

**PRASAC Microfinance Institution Plc.**  
*(formerly PRASAC Microfinance Institution Limited)*

Unaudited interim condensed financial statements prepared in accordance with  
Cambodian International Accounting Standard 34, *Interim Financial Reporting*

As at 31 December 2020 and for the twelve-month and three-month periods then  
ended

PRASAC Microfinance Institution Plc.  
(formerly PRASAC Microfinance Institution Limited)

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (“BOD”) of Prasac Microfinance Institution Plc. (*formerly Prasac Microfinance Institution Limited*) (“the Company”) is pleased to present its report and the Company’s unaudited interim condensed financial statements as at 31 December 2020 and for the twelve-month and three-month periods then ended.

### THE COMPANY

The Company was incorporated in Cambodia and registered with the Ministry of Commerce as a public limited company under registration number 00001157 dated 19 September 2011 with the latest renewal on 28 April 2016.

The National Bank of Cambodia (“NBC”) granted a microfinance license to the Company effective on 14 December 2007. In addition, the Company received the license from the NBC to conduct a deposit-taking business on 27 August 2010 and permission to conduct automated teller machine and point-of-sale services on 1 December 2011.

The Company’s registered office is at Building 212, Street 271, Sangkat Tuol Tumpung 2, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia.

### FINANCIAL RESULTS

The financial results of the Company for the twelve-month and three-month periods ended 31 December 2020 were disclosed in the statement of comprehensive income.

### DIVIDENDS

No dividends were declared or paid during the periods and the BOD do not recommend any dividends to be paid as at the reporting date.

### RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the period other than those disclosed in the unaudited interim condensed financial statements.

### EXPECTED CREDIT LOSSES ON LOANS TO CUSTOMERS

Before the unaudited interim condensed financial statements of the Company were drawn up, the BOD took reasonable steps to ascertain that action had been taken and satisfied themselves that all known bad loans had been written off and that adequate allowance for expected credit losses on loans to customers had been made.

At the date of this report, the BOD is not aware of any circumstances which would render the amount written off for bad loans or the amount of allowance for expected credit losses on loans to customers in the unaudited interim condensed financial statements of the Company inadequate in any material respects.

**PRASAC Microfinance Institution Plc.**  
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REPORT OF THE BOARD OF DIRECTORS (continued)

**ASSETS**

Before the unaudited interim condensed financial statements of the Company were prepared, the BOD took reasonable steps to ensure that any assets, other than debts, which were unlikely to be realized in the ordinary course of business at their value as shown in the accounting records of the Company had been written down to an amount which they are expected to be realized.

At the date of this report, the BOD is not aware of any circumstances, which would render the values attributed to the assets in the unaudited interim condensed financial statements of the Company misleading.

**VALUATION METHODS**

At the date of this report, the BOD is not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the unaudited interim condensed financial statements of the Company as misleading or inappropriate.

**CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there is:

- No change on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and
- No contingent liability in respect of the Company that has arisen since the end of the financial period other than in the ordinary course of business.

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

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the BOD is not aware of any circumstances, not otherwise dealt with in this report or the unaudited interim condensed financial statements of the Company, which would render any amount stated in the unaudited interim condensed financial statements misleading.

The results of the operations of the Company for the reporting periods were not, in the opinion of the BOD, substantially affected by any item, transaction or event of a material and unusual nature.

Nothing has arisen during in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the BOD, to affect substantially the results of the operations of the Company for the current reporting periods in which this report is made.

**SUBSEQUENT EVENTS**

No significant events occurred after the statement of financial position date requiring disclosure or adjustment other than those already disclosed in the accompanying notes to the unaudited interim condensed financial statements.

