total other operating income</b>		<u>5,443,507</u>	<u>22,231,283</u>	<u>3,335,480</u>	<u>13,552,055</u>
Credit impairment losses	26	(16,715,157)	(68,264,701)	1,005,951	4,087,179
<b>Net other operating (loss)/income</b>		<u>(11,271,650)</u>	<u>(46,033,418)</u>	<u>4,341,431</u>	<u>17,639,234</u>
Personnel expenses	27	(23,808,792)	(97,235,107)	(23,721,483)	(96,380,385)
Depreciation and amortisation charges	28	(1,691,198)	(6,906,853)	(1,634,026)	(6,639,048)
Operating expenses	29	(5,230,870)	(21,362,873)	(3,703,743)	(15,048,308)
<b>Profit before income tax</b>		<u>44,947,827</u>	<u>183,566,925</u>	<u>61,581,427</u>	<u>250,205,337</u>
Income tax expense	30	(9,109,121)	(37,201,650)	(12,194,152)	(49,544,840)
<b>Profit for the period</b>		<u>35,838,706</u>	<u>146,365,275</u>	<u>49,387,275</u>	<u>200,660,497</u>
Other comprehensive income: <i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	(54,564,132)	-	(16,826,173)
Other comprehensive income for the period, net of tax		-	(54,564,132)	-	(16,826,173)
<b>Total comprehensive income for the period</b>		<u>35,838,706</u>	<u>91,801,143</u>	<u>49,387,275</u>	<u>183,834,324</u>
<b>Profit attributable to:</b>					
Owners of the Company		<u>35,838,706</u>	<u>146,365,275</u>	<u>49,387,275</u>	<u>200,660,497</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<u>35,838,706</u>	<u>91,801,143</u>	<u>49,387,275</u>	<u>183,834,324</u>

The accompanying notes on pages 7 to 38 form an integral part of these condensed interim financial information.

**PRASAC MICROFINANCE INSTITUTION PLC.**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH ENDED 31 MARCH 2023**

	Attributable to owners of the Company									
	Share capital		Retained earnings		Regulatory reserves		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Balance at 1 January 2022</b>	300,000,000	1,200,000,000	349,600,939	1,430,490,098	24,738,149	100,536,219	-	16,231,128	674,339,088	2,747,257,445
Profit for the period	-	-	49,387,275	200,660,497	-	-	-	-	49,387,275	200,660,497
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	(16,826,173)	-	(16,826,173)
<b>Total comprehensive income for the period</b>	-	-	49,387,275	200,660,497	-	-	-	(16,826,173)	49,387,275	183,834,324
<b>Transactions with owners in their capacity as owners:</b>										
Transfer to regulatory reserves	-	-	(2,464,727)	(10,014,186)	2,464,727	10,014,186	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	(2,464,727)	(10,014,186)	2,464,727	10,014,186	-	-	-	-
<b>Balance at 31 March 2022</b>	<u>300,000,000</u>	<u>1,200,000,000</u>	<u>396,523,487</u>	<u>1,621,136,409</u>	<u>27,202,876</u>	<u>110,550,405</u>	-	<u>(595,045)</u>	<u>723,726,363</u>	<u>2,931,091,769</u>
<b>Balance at 1 January 2023</b>	400,000,000	1,600,000,000	423,741,506	1,742,202,594	31,872,927	129,696,057	-	50,665,970	855,614,433	3,522,564,621
Profit for the period	-	-	35,838,706	146,365,275	-	-	-	-	35,838,706	146,365,275
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	(54,564,132)	-	(54,564,132)
<b>Total comprehensive income for the period</b>	-	-	35,838,706	146,365,275	-	-	-	(54,564,132)	35,838,706	91,801,143
<b>Transactions with owners in their capacity as owners:</b>										
Transfer from regulatory reserves	-	-	2,282,432	9,321,452	(2,282,432)	(9,321,452)	-	-	-	-
Currency translation differences	-	-	-	-	-	(414,738)	-	-	-	(414,738)
<b>Total transactions with owners</b>	-	-	2,282,432	9,321,452	(2,282,432)	(9,736,190)	-	-	-	(414,738)
<b>Balance at 31 March 2023</b>	<u>400,000,000</u>	<u>1,600,000,000</u>	<u>461,862,644</u>	<u>1,897,889,321</u>	<u>29,590,495</u>	<u>119,959,867</u>	-	<u>(3,898,162)</u>	<u>891,453,139</u>	<u>3,613,951,026</u>

The accompanying notes on pages 7 to 38 form an integral part of these condensed interim financial information.

**PRASAC MICROFINANCE INSTITUTION PLC.**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

	Notes	Three-month period ended			
		31 March 2023		31 March 2022	
		US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>					
Cash used in operations	31	(155,886,989)	(636,642,465)	(164,235,584)	(667,289,178)
Interest received		152,881,836	624,369,418	138,945,016	564,533,600
Interest paid		(68,398,568)	(279,339,752)	(53,026,956)	(215,448,522)
Income tax paid	30	(41,937,176)	(171,271,427)	(36,339,666)	(147,648,063)
Employee benefits paid		(853)	(3,484)	(411)	(1,670)
<b>Net cash used in operating activities</b>		<u>(113,341,750)</u>	<u>(462,887,710)</u>	<u>(114,657,601)</u>	<u>(465,853,833)</u>
<b>Cash flows from investing activities</b>					
Purchases of property and equipment	11	(4,702,433)	(19,204,736)	(502,032)	(2,039,756)
Purchases of intangible assets	13	(7,242,884)	(29,579,938)	-	-
Proceeds from disposals of property and equipment		1,778	7,261	899	3,653
Proceeds from investment in NCD		(9,611,352)	(39,252,762)	(523,421)	(2,126,660)
<b>Net cash used in investing activities</b>		<u>(21,554,891)</u>	<u>(88,030,175)</u>	<u>(1,024,554)</u>	<u>(4,162,763)</u>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	17	490,233,843	2,002,115,015	151,866,049	617,031,757
Repayments of borrowings	17	(216,896,598)	(885,805,706)	(79,126,963)	(321,492,851)
Repayments of subordinated debts	18	(719,625)	(2,938,949)	(685,900)	(2,786,812)
Principal element of lease payment		(1,142,458)	(4,665,798)	(1,006,112)	(4,087,833)
<b>Net cash generated from financing activities</b>		<u>271,475,162</u>	<u>1,108,704,562</u>	<u>71,047,074</u>	<u>288,664,261</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at beginning of period		136,578,521	557,786,677	(44,635,081)	(181,352,335)
Currency translation differences		198,393,513	816,786,094	364,927,185	1,486,713,352
		-	(16,596,145)	-	(8,177,997)
<b>Cash and cash equivalents at end of period</b>		<u>334,972,034</u>	<u>1,357,976,626</u>	<u>320,292,104</u>	<u>1,297,183,020</u>

The accompanying notes on pages 7 to 38 form an integral part of these condensed interim financial information.

## **PRASAC MICROFINANCE INSTITUTION PLC.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

#### **1. GENERAL INFORMATION**

PRASAC Microfinance Institution Plc. (the Company), a licensed micro-finance institution, incorporated in the Kingdom of Cambodia. The Company registered with the Ministry of Commerce (MoC) as a public limited company under the registration number 00001157, dated 19 September 2011 with the latest renewal on 28 April 2016. The Company's registered office is at Building No.212, Street 271, Sangkat Tuol Tumpung 2, Khan Chamkarmon, Phnom Penh, the Kingdom of Cambodia.

The National Bank of Cambodia (NBC) granted a microfinance license to the Company effective on 14 December 2007. On 27 August 2010, the Company obtained a Micro-finance Deposit Taking Institution (MDI) license to conduct deposit taking business from the National Bank of Cambodia (NBC or the central bank).