**PRASAC Microfinance Institution Plc.**  
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REPORT OF THE BOARD OF DIRECTORS (continued)

**THE BOARD OF DIRECTORS**

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

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Chan Tze Ching Ignatius	Chairman	10 March 2017 (resigned on 10 April 2020)
Mr. Kwi Sang JUN	Chairman	10 April 2020
Mr. Hak Soo KIM	Member	10 April 2020
Mr. Ji Kyu JANG	Member	10 April 2020
Mr. Ishara Chinthaka Nanayakkara	Member	10 March 2017
Mr. Sim Senacheert	Member	10 March 2017
Mr. Yuen Wai Hung Peter	Member	10 March 2017 (resigned on 10 April 2020)
Mr. Thilakaratne Don Manuwelge Don Krishan	Member	10 April 2018 (resigned on 10 April 2020)
Mr. Minki Brian HONG	Member	10 March 2017
Mr. Hwan Kook KIM	Independent member	10 April 2020
Mr. Hana LEE	Independent member	10 April 2020
Mr. Bell Sak Pheakdey	Independent member	10 April 2020
Mr. Hiep Van Vo	Independent member	10 March 2017 (resigned on 10 April 2020)

**KEY MANAGEMENT**

Members of the key management during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Sim Senacheert	President & Chief Executive Officer	17 November 2003
Mr. Oum Sophan	EVP & Chief Financial Officer	01 June 2008
Mr. Oum Sam Oeun	EVP & Chief Operations Officer	10 April 2007
Mr. Neang Sokhim	EVP & Chief Business Management	10 November 2010
Mr. Say Sony	EVP & Chief Marketing Management	10 November 2010
Mr. Choub Veasna	EVP & Chief Human Resource Officer	05 February 2020
Mr. Chea Hang	EVP & Chief Corporate Strategy and Business Plan Officer	24 February 2020

**AUDITOR**

Ernst & Young (Cambodia) Ltd. is the auditor of the Company.

**DIRECTORS' INTEREST**

No member of the BOD holds a direct interest in the equity of the Company.

**DIRECTORS' BENEFITS**

During and at the end of the period, no arrangement existed to which the Company was a party, whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate entity.

No director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or with a firm in which the director is a member, or with a company which the director has a material financial interest other than those disclosed in the unaudited interim condensed financial statements.

**PRASAC Microfinance Institution Plc.**  
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REPORT OF THE BOARD OF DIRECTORS (continued)

**STATEMENT OF THE BOD'S RESPONSIBILITY IN RESPECT TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

The BOD is responsible for ensuring that the unaudited interim condensed financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and its financial performance for the twelve-month and three-month periods then ended and its cash flows for the twelve-month period then ended, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting* ("CIAS 34"). The BOD oversees preparation of these unaudited interim condensed financial statements by management who is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with CIAS 34 or, if there has been any departure in the interest of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the unaudited interim condensed financial statements;
- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the unaudited interim condensed financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- Set overall policies for the Company, ratify all decisions and actions by management that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the unaudited interim condensed financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The BOD confirms that the management has complied with the above requirements in preparing the unaudited interim condensed financial statements.

**APPROVAL OF THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

We hereby approve the accompanying unaudited interim condensed financial statements.

On behalf of the Board of Directors 



Sim Senacheert  
Director



Phnom Penh, Kingdom of Cambodia  
30 March 2021

Reference: 61398519/22158088

## REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

**To: The Shareholders of PRASAC Microfinance Institution Plc.**

### **Introduction**

We have reviewed the accompanying interim condensed statement of financial position of PRASAC Microfinance Institution Plc. (*formerly PRASAC Microfinance Institution Limited*) ("the Company") as at 31 December 2020, and the related interim condensed statements of comprehensive income for the twelve-month and three-month periods then ended, interim condensed statement of changes in equity and interim condensed statement of cash flows for the twelve-month period then ended and explanatory notes (collectively referred to as the "interim condensed financial statements"). Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting* ("CIAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Cambodian International Accounting 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 interim condensed financial statements do not give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance for the twelve-month and three-month periods then ended and its cash flows for the twelve-month period then ended, in accordance with CIAS 34.