The principal activity of the Company is to provide financial services to rural communities and micro-enterprises of Cambodia through its head office in Phnom Penh and various branches in Phnom Penh and provinces in the Kingdom of Cambodia.

On 30 November 2022, the Company obtained the approval in principle from the NBC to proceed the merger with Kookmin Bank Cambodia Plc. (KBC). At the date of this report, the Company is still in the process of finalising their merging process and updating the Memorandum and Articles of Association for further approval from MoC.

The Company continues its merging process by working with IT system upgrading, policies and operational manuals. The Company plans to submit articles of Incorporation (AOI) of the merged bank and other required documents to the National Bank of Cambodia (NBC) within 2<sup>nd</sup> quarter of 2023.

The condensed interim financial information was authorised to issue by the Board of Directors on 12 May 2023.

This condensed interim financial information for the three-month period ended 31 March 2022 has been reviewed, but not audited.

#### **2. BASIS OF PREPARATION**

This condensed interim financial information for the three-month period ended 31 March 2022 has been prepared in accordance with Cambodian International Accounting Standard 34, 'Interim financial reporting' (CIAS 34).

This condensed interim financial information does not include all the notes of the type normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the annual audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The comparative information for the condensed statement of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes for the three-month period ended 31 March 2022 has not been audited.

An English version of this condensed interim financial information has been prepared from the condensed interim financial information that is in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language condensed interim financial information shall prevail.

## PRASAC MICROFINANCE INSTITUTION PLC.

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

#### 2. BASIS OF PREPARATION (continued)

##### New and amended standards adopted by the Company

A number of amended standards became applicable for the current reporting period as follows:

- Property, Plant, and Equipment: Proceeds before intended use – Amendments to CIAS 16,
- Reference to the Conceptual Framework – Amendments to CIFRS 3,
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to CIAS 37, and
- Annual Improvement to IFRS Standards 2018 – 2020.

Those amended standards have no material impact on the Company. As a result, the Company did not have to change its accounting policies or make retrospective adjustments.

##### Presentation in Khmer Riel (KHR)

In compliance with the Law on Accounting and Auditing, the condensed consolidated and separate financial information shall be presented in Khmer Riel. The condensed consolidated and separate statements of profit or loss and other comprehensive income and cash flows are translated into Khmer Riel using the average rates for the period. Assets and liabilities for condensed consolidated and separate statements of financial position presented are translated at the closing rates as of the reporting date. Shareholders' capital is translated at the rate on transaction date. All other resulting exchange differences are recognised in the other comprehensive income.

The Company has used the official rate of exchange published by the National Bank of Cambodia. As at the reporting date, the average rates and closing rates are based on the following exchange rates per US\$1:

	<u>For the three-month period ended</u>	
	<u>31 March 2023</u>	<u>31 March 2022</u>
Average rate	KHR 4,084	KHR 4,063
	<u>31 March 2023</u>	<u>31 December 2022</u>
Closing rate	KHR 4,054	KHR 4,117

#### 3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The following are the significant events that occurred in the current reporting period:

##### Impact on impairment charge from recovery from COVID-19 pandemic and other international events

While in the course of recovery from the COVID-19 pandemic, consumers' behaviors and businesses could be affected by rising geopolitical tensions and general increases in inflation and interest rates internationally. Therefore, management has continuously refreshed the parameters of the allowances for expected losses to reflect the current economic situation and applied an overlay over staging of restructured customers to ensure allowance for ECL for its financial assets are appropriate. This has resulted in additional impairment charges for the period.

#### 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The significant estimates, assumptions and judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual audited financial statements for the year ended 31 December 2022.

**PRASAC MICROFINANCE INSTITUTION PLC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**5. SEGMENT AND REVENUE INFORMATION**

The Company has only one reportable segment, namely, interest income. The management team reviews the internal management report, which reports the performances of the interest income segment as a whole, to assess performance and allocate resources. The management team also reviews profit before tax and net profit as a whole compared to prior periods.

**6. CASH ON HAND**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Current</i>				
Khmer Riel	18,831,513	76,342,954	12,736,052	52,434,326
US Dollars	108,075,702	438,138,896	114,419,602	471,065,502
Thai Baht	338,115	1,370,718	268,173	1,104,068
	<u>127,245,330</u>	<u>515,852,568</u>	<u>127,423,827</u>	<u>524,603,896</u>

**7. DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Current</i>				
Settlement accounts	5,368,300	21,763,088	5,766,778	23,741,825
Current accounts	171,322,330	694,540,726	58,823,840	242,177,749
Negotiable certificates of deposits	20,530,669	83,231,332	918,185	3,780,168
	<u>197,221,299</u>	<u>799,535,146</u>	<u>65,508,803</u>	<u>269,699,742</u>

Annual interest rates of deposits and placements with the central bank are as follows:

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>
<b>Negotiable certificates of deposits</b>		
USD	0.30%-3.60%	0.83%-3.65%
KHR	1.49%-1.94%	1.54%-1.94%
THB	N/A	N/A

**PRASAC MICROFINANCE INSTITUTION PLC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS**

**a) By residency status**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Deposits and placements with local banks	20,544,703	83,288,226	6,006,198	24,727,517
Deposits and placements with overseas banks	-	-	-	-
	<u>20,544,703</u>	<u>83,288,226</u>	<u>6,006,198</u>	<u>24,727,517</u>
<i>Less:</i>				
Allowance for expected credit loss	<u>(205,447)</u>	<u>(832,882)</u>	<u>(60,061)</u>	<u>(247,271)</u>
	<u>20,339,256</u>	<u>82,455,344</u>	<u>5,946,137</u>	<u>24,480,246</u>

**b) By account types**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Current</i>				
<i>Deposits and placements with local banks:</i>				
Current accounts	2,271,840	9,210,039	2,858,502	11,768,453
Savings accounts	272,863	1,106,187	147,696	608,064
Time deposits	<u>18,000,000</u>	<u>72,972,000</u>	<u>3,000,000</u>	<u>12,351,000</u>
	<u>20,544,703</u>	<u>83,288,226</u>	<u>6,006,198</u>	<u>24,727,517</u>
<i>Less:</i>				
Allowance for expected credit loss	<u>(205,447)</u>	<u>(832,882)</u>	<u>(60,061)</u>	<u>(247,271)</u>
	<u>20,339,256</u>	<u>82,455,344</u>	<u>5,946,137</u>	<u>24,480,246</u>

**c) By maturity**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Current	20,544,703	83,288,226	6,006,198	24,727,517
Non-Current	-	-	-	-
<i>Less:</i>				
Allowance for expected credit loss	<u>(205,447)</u>	<u>(832,882)</u>	<u>(60,061)</u>	<u>(247,271)</u>
	<u>20,339,256</u>	<u>82,455,344</u>	<u>5,946,137</u>	<u>24,480,246</u>

PRASAC MICROFINANCE INSTITUTION PLC.