Maria Cristina M. Calimbas  
Partner

**Ernst & Young (Cambodia) Ltd.**  
Certified Public Accountants  
Registered Auditors

Phnom Penh, Kingdom of Cambodia

30 March 2021

PRASAC Microfinance Institution Plc.  
(formerly PRASAC Microfinance Institution Limited)

UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION  
as at 31 December 2020

	Notes	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
		USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
<b>ASSETS</b>					
Cash on hand	3	160,578,086	649,538,358	150,702,355	614,112,097
Balances with the National Bank of Cambodia	4	438,355,399	1,773,147,589	439,823,205	1,792,279,560
Balances with other banks	5	3,975,029	16,078,992	1,092,239	4,450,874
Loans to customers	6	2,978,579,934	12,048,355,833	2,468,225,611	10,058,019,365
Other assets	7	1,341,096	5,424,733	8,723,049	35,546,425
Property and equipment	8	5,662,803	22,906,039	4,906,287	19,993,120
Right-of-use assets	9	15,322,179	61,978,214	14,360,265	58,518,080
Intangible assets	10	1,607,168	6,500,995	1,499,886	6,112,035
Deferred tax assets	17.3	10,904,851	44,110,122	9,198,173	37,482,555
<b>TOTAL ASSETS</b>		<b>3,616,326,545</b>	<b>14,628,040,875</b>	<b>3,098,531,070</b>	<b>12,626,514,111</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from banks and other financial institutions	11	36,145,217	146,207,403	55,092,001	224,499,904
Deposits from customers	12	2,025,219,101	8,192,011,264	1,733,440,925	7,063,771,769
Borrowings	13	789,373,435	3,193,015,545	724,296,717	2,951,509,122
Bonds payable	14	30,251,674	122,368,021	-	-
Subordinated debts	15	112,450,970	454,864,174	75,910,811	309,336,555
Lease liabilities	16	14,424,818	58,348,389	13,172,728	53,678,867
Income tax payable	17.2	24,076,695	97,390,231	23,414,889	95,415,673
Provision for employee benefits	18	435,375	1,761,092	74,562	303,840
Other liabilities	19	65,111,136	263,374,544	63,119,300	257,211,148
<b>Total liabilities</b>		<b>3,097,488,421</b>	<b>12,529,340,663</b>	<b>2,688,521,933</b>	<b>10,955,726,878</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	20	230,000,000	920,000,000	230,000,000	920,000,000
Retained earnings		283,760,335	1,157,926,306	172,806,881	705,569,074
Reserve fund	20	3,151,952	12,773,175	3,093,332	12,534,181
Regulatory reserve	20	1,925,837	7,748,914	4,108,924	16,649,360
Cumulative translation differences		-	251,817	-	16,034,618
<b>Total shareholders' equity</b>		<b>518,838,124</b>	<b>2,098,700,212</b>	<b>410,009,137</b>	<b>1,670,787,233</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,616,326,545</b>	<b>14,628,040,875</b>	<b>3,098,531,070</b>	<b>12,626,514,111</b>

The attached notes 1 to 32 form part of these unaudited interim condensed financial statements.



PRASAC Microfinance Institution Plc.  
(formerly PRASAC Microfinance Institution Limited)

UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
For the twelve-month period ended 31 December 2020