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8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS (continued)

d) By maturity (continued)

Interest rates of deposits and placements with other banks are as follows:

	<u>As at 31 March 2023</u>	<u>As at 31 December 2022</u>
<b>Current accounts</b>		
USD	0.00%-0.54%	0.00%-0.54%
KHR	0.00%-0.75%	0.00%-0.75%
THB	N/A	N/A
<b>Savings accounts</b>		
USD	0.00%-0.50%	0.00%-0.50%
KHR	0.00%-0.20%	0.00%-0.20%
THB	N/A	N/A
<b>Term deposits</b>		
USD	0.00%-4.00%	0.00%-3.00%
KHR	N/A	N/A
THB	N/A	N/A

9. LOANS AND ADVANCES AT AMORTISED COST

	<u>As at 31 March 2023</u>		<u>As at 31 December 2022</u>	
	<u>US\$</u>	<u>KHR'000</u>	<u>US\$</u>	<u>KHR'000</u>
<i>At amortised cost</i>				
Individual loans	4,458,186,332	18,073,487,390	4,281,876,057	17,628,483,727
Loan to small and medium enterprises (SME)	69,440,544	281,511,965	67,871,319	279,426,220
Staff loans	5,938,507	24,074,707	5,719,847	23,548,610
Group loans	76,707	310,970	100,509	413,796
Total gross loans	4,533,642,090	18,379,385,032	4,355,567,732	17,931,872,353
Unamortised loan processing fees	<u>(41,908,265)</u>	<u>(169,896,106)</u>	<u>(40,070,973)</u>	<u>(164,972,196)</u>
	<u>4,491,733,825</u>	<u>18,209,488,926</u>	<u>4,315,496,759</u>	<u>17,766,900,157</u>
Accrued interest receivable	<u>36,665,156</u>	<u>148,640,543</u>	<u>34,588,404</u>	<u>142,400,459</u>
	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>
Less: Allowance for expected credit loss	<u>(70,529,376)</u>	<u>(285,926,090)</u>	<u>(53,963,378)</u>	<u>(222,167,227)</u>
Total net loans	<u>4,457,869,605</u>	<u>18,072,203,379</u>	<u>4,296,121,785</u>	<u>17,687,133,389</u>

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9. LOANS AND ADVANCES AT AMORTISED COST (continued)

a) By industry

	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Trade and Commerce	1,201,479,773	4,870,799,000	1,168,443,276	4,810,480,967
Service	727,746,293	2,950,283,472	715,963,592	2,947,622,108
Real-estate Loans	706,290,270	2,863,300,755	666,094,479	2,742,310,970
Home Improvement	632,175,811	2,562,840,738	580,109,380	2,388,310,317
Agriculture	537,449,218	2,178,819,130	514,068,358	2,116,419,430
Auto Loan	338,355,446	1,371,692,978	327,666,923	1,349,004,722
Transportation	253,217,663	1,026,544,406	253,111,335	1,042,059,366
Manufacture	49,304,893	199,882,036	48,430,882	199,389,941
Construction	49,143,569	199,228,029	47,556,510	195,790,152
Personal Loan	33,236,045	134,738,925	28,640,428	117,912,643
	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>

b) By loan classification

	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
<i>Performing</i>				
Gross amount	4,238,415,550	17,182,536,640	4,063,756,209	16,730,484,312
Exposure at default	4,238,415,550	17,182,536,640	4,063,756,209	16,730,484,312
Allowance for expected credit loss	(13,348,710)	(54,115,670)	(12,526,838)	(51,572,992)
<i>Under-performing</i>				
Gross amount	209,979,247	851,255,867	232,790,030	958,396,554
Exposure at default	209,979,247	851,255,867	232,790,030	958,396,554
Allowance for expected credit loss	(12,676,910)	(51,392,193)	(11,679,826)	(48,085,844)
<i>Non-performing</i>				
Gross amount	80,004,184	324,336,962	53,538,924	220,419,750
Exposure at default	80,004,184	324,336,962	53,538,924	220,419,750
Allowance for expected credit loss	(44,503,756)	(180,418,227)	(29,756,714)	(122,508,391)
Total gross loans	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>
Exposure at default	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>
Allowance for expected credit loss	<u>(70,529,376)</u>	<u>(285,926,090)</u>	<u>(53,963,378)</u>	<u>(222,167,227)</u>

**PRASAC MICROFINANCE INSTITUTION PLC.**

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**9. LOANS AND ADVANCES AT AMORTISED COST (continued)**

**c) By maturity**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Within one month	129,090,713	523,333,751	120,048,895	494,241,301
More than 1 month to 3 months	156,795,494	635,648,933	159,628,333	657,189,847
More than 3 months to 12 months	697,678,973	2,828,390,557	670,104,677	2,758,820,955
More than 1 year to 5 years	2,771,480,771	11,235,583,046	2,660,139,077	10,951,792,580
More than 5 years	773,353,030	3,135,173,182	740,164,181	3,047,255,933
Total gross loans	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>

**d) By large exposure**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Large exposure	2,440,437,612	9,893,534,079	2,358,495,494	9,709,925,949
Non-large exposure	2,087,961,369	8,464,595,390	1,991,589,669	8,199,374,667
Total gross loans	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>

**e) By relationship**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Related parties (including staff loans)	5,940,873	24,084,299	5,721,233	23,554,316
Non-related parties	4,522,458,108	18,334,045,170	4,344,363,930	17,885,746,300
Total gross loans	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>

**f) By residency**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Residents	4,528,398,981	18,358,129,469	4,350,085,163	17,909,300,616
Non-residents	-	-	-	-
Total gross loans	<u>4,528,398,981</u>	<u>18,358,129,469</u>	<u>4,350,085,163</u>	<u>17,909,300,616</u>

**PRASAC MICROFINANCE INSTITUTION PLC.**

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**9. LOANS AND ADVANCES AT AMORTISED COST** (continued)

**g) Interest rates**

These loans and advances to customers earn annual interest rates as below:

	<u>As at 31 March 2023</u>	<u>As at 31 December 2022</u>
Short term loans		
USD	9.60%-18.00%	9.60%-18.00%
KHR	10.80%-18.00%	10.80%-18.00%
THB	N/A	N/A
Long term loans		
USD	(10.00%-21.60% before April 2017) (6.48%-18.00% after April 2017)	(10.00%-21.60% before April 2017) (6.48%-18.00% after April 2017)
KHR	6.50%-18.00%	6.50%-18.00%
THB	(22.80%-25.20% before April 2017) (13.20%-18.00% after April 2017)	(22.80%-25.20% before April 2017) (12.60%-18.00% after April 2017)

Effective on 1 April 2017, the annual interest rate of all new loans and restructured loans are capped at 18% as required by Prakas B7-017-109 on interest ceiling on loans. Loans to customers outstanding with annual interest rate more than 18% were for those loans which disbursed prior to the issuance of this Prakas and which remain outstanding at the reporting date.

**h) Allowance for expected credit loss**

	<u>As at 31 March 2023</u>		<u>As at 31 December 2022</u>	
	<u>US\$</u>	<u>KHR'000</u>	<u>US\$</u>	<u>KHR'000</u>
12-months ECL (Stage 1)	13,348,710	54,115,670	12,526,838	51,572,992
Lifetime ECL-not credit impaired (Stage 2)	12,676,910	51,392,193	11,679,826	48,085,844
Lifetime ECL-credit impaired (Stage 3)	<u>44,503,756</u>	<u>180,418,227</u>	<u>29,756,714</u>	<u>122,508,391</u>
	<u>70,529,376</u>	<u>285,926,090</u>	<u>53,963,378</u>	<u>222,167,227</u>

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**9. LOANS AND ADVANCES AT AMORTISED COST (continued)**