	Notes	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)	
		USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Interest income	21	430,325,525	1,754,665,831	356,255,368	1,443,546,752
Interest expense	22	(198,398,688)	(809,054,635)	(164,562,125)	(666,805,731)
<b>Net interest income</b>		<b>231,926,837</b>	<b>945,611,196</b>	<b>191,693,243</b>	<b>776,741,021</b>
Fees and commission income	23	6,877,558	28,044,684	18,246,102	73,933,206
Fees and commission expense	23	(163,152)	(666,270)	(3,472,222)	(14,069,445)
<b>Net fees and commission income</b>		<b>6,714,406</b>	<b>27,378,414</b>	<b>14,773,880</b>	<b>59,863,761</b>
Other income	24	9,005,549	36,720,443	11,694,033	47,384,220
Grant income		996,785	4,064,307	-	-
Net foreign exchange gain (loss)		514,961	2,102,574	(516,353)	(2,092,260)
<b>Total other income</b>		<b>10,517,295</b>	<b>42,887,324</b>	<b>11,177,680</b>	<b>45,291,960</b>
<b>Total interest, fees, commission and other income</b>		<b>249,158,538</b>	<b>1,015,876,934</b>	<b>217,644,803</b>	<b>881,896,742</b>
Personnel expenses	25	(67,850,856)	(276,712,333)	(60,094,764)	(243,503,984)
Provisions for expected credit losses ("ECLs")	6	(23,411,178)	(95,620,177)	(9,298,198)	(37,676,298)
General and administrative expenses	26	(15,984,672)	(65,178,207)	(12,678,674)	(51,373,987)
Depreciation and amortization	27	(6,570,058)	(26,791,531)	(6,125,829)	(24,821,859)
<b>Profit before income tax</b>		<b>135,341,774</b>	<b>551,574,686</b>	<b>129,447,338</b>	<b>524,520,614</b>
Income tax expense	17.2	(26,512,787)	(108,057,578)	(25,942,020)	(105,117,065)
<b>Net profit for the period</b>		<b>108,828,987</b>	<b>443,517,108</b>	<b>103,505,318</b>	<b>419,403,549</b>
<i>Other comprehensive (loss) income</i>					
Translation difference		-	(15,782,801)	-	19,828,416
<b>Total comprehensive income</b>		<b>108,828,987</b>	<b>427,734,307</b>	<b>103,505,318</b>	<b>439,231,965</b>

The attached notes 1 to 32 form part of these unaudited interim condensed financial statements.

PRASAC Microfinance Institution Plc.  
(formerly PRASAC Microfinance Institution Limited)

UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (continued)  
For the three-month period ended 31 December 2020

	Notes	For the three-month period ended 31 December 2020 (Unaudited)		For the three-month period ended 31 December 2019 (Unaudited)	
		USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Interest income	21	115,520,949	469,477,137	82,067,279	333,143,374
Interest expense	22	(49,002,692)	(199,146,940)	(41,924,819)	(170,143,357)
<b>Net interest income</b>		<b>66,518,257</b>	<b>270,330,197</b>	<b>40,142,460</b>	<b>163,000,017</b>
Fees and commission income	23	2,322,229	9,437,539	16,328,605	66,122,932
Fees and commission expense	23	(21,082)	(85,677)	(3,365,253)	(13,636,832)
<b>Net fees and commission income</b>		<b>2,301,147</b>	<b>9,351,862</b>	<b>12,963,352</b>	<b>52,486,100</b>
Other income	24	2,252,894	9,155,761	2,218,291	9,063,484
Grant income		407,240	1,655,023	-	-
Net foreign exchange gain (loss)		224,022	910,425	318,346	1,303,484
<b>Total other income</b>		<b>2,884,156</b>	<b>11,721,209</b>	<b>2,536,637</b>	<b>10,366,968</b>
<b>Total interest, fees, commission and other income</b>		<b>71,703,560</b>	<b>291,403,268</b>	<b>55,642,449</b>	<b>225,853,085</b>
Personnel expenses	25	(15,409,432)	(62,623,932)	(14,754,231)	(59,922,149)
Provisions for expected credit losses ("ECLs")	6	6,388,302	25,962,059	2,305,215	9,366,880
General and administrative expenses	26	(4,180,784)	(16,990,706)	(3,461,600)	(14,058,025)
Depreciation and amortization	27	(1,681,381)	(6,833,132)	(1,612,447)	(6,547,954)
<b>Profit before income tax</b>		<b>56,820,265</b>	<b>230,917,557</b>	<b>38,119,386</b>	<b>154,691,837</b>
Income tax expense	17.2	(10,772,134)	(43,777,953)	(7,633,488)	(30,978,216)
<b>Net profit for the period</b>		<b>46,048,131</b>	<b>187,139,604</b>	<b>30,485,898</b>	<b>123,713,621</b>
<i>Other comprehensive loss</i>					
Translation difference		-	(27,039,820)	-	(7,510,792)
<b>Total comprehensive income</b>		<b>46,048,131</b>	<b>160,099,784</b>	<b>30,485,898</b>	<b>116,202,829</b>

The attached notes 1 to 32 form part of these unaudited interim condensed financial statements.

PRASAC Microfinance Institution Plc.  
(formerly PRASAC Microfinance Institution Limited)

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
For the twelve-month period ended 31 December 2020

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Reserve fund</i>	<i>Regulatory reserve</i>	<i>Cumulative translation differences</i>	<i>Total</i>
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>KHR'000 equivalent</i>	<i>USD</i>
Balance as at 1 January 2020	230,000,000	172,806,881	3,093,332	4,108,924	16,034,618	410,009,137
Net profit for the period	-	108,828,987	-	-	-	108,828,987
Transfer from regulatory reserve	-	2,183,087	-	(2,183,087)	-	-
Transfer to reserve fund	-	(58,620)	58,620	-	-	-
Translation difference	-	-	-	-	(15,782,801)	-
<b>Balance as at 31 December 2020</b>	<b>230,000,000</b>	<b>283,760,335</b>	<b>3,151,952</b>	<b>1,925,837</b>	<b>-</b>	<b>518,838,124</b>
<b>KHR'000 equivalent (Note 2.2)</b>	<b>920,000,000</b>	<b>1,157,926,306</b>	<b>12,773,175</b>	<b>7,748,914</b>	<b>251,817</b>	<b>2,098,700,212</b>
Balance as at 1 January 2019	110,000,000	193,228,719	2,976,091	299,009	(3,793,798)	306,503,819
Net profit for the period	-	103,505,318	-	-	-	103,505,318
Capitalization of retained earnings	120,000,000	(120,000,000)	-	-	-	-
Transfer to regulatory reserve	-	(3,809,915)	-	3,809,915	-	-
Transfer to reserve fund	-	(117,241)	117,241	-	-	-
Translation difference	-	-	-	-	19,828,416	-
<b>Balance as at 31 December 2019</b>	<b>230,000,000</b>	<b>172,806,881</b>	<b>3,093,332</b>	<b>4,108,924</b>	<b>-</b>	<b>410,009,137</b>
<b>KHR'000 equivalent (Note 2.2)</b>	<b>920,000,000</b>	<b>705,569,074</b>	<b>12,534,181</b>	<b>16,649,360</b>	<b>16,034,618</b>	<b>1,670,787,233</b>

The attached notes 1 to 32 form part of these unaudited interim condensed financial statements.

PRASAC Microfinance Institution Plc.  
(formerly PRASAC Microfinance Institution Limited)

UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS  
For the twelve-month period ended 31 December 2020

Notes	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)			
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)		
<b>OPERATING ACTIVITIES</b>						
	<b>Net cash (used in) provided by operating activities</b>					
28	<b>(145,652,708)</b>	<b>(566,934,502)</b>	<b>35,648,497</b>	<b>144,447,711</b>		
<b>INVESTING ACTIVITIES</b>						
<i>Acquisition of:</i>						
	Property and equipment	8	(2,963,009)	(12,121,830)	(2,126,449)	(8,665,280)
	Intangible assets	10	(474,334)	(1,941,210)	(231,703)	(944,190)
	Investment in negotiable certificates of deposit		148,888	602,252	148,160	603,752
	Proceeds from disposal of property and equipment		10,890	44,050	82,114	334,615
	<b>Net cash used in investing activities</b>		<b>(3,277,565)</b>	<b>(13,416,738)</b>	<b>(2,127,878)</b>	<b>(8,671,103)</b>
<b>FINANCING ACTIVITIES</b>						
<i>Proceeds from:</i>						
	Borrowings		422,767,803	1,710,095,763	309,065,842	1,252,334,792
	Subordinated debts		50,000,000	202,250,000	20,000,000	81,040,000
	Bonds payable		31,176,471	127,200,000	-	-
<i>Repayment of:</i>						
	Borrowings		(353,817,494)	(1,431,191,763)	(208,937,445)	(846,614,527)
	Subordinated debts		(12,000,000)	(48,540,000)	(13,333,333)	(54,026,665)
	Lease liabilities		(3,749,156)	(15,165,336)	(3,301,323)	(13,376,961)
	<b>Net cash provided by financing activities</b>		<b>134,377,624</b>	<b>544,648,664</b>	<b>103,493,741</b>	<b>419,356,639</b>
	<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(14,552,649)</b>	<b>(35,702,576)</b>	<b>137,014,360</b>	<b>555,133,247</b>
	Cash and cash equivalents at beginning of period		430,322,406	1,753,563,804	290,922,079	1,168,924,914
	Translation difference		1,296,030	(30,830,120)	2,385,967	29,505,643
	<b>Cash and cash equivalents at end of period</b>	3	<b>417,065,787</b>	<b>1,687,031,108</b>	<b>430,322,406</b>	<b>1,753,563,804</b>
<b>Operational cash flows from interest</b>						
	Interest received		423,628,797	1,728,163,610	352,643,149	1,427,919,374
	Interest paid		198,929,098	812,933,182	148,185,245	601,495,583