**i) Expected credit loss reconciliation – loans and advances**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not Credit-</b>	<b>Credit-</b>	
	<b>US\$</b>	<b>Impaired</b>	<b>Impaired</b>	<b>US\$</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Expected Credit Losses</b>				
Loss allowance as at 1 January 2023	12,526,838	11,679,826	29,756,714	53,963,378
<i>Changes due to exposure:</i>				
Transfer to stage 1	59,077	(54,286)	(4,791)	-
Transfer to stage 2	(5,509,935)	5,604,745	(94,810)	-
Transfer to stage 3	(4,618,376)	(11,291,952)	15,910,328	-
Net remeasurement of loss allowance	10,255,396	7,110,424	(328,369)	17,037,451
New financial assets originated or purchased	1,190,561	2,587	3,272	1,196,420
Financial assets derecognised during the period other than write off	(554,851)	(374,434)	(738,588)	(1,667,873)
Loss allowance as at 31 March 2023	<u>13,348,710</u>	<u>12,676,910</u>	<u>44,503,756</u>	<u>70,529,376</u>
<i>In KHR'000 equivalent</i>	<u>54,115,670</u>	<u>51,392,193</u>	<u>180,418,227</u>	<u>285,926,090</u>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not Credit-</b>	<b>Credit-</b>	
	<b>US\$</b>	<b>Impaired</b>	<b>Impaired</b>	<b>US\$</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2023	4,063,756,210	232,790,029	53,538,925	4,350,085,164
<i>Changes due to financial instruments recognised:</i>				
Transfer to stage 1	2,139,383	(1,730,326)	(409,057)	-
Transfer to stage 2	(24,468,198)	25,159,013	(690,815)	-
Transfer to stage 3	(8,425,606)	(20,588,198)	29,013,804	-
New financial assets originated or purchased	439,793,020	(12,674,113)	(113,333)	427,005,574
Financial assets derecognised during the period other than write off	(234,379,259)	(12,977,158)	(1,335,340)	(248,691,757)
Gross carrying amount as at 31 March 2023	<u>4,238,415,550</u>	<u>209,979,247</u>	<u>80,004,184</u>	<u>4,528,398,981</u>
<i>In KHR'000 equivalent</i>	<u>17,182,536,640</u>	<u>851,255,867</u>	<u>324,336,962</u>	<u>18,358,129,469</u>

PRASAC MICROFINANCE INSTITUTION PLC.

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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

9. LOANS AND ADVANCES AT AMORTISED COST (continued)

i) Expected credit loss reconciliation – loans and advances (continued)

	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not Credit- Impaired US\$	Stage 3 Lifetime ECL Credit- Impaired US\$	Total US\$
<b>Expected Credit Losses</b>				
Loss allowance as at 1 January 2022	8,693,888	18,871,562	29,224,982	56,790,432
<i>Changes due to exposure:</i>				
Transfer to stage 1	34,965	(21,859)	(13,106)	-
Transfer to stage 2	(721,768)	1,120,763	(398,995)	-
Transfer to stage 3	(382,585)	(2,433,039)	2,815,624	-
Net remeasurement of loss allowance	896,599	885,523	(1,557,651)	224,471
New financial assets originated or purchased	1,378,870	693	14,176	1,393,739
Financial assets derecognised during the period other than write off	(534,649)	(1,122,580)	(976,945)	(2,634,174)
Loss allowance as at 31 March 2022	<u>9,365,320</u>	<u>17,301,063</u>	<u>29,108,085</u>	<u>55,774,468</u>
<i>In KHR'000 equivalent</i>	<u>37,929,546</u>	<u>70,069,305</u>	<u>117,887,744</u>	<u>225,886,595</u>
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not Credit- Impaired US\$	Stage 3 Lifetime ECL Credit- Impaired US\$	Total US\$
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2022	3,318,142,053	377,703,027	52,513,345	3,748,358,425
<i>Changes due to financial instruments recognised:</i>				
Transfer to stage 1	1,445,210	(780,773)	(664,437)	-
Transfer to stage 2	(3,020,638)	5,669,282	(2,648,644)	-
Transfer to stage 3	(699,990)	(4,456,426)	5,156,416	-
New financial assets originated or purchased	550,323,350	(15,229,195)	(584,960)	534,509,195
Financial assets derecognised during the period other than write off	(245,918,712)	(30,851,733)	(1,785,229)	(278,555,674)
Gross carrying amount as at 31 March 2022	<u>3,620,271,273</u>	<u>332,054,182</u>	<u>51,986,491</u>	<u>4,004,311,946</u>
<i>In KHR'000 equivalent</i>	<u>14,662,098,656</u>	<u>1,344,819,437</u>	<u>210,545,288</u>	<u>16,217,463,381</u>

PRASAC MICROFINANCE INSTITUTION PLC.

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10. STATUTORY DEPOSITS WITH CENTRAL BANK

	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
Reserve requirement	245,590,766	995,624,965	220,775,738	908,933,713
<i>Non-current</i>				
Capital guarantee deposit	40,117,370	162,635,818	40,000,000	164,680,000
	<u>285,708,136</u>	<u>1,158,260,783</u>	<u>260,775,738</u>	<u>1,073,613,713</u>

Interest rates of statutory deposits with the central bank are as follows:

	<u>2023</u>	<u>2022</u>
Reserve requirement	N/A	N/A
Capital guarantee deposit	0.00%-1.19%	0.00%-0.06%

PRASAC MICROFINANCE INSTITUTION PLC.

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11 PROPERTY AND EQUIPMENT

	Office Furniture US\$	Vehicles and motorcycles US\$	Computer and peripherals US\$	Leasehold improvement US\$	Communication Equipment US\$	Work in progress US\$	Total US\$
<b>As at 31 December 2022</b>							
Cost	6,042,964	3,280,401	10,506,530	2,415,856	346,425	53,603	22,645,779
Accumulated depreciation	(4,832,225)	(2,700,923)	(7,994,252)	(2,020,744)	(310,900)	-	(17,859,044)
Net book amount	<u>1,210,739</u>	<u>579,478</u>	<u>2,512,278</u>	<u>395,112</u>	<u>35,525</u>	<u>53,603</u>	<u>4,786,735</u>
<i>In KHR'000 equivalents</i>	<u>4,984,612</u>	<u>2,385,711</u>	<u>10,343,049</u>	<u>1,626,676</u>	<u>146,256</u>	<u>220,684</u>	<u>19,706,988</u>
<b>Three-month period ended 31 March 2023</b>							
Opening net book amount	1,210,739	579,478	2,512,278	395,112	35,525	53,603	4,786,735
Additions	62,556	-	108,835	4,619	-	4,526,423	4,702,433
Transfer from work in progress	-	-	32,475	16,756	-	(49,231)	-
Disposal-net	(55,531)	-	(68,224)	(29,966)	-	-	(153,721)
Depreciation charge	(55,206)	(74,242)	(241,962)	1,575	(7,781)	-	(377,616)
Closing net book amount	<u>1,162,558</u>	<u>505,236</u>	<u>2,343,402</u>	<u>388,096</u>	<u>27,744</u>	<u>4,530,795</u>	<u>8,957,831</u>
<b>As at 31 March 2023</b>							
Cost	6,049,989	3,280,401	10,579,615	2,407,265	346,426	4,530,795	27,194,491
Accumulated depreciation	(4,887,431)	(2,775,165)	(8,236,213)	(2,019,169)	(318,682)	-	(18,236,660)
Net book amount	<u>1,162,558</u>	<u>505,236</u>	<u>2,343,402</u>	<u>388,096</u>	<u>27,744</u>	<u>4,530,795</u>	<u>8,957,831</u>
<i>In KHR'000 equivalents</i>	<u>4,713,010</u>	<u>2,048,227</u>	<u>9,500,152</u>	<u>1,573,341</u>	<u>112,474</u>	<u>18,367,843</u>	<u>36,315,047</u>

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**12. LEASES**

This note provides information for leases where the Company is a lessee.

The Company leases various buildings for its head office, branch operation and Automated teller machine (ATM). Rental contracts are typically made for fixed periods of one to twelve years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

**(i) Amounts recognised in the statement of financial position**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Right-of-use assets (Non-current)</i>				
Buildings	18,134,882	73,518,811	18,167,095	74,793,930
ATM	321,067	1,301,606	316,215	1,301,857
	<u>18,455,949</u>	<u>74,820,417</u>	<u>18,483,310</u>	<u>76,095,787</u>
<i>Lease liabilities</i>				
Current	4,088,156	16,573,384	3,998,954	16,463,692
Non-current	14,871,142	60,287,610	14,974,273	61,649,084
	<u>18,959,298</u>	<u>76,860,994</u>	<u>18,973,227</u>	<u>78,112,776</u>

Right-of-use assets' additions during the period were US\$ 1,128,529 (2022: US\$ 6,771,840).

**(ii) Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amounts relating to leases:

	<b>Three-month period ended</b>			
	<b>As at 31 March 2023 US\$</b>	<b>As at 31 March 2023 KHR'000</b>	<b>As at 31 March 2022 US\$</b>	<b>As at 31 March 2022 KHR'000</b>
<i>Depreciation of right-of-use assets</i>				
Buildings	1,021,387	4,171,344	1,001,470	4,068,973
ATM	77,962	318,397	40,903	166,189
	<u>354,255</u>	<u>1,446,777</u>	<u>288,862</u>	<u>1,173,646</u>
Interest expense (Note 23)				
Expense relating to short-term lease and leases of low-value assets (included in operating expenses)	184,773	754,613	222,290	903,165
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in general and administrative expenses)	286,034	1,168,163	270,740	1,100,017
Total expenses related to leases	<u>1,924,411</u>	<u>7,859,294</u>	<u>1,824,265</u>	<u>7,411,990</u>

Total cash outflow for lease during the period was US\$1,782,747 (2022: US\$1,565,714).

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13. INTANGIBLE ASSETS

	Computer software US\$	Core banking Software US\$	Work in progress US\$	Total US\$
<b>As at 31 December 2022</b>				
Cost	1,264,054	2,891,587	16,800	4,172,441
Accumulated amortisation	(1,029,487)	(2,063,627)	-	(3,093,114)
Net book amount	<u>234,567</u>	<u>827,960</u>	<u>16,800</u>	<u>1,079,327</u>
<i>In KHR'000 equivalents</i>	<u>965,712</u>	<u>3,408,711</u>	<u>69,166</u>	<u>4,443,589</u>
<b>Three-month period ended 31 March 2023</b>				
Opening net book amount	234,567	827,960	16,800	1,079,327
Additions	-	-	7,242,884	7,242,884
Amortisation charge	(14,210)	(46,443)	-	(60,653)
Closing net book amount	<u>220,357</u>	<u>781,517</u>	<u>7,259,684</u>	<u>8,261,558</u>
<b>As at 31 March 2023</b>				
Cost	1,264,054	2,891,587	7,259,684	11,415,325
Accumulated amortisation	(1,043,697)	(2,110,070)	-	(3,153,767)
Net book amount	<u>220,357</u>	<u>781,517</u>	<u>7,259,684</u>	<u>8,261,558</u>
<i>In KHR'000 equivalents</i>	<u>893,327</u>	<u>3,168,270</u>	<u>29,430,761</u>	<u>33,492,358</u>

14. OTHER ASSETS

	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Account receivables	-	-	-	-
Prepayments	3,945,145	15,993,618	3,413,531	14,053,507
Deposits	1,139,533	4,619,667	950,824	3,914,542
Long term investment	28,167	114,189	28,167	115,964
Others	992	4,021	802	3,302
	<u>5,113,837</u>	<u>20,731,495</u>	<u>4,393,324</u>	<u>18,087,315</u>
<i>Less:</i>				
Allowance for ECLs on deposit	(22,791)	(92,395)	(19,016)	(78,289)
	<u>5,091,046</u>	<u>20,639,100</u>	<u>4,374,308</u>	<u>18,009,026</u>
<b>As at 31 March 2023</b>				
	<u>5,062,879</u>	<u>20,524,911</u>	<u>4,346,141</u>	<u>17,893,062</u>
Current	5,062,879	20,524,911	4,346,141	17,893,062
Non-current	28,167	114,189	28,167	115,964
	<u>5,091,046</u>	<u>20,639,100</u>	<u>4,374,308</u>	<u>18,009,026</u>

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15. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Savings deposits	189,004	766,222	180,687	743,888
Fixed deposits	74,023,373	300,090,754	48,910,925	201,366,278
	74,212,377	300,856,976	49,091,612	202,110,166
<i>Add:</i>				
Accrued interest payables	922,428	3,739,523	945,506	3,892,649
	75,134,805	304,596,499	50,037,118	206,002,815
	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Current	75,134,805	304,596,499	50,037,118	206,002,815
Non-current	-	-	-	-
	75,134,805	304,596,499	50,037,118	206,002,815

Annual interest rates during the year are as follows:

	As at 31 March 2023	As at 31 December 2022
Current accounts	N/A	N/A
Savings accounts		
USD	0.00%	0.00%
KHR	0.00%	0.00%
THB	N/A	N/A
Fixed deposits		
USD	3.00%-6.50%	3.00%-6.50%
KHR	6.50%-6.95%	N/A
THB	N/A	N/A

16. DEPOSITS FROM CUSTOMERS

	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Savings deposits	127,854,348	518,321,526	150,603,768	620,035,713
Fixed deposits	2,564,710,591	10,397,336,736	2,508,599,863	10,327,905,636
	2,692,564,939	10,915,658,262	2,659,203,631	10,947,941,349
<i>Add:</i>				
Accrued interest payables	64,477,936	261,393,553	68,004,231	279,973,419
	2,757,042,875	11,177,051,815	2,727,207,862	11,227,914,768
	As at 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Current	2,666,407,657	10,809,616,641	2,651,114,334	10,914,637,713
Non-current	90,635,218	367,435,174	76,093,528	313,277,055
	2,757,042,875	11,177,051,815	2,727,207,862	11,227,914,768

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**16. DEPOSITS FROM CUSTOMERS** (continued)

Annual interest rates during the year are as follows:

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>
Current accounts	N/A	N/A
Savings accounts		
USD	0.00%-3.00%	0.00%-3.00%
KHR	0.00%-3.00%	0.00%-3.00%
THB	0.00%-0.10%	0.00%-0.10%
Fixed deposits		
USD	2.00%-8.50%	2.75%-8.50%
KHR	2.00%-10.15%	2.00%-10.15%
THB	0.10%	0.10%-7.25%

**17. BORROWINGS**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Principal	1,241,585,715	5,033,388,488	965,576,466	3,975,278,311
Interest payable	9,180,460	37,217,585	5,682,959	23,396,742
	<u>1,250,766,175</u>	<u>5,070,606,073</u>	<u>971,259,425</u>	<u>3,998,675,053</u>
	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Current</i>				
Term loans	732,439,290	2,969,308,882	187,014,896	769,940,327
Overdraft/Credit facility	-	-	30,000,000	123,510,000
Total current	<u>732,439,290</u>	<u>2,969,308,882</u>	<u>217,014,896</u>	<u>893,450,327</u>
Total non-current	<u>518,326,885</u>	<u>2,101,297,191</u>	<u>754,244,529</u>	<u>3,105,224,726</u>
	<u>1,250,766,175</u>	<u>5,070,606,073</u>	<u>971,259,425</u>	<u>3,998,675,053</u>

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**17. BORROWINGS** (continued)

*Changes in liabilities arising from financing activities – borrowings*

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Principal amount</i>				
At 1 January	965,576,466	3,975,278,311	824,197,753	3,357,781,646
Additions	490,233,843	2,002,115,015	764,262,412	3,123,540,478
Repayments	(216,896,598)	(885,805,706)	(620,842,352)	(2,537,382,693)
Exchange difference	2,672,004	10,912,464	(2,041,347)	(8,342,985)
Currency translation	-	(69,111,596)	-	39,681,865
At the end of the period	<u>1,241,585,715</u>	<u>5,033,388,488</u>	<u>965,576,466</u>	<u>3,975,278,311</u>
<i>Interest payables</i>				
At 1 January	5,682,959	23,396,742	5,624,110	22,912,624
Charge during the year	22,406,533	91,508,281	58,914,368	240,783,022
Interest payments	(18,923,682)	(77,284,317)	(58,842,560)	(240,489,543)
Currency translation	14,650	(403,121)	(12,959)	190,639
At the end of the period	<u>9,180,460</u>	<u>37,217,585</u>	<u>5,682,959</u>	<u>23,396,742</u>