The attached notes 1 to 32 form part of these unaudited interim condensed financial statements.

# PRASAC Microfinance Institution Plc.

(formerly PRASAC Microfinance Institution Limited)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
As at 31 December 2020 and for the twelve-month and three-month periods then ended

## 1. CORPORATE INFORMATION

PRASAC Microfinance Institution Plc. (“the Company”) is a licensed micro-finance institution (“MFI”) incorporated and registered in the Kingdom of Cambodia.

### ***Establishment and operations***

The Company was incorporated in Cambodia and registered with the Ministry of Commerce as a public limited company under registration number 00001157 dated 19 September 2011 with the latest renewal on 28 April 2016.

The National Bank of Cambodia (“NBC”) granted a microfinance license to the Company effective 14 December 2007. In addition, the Company received the license from the NBC to conduct a deposit-taking business on 27 August 2010 and permission to conduct automated teller machine and point-of-sale services on 1 December 2011.

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 Cambodia.

The registered office of the Company is at Building 212, Street 271, Sangkat Tuol Tumpung 2, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia.

### ***Employees***

As at 31 December 2020, the Company had 9,042 employees (31 December 2019: 9,091 employees).

### ***Approval of the financial statements***

The unaudited interim condensed financial statements were authorized for issue by the Board of Directors on 30 March 2021.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 ***Use of interim condensed financial statements and basis of preparation***

The unaudited interim condensed financial statements have been prepared on a historical cost basis. The Company maintains records and prepares financial statements in Khmer riel (“KHR”), Thai baht (“THB”) and United States dollar (“USD”). Management has determined the USD to be the Company’s measurement and presentation currency as it reflects the economic substance of the underlying events circumstances of the Company.

The unaudited interim condensed financial statements as at 31 December 2020 and for the twelve-month period then ended have been prepared in compliance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2019 and for the year then ended, which have been prepared in accordance with Cambodian International Financial Reporting Standards.

The accounting policies adopted in the preparation of these unaudited interim condensed financial statements are consistent with those followed in the preparation of the audited financial statements as at 31 December 2019 and for the year then ended.

Seasonality or cyclicity of interim operations is not applicable to the Company’s type of business.

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NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
As at 31 December 2020 and for the twelve-month and three-month periods then ended

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Translation of United States dollar into Khmer Riel

Assets and liabilities are translated at the closing rate as at the statement of financial position date, and share capital is translated at the historical rate of KHR 4,000 per USD1. Exchange differences arising from the translation are recognized and accumulated in the cumulative translation adjustments presented under equity in the statement of financial position.

The financial statements are presented in KHR based on the following applicable exchange rates per USD1:

	31 December 2020	31 December 2019
Closing rate	4,045	4,075
Twelve-month average rate	4,077	4,052
Three-month average rate	4,064	4,063

3. CASH ON HAND

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Head office	43,578,608	176,275,469	25,521,565	104,000,377
Branches	116,999,478	473,262,889	125,180,790	510,111,720
	<b>160,578,086</b>	<b>649,538,358</b>	<b>150,702,355</b>	<b>614,112,097</b>

For purpose of preparing the statement of cash flows, cash and cash equivalents comprise the following:

	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Cash on hand	160,578,086	649,538,358	150,702,355	614,112,097
<i>Balances with the NBC</i>				
Current accounts	87,265,227	352,987,843	148,644,233	605,725,249
Term deposits (up to three months)	165,207,294	668,263,504	129,872,546	529,230,625
<i>Balances with other banks</i>				
Current accounts	3,959,939	16,017,953	1,060,912	4,323,216
Savings accounts	55,241	223,450	42,360	172,617
	<b>417,065,787</b>	<b>1,687,031,108</b>	<b>430,322,406</b>	<b>1,753,563,804</b>

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As at 31 December 2020 and for the twelve-month and three-month periods then ended

4. BALANCES WITH THE NBC

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Current accounts	87,265,227	352,987,843	148,644,233	605,725,249
Term deposits (up to three months)	165,207,294	668,263,504	129,872,546	529,230,625
Term deposits (More than three months)	148,888	602,252	148,160	603,752
Capital guarantee	23,000,000	93,035,000	23,000,000	93,725,000
Reserve requirement	162,733,990	658,258,990	138,158,266	562,994,934
	<b>438,355,399</b>	<b>1,773,147,589</b>	<b>439,823,205</b>	<b>1,792,279,560</b>

Current accounts earn no interest.

Term deposits maturing up to three months earn annual interest at rates ranging from 0.02% to 1.60% (2019: from 0.11% to 0.76%) and for more than three months from 0.23% to 1.93% (2019: from 0.30% to 2.75%).

Under Prakas No. B7-07-163 dated 13 December 2007 on Licensing of Deposit-Taking Microfinance Institutions, the Company is required to maintain a capital guarantee deposit equivalent to 10% of registered capital with the NBC. This deposit is not available for use in the Company's day-to-day operations but is refundable when the Company voluntarily ceases to operate the business in Cambodia. The capital guarantee deposit earns annual interest at 0.09% during the period (2019: 3.00%).

Interest income earned from 'Balances with the NBC' amounted to USD 0.15 million and USD 0.54 million as at 31 December 2020 and 2019, respectively (Note 21).

Reserve requirement represents the minimum reserve requirement which is calculated at 8.00% of the total deposits from customers as required by Prakas No. B7-07-163. The reserve requirement fluctuates depending on the level of deposits from customers and does not earn interest.

5. BALANCES WITH OTHER BANKS

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Current accounts	3,959,939	16,017,953	1,060,912	4,323,216
Savings accounts	55,241	223,450	42,360	172,617
Gross balances with other banks	4,015,180	16,241,403	1,103,272	4,495,833
Allowance for ECLs	(40,151)	(162,411)	(11,033)	(44,959)
<b>NET</b>	<b>3,975,029</b>	<b>16,078,992</b>	<b>1,092,239</b>	<b>4,450,874</b>

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**5. BALANCES WITH OTHER BANKS** (continued)

Current accounts earn interest from 0.00% to 1.00%. Savings accounts earn annual interest at rates ranging from 0.00% to 1.00% (2019: 0.10% to 0.40%).

Interest income earned from 'Balances with other banks' amounted to USD 0.06 million (2019: USD 0.13 million) (Note 21).

**6. LOANS TO CUSTOMERS**

Loans to customers are categorized as follows:

	31 December 2020 (Unaudited)				
	Stage 1	Stage 2	Stage 3	Total	
	USD	USD	USD	USD	KHR'000 equivalent (Note 2.2)
Individual loans	2,883,452,590	50,137,301	39,973,285	2,973,563,176	12,028,063,047
Small and medium enterprises	45,660,603	1,542,633	1,530,383	48,733,619	197,127,489
Staff loans	8,124,752	-	23,603	8,148,355	32,960,096
Group loans	353,871	7,252	14,456	375,579	1,519,217
	<b>2,937,591,816</b>	<b>51,687,186</b>	<b>41,541,727</b>	<b>3,030,820,729</b>	<b>12,259,669,849</b>
Unamortised loan processing fees	(3,643,425)	(269,408)	(24,945,958)	(28,858,791)	(116,733,810)
	<b>2,933,948,391</b>	<b>51,417,778</b>	<b>16,595,769</b>	<b>3,001,961,938</b>	<b>12,142,936,039</b>
Accrued interest receivable	22,771,402	544,924	2,915,163	26,231,489	106,106,373
	<b>2,956,719,793</b>	<b>51,962,702</b>	<b>19,510,932</b>	<b>3,028,193,427</b>	<b>12,249,042,412</b>
Allowance for ECLs	(11,262,106)	(12,954,251)	(25,397,136)	(49,613,493)	(200,686,579)
<b>Net</b>	<b>2,945,457,687</b>	<b>39,008,451</b>	<b>(5,886,204)</b>	<b>2,978,579,934</b>	<b>12,048,355,833</b>