Annual interest rates for borrowings are as follows:

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>
<b>Term loans</b>		
USD	2.00% - 10.79%	2.00% - 10.21%
KHR	2.00% - 8.05%	2.00% - 7.40%
THB	NA	N/A

**18. SUBORDINATED DEBTS**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Principal	87,921,742	356,434,742	88,641,367	364,936,508
Interest payable	2,465,756	9,996,175	1,036,060	4,265,459
	<u>90,387,498</u>	<u>366,430,917</u>	<u>89,677,427</u>	<u>369,201,967</u>
<i>Current</i>				
	25,093,999	101,731,072	3,026,338	12,459,434
<i>Non-current</i>				
	65,293,499	264,699,845	86,651,089	356,742,533
	<u>90,387,498</u>	<u>366,430,917</u>	<u>89,677,427</u>	<u>369,201,967</u>

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**18. SUBORDINATED DEBTS (continued)**

*Changes in liabilities arising from financing activities – Subordinated debts*

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Principal amount</i>				
At 1 January	88,641,367	364,936,508	103,963,296	423,546,468
Additions	-	-	-	-
Repayments	(719,625)	(2,938,949)	(15,321,929)	(62,620,724)
Currency translation	-	(5,562,817)	-	4,010,764
At the end of the period	<u>87,921,742</u>	<u>356,434,742</u>	<u>88,641,367</u>	<u>364,936,508</u>
<i>Interest payables</i>				
At 1 January	1,036,060	4,265,459	1,228,494	5,004,885
Charge during the year	2,151,924	8,788,458	9,397,981	38,409,548
Interest payments	(722,228)	(2,949,579)	(9,590,415)	(39,483,739)
Currency translation	-	(108,163)	-	334,765
At the end of the period	<u>2,465,756</u>	<u>9,996,175</u>	<u>1,036,060</u>	<u>4,265,459</u>

Annual interest rates for subordinated debts are as follows:

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>
USD	6.98%-10.47%	6.98%-10.47%
KHR	NA	N/A
THB	NA	N/A

**19. DEBT SECURITIES**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Principal	31,410,789	127,339,339	30,767,125	126,668,254
Interest payable	956,829	3,878,984	401,303	1,652,164
	<u>32,367,618</u>	<u>131,218,323</u>	<u>31,168,428</u>	<u>128,320,418</u>
<b>As at 31 March 2023</b>				
	<u>32,367,618</u>	<u>131,218,323</u>	<u>31,168,428</u>	<u>128,320,418</u>
Current	32,367,618	131,218,323	31,168,428	128,320,418
Non-current	-	-	-	-
	<u>32,367,618</u>	<u>131,218,323</u>	<u>31,168,428</u>	<u>128,320,418</u>

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**19. DEBT SECURITIES** (continued)

*Changes in liabilities arising from financing activities – Debt securities*

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Principal amount</i>				
At 1 January	30,767,125	126,668,254	30,942,071	126,057,997
Additions	-	-	-	-
Repayments	-	-	-	-
Exchange difference	643,664	2,628,724	(174,946)	(715,004)
Currency translation	-	(1,957,639)	-	1,325,261
At the end of the period	<u>31,410,789</u>	<u>127,339,339</u>	<u>30,767,125</u>	<u>126,668,254</u>
<i>Interest payables</i>				
At 1 January	401,303	1,652,164	400,029	1,629,718
Charge during the year	635,316	2,594,631	2,510,158	10,259,016
Interest payments	(86,025)	(351,326)	(2,504,707)	(10,236,738)
Currency translation	6,235	(16,485)	(4,177)	168
At the end of the period	<u>956,829</u>	<u>3,878,984</u>	<u>401,303</u>	<u>1,652,164</u>

Interest rates per annum for debt securities are as follows:

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>
USD	N/A	N/A
KHR	7.50%	7.50%
THB	N/A	N/A

**20. OTHER LIABILITIES**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Current</i>				
Accrued bonus and incentive	8,065,326	32,696,832	2,844,695	11,711,609
Accrued expense	4,352,171	17,643,701	3,546,830	14,602,299
Withholding tax payable	2,297,284	9,313,189	1,933,604	7,960,648
Account payable	2,279,410	9,240,728	498,573	2,052,625
Tax on salary	202,739	821,904	4,166,259	17,152,488
Others	8,999	36,485	8,625	35,507
	<u>17,205,929</u>	<u>69,752,839</u>	<u>12,998,586</u>	<u>53,515,176</u>

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**21. SHARE CAPITAL**

	<b>31 March 2023</b>		
	<b>US\$</b>	<b>KHR'000</b>	<b>%</b>
Kookmin Bank Co, Ltd.	399,999,999	1,599,999,996	99.99999975%
KOOKMIN BANK CAMBODIA PLC	1	4	0.0000000025%
	<u>400,000,000</u>	<u>1,600,000,000</u>	<u>100%</u>
	<b>31 December 2022</b>		
	<b>US\$</b>	<b>KHR'000</b>	<b>%</b>
Kookmin Bank Co, Ltd.	399,999,999	1,599,999,996	99.99999975%
KOOKMIN BANK CAMBODIA PLC	1	4	0.0000000025%
	<u>400,000,000</u>	<u>1,600,000,000</u>	<u>100%</u>

**22. REGULATORY RESERVES**

	<b>As at 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Balance at beginning of the period	31,872,927	129,696,057	24,738,149	100,536,219
Transfers to/from retained earnings	(2,282,432)	(9,321,452)	7,134,778	29,159,838
Currency translation differences	-	(414,738)	-	-
Balance at the end of the period	<u>29,590,495</u>	<u>119,959,867</u>	<u>31,872,927</u>	<u>129,696,057</u>

**23. NET INTEREST INCOME**

	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Interest income from financial assets at amortised cost:</i>				
Loans and advances	154,761,631	632,046,501	140,718,493	571,739,237
Deposits and placements with banks	46,719	190,800	19,466	79,090
Deposits and placements with the central bank	150,238	613,572	8,834	35,893
Total interest income	<u>154,958,588</u>	<u>632,850,873</u>	<u>140,746,793</u>	<u>571,854,220</u>
<i>Interest expense on financial liabilities at amortised cost:</i>				
Deposits from customers	(44,150,903)	(180,312,287)	(40,057,269)	(162,752,685)
Deposit from other banks	(612,102)	(2,499,825)	(673,826)	(2,737,755)
Borrowings	(22,406,533)	(91,508,281)	(12,606,225)	(51,219,092)
Subordinated debts	(2,151,924)	(8,788,458)	(2,674,315)	(10,865,742)
Debt securities	(635,316)	(2,594,631)	(671,338)	(2,727,646)
Lease liabilities	(354,255)	(1,446,777)	(288,862)	(1,173,646)
Total interest expense	<u>(70,311,033)</u>	<u>(287,150,259)</u>	<u>(56,971,835)</u>	<u>(231,476,566)</u>
Net interest income	<u>84,647,555</u>	<u>345,700,614</u>	<u>83,774,958</u>	<u>340,377,654</u>

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24. NET FEE AND COMMISSION INCOME

	Three-month period ended			
	31 March 2023		31 March 2022	
	US\$	KHR'000	US\$	KHR'000
<i>Fee and commission income:</i>				
Fee and commission on loans	2,530,628	10,335,085	2,374,527	9,647,703
Fee and commission income from local remittance and service	159,812	652,672	172,875	702,391
Penalty Income	-	-	-	-
Others	-	-	-	-
Total fee and commission income	<u>2,690,440</u>	<u>10,987,757</u>	<u>2,547,402</u>	<u>10,350,094</u>
Fee and commission expense	<u>(387,658)</u>	<u>(1,583,195)</u>	<u>(23,112)</u>	<u>(93,904)</u>
Total fee and commission expense	<u>(387,658)</u>	<u>(1,583,195)</u>	<u>(23,112)</u>	<u>(93,904)</u>
Net fee and commission income	<u>2,302,782</u>	<u>9,404,562</u>	<u>2,524,290</u>	<u>10,256,190</u>

25. OTHER OPERATING INCOME

	Three-month period ended			
	31 March 2023		31 March 2022	
	US\$	KHR'000	US\$	KHR'000
Penalty income	858,833	3,507,474	1,357,010	5,513,532
Loan loss recovered	1,470,769	6,006,621	1,201,718	4,882,580
Other income	256,585	1,047,893	261,564	1,062,734
	<u>2,586,187</u>	<u>10,561,988</u>	<u>2,820,292</u>	<u>11,458,846</u>

26. CREDIT IMPAIRMENT LOSSES

	Three-month period ended			
	31 March 2023		31 March 2022	
	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Loss (ECL):</i>				
Loans and advances	16,565,998	67,655,536	(1,015,964)	(4,127,862)
Deposits and placements with other banks	145,384	593,748	9,606	39,029
Other assets	3,775	15,417	407	1,654
	<u>16,715,157</u>	<u>68,264,701</u>	<u>(1,005,951)</u>	<u>(4,087,179)</u>

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27. PERSONNEL EXPENSES

	Three-month period ended			
	31 March 2023		31 March 2022	
	US\$	KHR'000	US\$	KHR'000
Salaries	15,418,817	62,970,449	13,859,239	56,310,088
Incentives and bonuses	5,708,747	23,314,523	7,538,658	30,629,567
Severance benefits	1,098,117	4,484,710	1,138,267	4,624,779
Employee social welfare fund expenses	308,697	1,260,719	290,084	1,178,611
Staff uniform	18,135	74,063	-	-
Medical expenses	12,134	49,555	6,578	26,726
Other staff benefits	1,244,145	5,081,088	888,657	3,610,614
	<u>23,808,792</u>	<u>97,235,107</u>	<u>23,721,483</u>	<u>96,380,385</u>

28. DEPRECIATION AND AMORTISATION CHARGES

	Three-month period ended			
	31 March 2023		31 March 2022	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge of right-of-use assets (note 12)	1,099,349	4,489,741	1,042,373	4,235,162
Depreciation of property and equipment (note 11)	531,196	2,169,405	518,445	2,106,442
Amortisation of intangible assets (note 13)	60,653	247,707	73,208	297,444
	<u>1,691,198</u>	<u>6,906,853</u>	<u>1,634,026</u>	<u>6,639,048</u>

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**29. OPERATING EXPENSES**

	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Fuel costs	1,216,318	4,967,443	977,904	3,973,224
Professional fees	766,273	3,129,459	168,548	684,811
Maintenance	558,072	2,279,166	348,979	1,417,902
Transportation	313,959	1,282,209	291,175	1,183,044
Utilities	293,483	1,198,585	292,892	1,190,020
Other tax expenses	270,945	1,106,539	39,651	161,103
Marketing and promotions	260,448	1,063,670	178,848	726,659
Printing and stationery	248,414	1,014,523	305,458	1,241,076
Communications	238,993	976,047	224,034	910,250
Rental expenses	184,949	755,332	222,290	903,164
Stamp tax	179,852	734,516	159,081	646,346
Entertainment expense	151,082	617,019	99,915	405,955
License fees	131,352	536,442	129,776	527,280
Bank charges	120,109	490,525	30,166	122,564
Per diem and travelling	84,066	343,326	15,785	64,134
Office supplies	52,020	212,450	73,198	297,403
Donation	43,023	175,706	1,843	7,488
Training	8,938	36,503	215	874
Others expenses	108,574	443,413	143,985	585,011
	<u>5,230,870</u>	<u>21,362,873</u>	<u>3,703,743</u>	<u>15,048,308</u>

**30. INCOME TAX EXPENSE**

**a) Current income tax liabilities**

The movements of the Company's income tax liabilities are as follows:

	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Current</i>				
At the beginning of the period	41,048,919	168,998,400	34,153,679	139,142,088
Income tax expense	10,597,636	43,280,745	47,234,851	193,048,836
Under provision from prior year	-	-	1,156,005	4,724,592
Tax incentive on bond listing	-	-	(783,078)	(3,200,440)
Income tax paid	(41,937,176)	(171,271,427)	(40,712,538)	(166,392,143)
Currency translation differences	-	(1,645,896)	-	1,675,467
	<u>9,709,379</u>	<u>39,361,822</u>	<u>41,048,919</u>	<u>168,998,400</u>

**PRASAC MICROFINANCE INSTITUTION PLC.**

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**30. INCOME TAX EXPENSE** (continued)

**b) Income tax expense**

	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Current income tax	10,597,636	43,280,745	13,264,575	53,893,969
Deferred income tax	<u>(1,488,515)</u>	<u>(6,079,095)</u>	<u>(1,070,423)</u>	<u>(4,349,129)</u>
	<u>9,109,121</u>	<u>37,201,650</u>	<u>12,194,152</u>	<u>49,544,840</u>

**c) Reconciliation between income tax expenses and accounting profit**

	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Profit before income tax	44,947,827	183,566,925	61,581,427	250,205,337
Cambodian tax rate at 20%	8,989,565	36,713,383	12,316,285	50,041,066
<i>Tax effects in respect of:</i>				
Expenses not deductible for tax purposes	119,556	488,267	134,380	545,986
Tax incentive on bond listing	<u>-</u>	<u>-</u>	<u>(256,513)</u>	<u>(1,042,212)</u>
Income tax expenses	<u>9,109,121</u>	<u>37,201,650</u>	<u>12,194,152</u>	<u>49,544,840</u>

Under the Cambodian tax regulations, the Company is subject to 20% Income Tax.

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31. CASHFLOW INFORMATION

a) Cash flow from operations

	Three-month period ended			
	31 March 2023		31 March 2022	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	44,947,827	183,566,925	61,581,427	250,205,337
<i>Adjustments for:</i>				
Depreciation and amortisation charges	1,747,739	7,137,766	1,634,026	6,639,048
Credit impairment losses	16,715,157	68,264,701	(1,005,951)	(4,087,179)
Gain on disposals of property and equipment	(1,637)	(6,686)	(178)	(724)
Provision for employee benefits	1,098,117	4,484,710	1,138,267	4,624,779
Unrealised exchange gains	(3,016,556)	(12,319,620)	(380,696)	(1,546,768)
Net interest income (Note 23)	(84,647,555)	(345,700,614)	(83,774,958)	(340,377,654)
<i>Changes in working capital:</i>				
Reserve requirement deposits	(24,815,028)	(101,344,574)	(10,633,128)	(43,202,399)
Loans and advances	(169,883,956)	(693,806,076)	(252,566,460)	(1,026,177,527)
Other assets	(720,513)	(2,942,572)	(268,055)	(1,089,107)
Deposits from banks and other financial institutions	25,120,765	102,593,204	(6,701,308)	(27,227,414)
Deposits from customers	33,361,308	136,247,582	118,887,192	483,038,661
Other liabilities	4,207,343	17,182,789	7,854,238	31,911,769
Cash used in operations	<u>(155,886,989)</u>	<u>(636,642,465)</u>	<u>(164,235,584)</u>	<u>(667,289,178)</u>

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**32. RELATED PARTY TRANSACTIONS AND BALANCES**

The Company entered into a number of transactions with related parties in the normal course of business. The volumes of related party transactions, outstanding balance at the period end and relating expenses and income for the period are as follows:

**a) Related parties and relationship**

The related parties of and their relationship with the Company are as follows:

<b>Relationship</b>	<b>Related party</b>
Ultimate parent	Kookmin Bank Co, Ltd.
Related company	KOOKMIN BANK CAMBODIA PLC KB Daehan Specialised Bank Plc. KOOKMIN BANK HONG KONG BRANCH KB Bank Myanmar Co., Ltd.
Key management personnel	All directors of the Company who make critical decisions in relation to the strategic direction of the Company and senior management staff (including their close family members)

**b) Loans and advances to key management personnel**

	<b>As At 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Loans to key management personnel	<u>647,301</u>	<u>2,624,158</u>	<u>527,521</u>	<u>2,171,804</u>
	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Interest income	<u>12,455</u>	<u>50,866</u>	<u>20,263</u>	<u>82,329</u>

Loans and advances to key management personnel are secured and having interest rate of 8.00% to 10.80% per annum (2022: 8.00% to 10.80% per annum). Allowances for expected credit losses for loans to related parties recognised during the period of US\$ 817 (31 December 2022: US\$ 690).

**c) Payables to related parties**

	<b>As At 31 March 2023</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Payables to related companies	<u>605,220,668</u>	<u>2,453,564,590</u>	<u>332,441,978</u>	<u>1,368,663,624</u>

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32. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

d) Deposits from related parties

	As At 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Board of directors	53,209	215,709	60,534	249,218
Key management personnel	9,978,913	40,454,513	15,994,386	65,848,887
Related companies	22,572,870	91,510,415	22,452,470	92,436,819
	<u>32,604,992</u>	<u>132,180,637</u>	<u>38,507,390</u>	<u>158,534,924</u>

	As At 31 March 2023		As at 31 December 2022	
	US\$	KHR'000	US\$	KHR'000
Interest payable	<u>619,338</u>	<u>2,510,796</u>	<u>575,177</u>	<u>2,368,002</u>

	Three-month period ended			
	31 March 2023		31 March 2022	
	US\$	KHR'000	US\$	KHR'000
Interest expense	<u>8,508,048</u>	<u>34,746,869</u>	<u>2,828,995</u>	<u>11,494,207</u>

Annual interest rates during the period are as follows:

	2023	2022
<b>Shareholders</b>	-	-
<b>Board of directors</b>		
Savings		
- KHR	N/A	N/A
- USD	2.50%	2.50%
Time Deposits		
- KHR	N/A	N/A
- USD	5.75%-7.50%	5.50%-7.50%
<b>Key management personnel</b>		
Savings		
- KHR	1.50%-2.50%	1.50%-2.50%
- USD	1.50%-2.75%	1.50%-2.75%
Time Deposits		
- KHR	4.00%-8.25%	4.00%-8.00%
- USD	3.50%-8.25%	3.50%-8.00%
<b>Related companies</b>		
Time Deposits		
- KHR	N/A	N/A
- USD	3.50%-6.00%	3.50%
Borrowing		
- KHR	6.20%	6.20%
- USD	5.42%-9.79%	4.84%-9.57%

**PRASAC MICROFINANCE INSTITUTION PLC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
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**32. RELATED PARTY TRANSACTIONS AND BALANCES** (continued)

**e) Transactions with related parties**

	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Expenses to related companies:</i>				
Rental expense	122,915	501,985	74,372	302,173
	<u>122,915</u>	<u>501,985</u>	<u>74,372</u>	<u>302,173</u>

Transactions with related parties were made on normal commercial terms and conditions.

**f) Key management compensation**

	<b>Three-month period ended</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Directors' fees	71,203	290,794	63,415	257,655
Salaries and other benefits to key management	1,035,233	4,227,891	882,090	3,583,932
	<u>1,106,436</u>	<u>4,518,685</u>	<u>945,505</u>	<u>3,841,587</u>

**PRASAC MICROFINANCE INSTITUTION PLC.**

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**33. PRIOR YEAR RECLASSIFICATION**

The statement of financial position of prior year has been reclassified to provide information that is more relevant to its nature and consistent with the current period ended 31 March 2023.

	<b>As at 31 December 2022</b>		<b>Reclassification</b>		<b>As at 31 December 2022</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
	<i>(Previously reported)</i>	<i>(Previously reported)</i>			<i>(Reclassified)</i>	<i>(Reclassified)</i>
<b>Statement of financial position (extract)</b>						
Balance with the National Bank of Cambodia	326,284,541	1,343,313,455	(326,284,541)	(1,343,313,455)	-	-
Deposits and placement with central bank	-	-	65,508,803	269,699,742	65,508,803	269,699,742
Statutory deposits with the central bank	-	-	260,775,738	1,073,613,713	260,775,738	1,073,613,713
	<b>326,284,541</b>	<b>1,343,313,455</b>	<b>-</b>	<b>-</b>	<b>326,284,541</b>	<b>1,343,313,455</b>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
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**34. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual audited financial statements.

**a) Fair value hierarchy**

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Company's financial assets measured and recognised at fair value at 31 March 2023 and 31 December 2022 on a recurring basis:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>As at 31 March 2023</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	28,167	28,167
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>28,167</b>	<b>28,167</b>
<i>In KHR'000 equivalent</i>	<b>-</b>	<b>-</b>	<b>114,189</b>	<b>114,189</b>
<b>As at 31 December 2022</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	28,167	28,167
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>28,167</b>	<b>28,167</b>
<i>In KHR'000 equivalent</i>	<b>-</b>	<b>-</b>	<b>115,964</b>	<b>115,964</b>

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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**34. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

**b) Fair value measurements using significant unobservable inputs (level 3)**

The unlisted equity securities are the investment in Credit Bureau Cambodia (CBC) to be measured at fair value through other comprehensive income as they are not held for trading and the Company has irrevocably elected at initial recognition to recognize as the financial assets at FVOCI. These are the strategic investments and the Company considers this classification to be more relevant.

The fair value of FVOCI have been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk.

There is no gain/loss recognized in other comprehensive income due to fair value approximate the carrying amount.

**c) Financial instruments not measured at fair value**

As at the balance sheet date, the fair values of financial instruments of the Company approximate their carrying amounts.

The estimated fair values are based on the following methodologies and assumptions:

(i) Deposits and placements with the central bank and banks

The carrying amounts of deposits and placements with the central bank and banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

(ii) Loans and advances to customers

For fixed rate loans with remaining period to maturity of less than one year, the carrying amounts are generally reasonable estimates of their fair values.

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different to the contractual lending rates. As a result, the fair value of non-current loan and advances to customers is approximate to their carrying value as reporting date.

(iii) Deposits from banks, other financial institutions and customers

The fair value of deposits from banks, other financial institutions and customers with maturities of less than one year approximate their carrying values due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of one year or more are expected to approximate their carrying amount due to the Company offered similar interest rate of the instrument with similar maturities and terms.

(iv) Other financial assets and other financial liabilities

The carrying amounts of other financial assets and other financial liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

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**34. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS** (continued)

**c) Financial instruments not measured at fair value** (continued)

(v) Borrowings and subordinated debts

Borrowings and subordinated debts issued are not quoted in active market and their fair value approximate their carrying amount.

(vi) Debt securities

The estimated fair value of debt securities is generally based on quoted and observable market prices at the date of statement of financial position. They are not presently traded. The estimated fair values of debt securities are approximate their carrying values based on estimated future cash flows using prevailing market rates.

**35. EVENT AFTER THE END OF REPORTING PERIOD**

*Debt securities*

On 21 April 2023, the Company fully settled the outstanding balance of the corporate bonds including both principal and interest with the amount of KHR131,970,000,000 to the investors.