	31 December 2019 (Audited)				
	Stage 1	Stage 2	Stage 3	Total	
	USD	USD	USD	USD	KHR'000 equivalent (Note 2.2)
Individual loans	2,444,568,381	1,361,458	7,617,856	2,453,547,695	9,998,206,859
Small and medium enterprises	38,119,736	16,211	199,753	38,335,700	156,217,977
Staff loans	8,766,819	192	1,377	8,768,388	35,731,180
Group loans	642,973	885	627	644,485	2,626,275
	<b>2,492,097,909</b>	<b>1,378,746</b>	<b>7,819,613</b>	<b>2,501,296,268</b>	<b>10,192,782,291</b>
Unamortised loan processing fees	(27,090,829)	(13,296)	(63,372)	(27,167,497)	(110,707,550)
	<b>2,465,007,080</b>	<b>1,365,450</b>	<b>7,756,241</b>	<b>2,474,128,771</b>	<b>10,082,074,741</b>
Accrued interest receivable	19,669,265	28,753	631,714	20,329,732	82,843,658
	<b>2,484,676,345</b>	<b>1,394,203</b>	<b>8,387,955</b>	<b>2,494,458,503</b>	<b>10,164,918,399</b>
Allowance for ECLs	(18,696,858)	(481,191)	(7,054,843)	(26,232,892)	(106,899,034)
<b>Net</b>	<b>2,465,979,487</b>	<b>913,012</b>	<b>1,333,112</b>	<b>2,468,225,611</b>	<b>10,058,019,365</b>



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6. LOANS TO CUSTOMERS (continued)

Movements of allowance for ECLs are as follows:

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
At beginning of year	26,232,892	106,899,034	26,663,309	107,133,176
Provision during the year	23,380,601	95,495,380	9,359,990	37,926,679
Written-off during the year	-	-	(9,790,407)	(39,670,729)
Translation difference	-	(1,707,835)	-	1,509,908
<b>At end of year</b>	<b>49,613,493</b>	<b>200,686,579</b>	<b>26,232,892</b>	<b>106,899,034</b>

Further analyses of loans to customers are set out below.

(a) By security

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Secured				
Real estate	178,699,933	722,841,229	167,125,162	681,035,035
Chattel	124,214,580	502,447,976	90,812,685	370,061,691
Deposit hold-out	637,871	2,580,188	719,708	2,932,810
Others	962,522,312	3,893,402,752	728,089,217	2,966,963,559
Unsecured				
Real estate	242,894,844	982,509,644	240,791,888	981,226,944
Chattel	157,008,498	635,099,374	133,443,891	543,783,856
Others	1,362,215,389	5,510,161,249	1,133,475,952	4,618,914,504
<b>Total</b>	<b>3,028,193,427</b>	<b>12,249,042,412</b>	<b>2,494,458,503</b>	<b>10,164,918,399</b>

(b) By maturity

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Within one month	91,934,370	371,874,527	82,075,603	334,458,081
More than 1 month to 3 months	128,446,764	519,567,160	122,796,948	500,397,563
More than 3 months to 12 months	541,923,856	2,192,081,998	498,491,384	2,031,352,390
More than 1 year to 5 years	1,935,325,429	7,828,391,360	1,648,272,399	6,716,710,026
More than 5 years	330,563,008	1,337,127,367	142,822,169	582,000,339
<b>Total</b>	<b>3,028,193,427</b>	<b>12,249,042,412</b>	<b>2,494,458,503</b>	<b>10,164,918,399</b>

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6. LOANS TO CUSTOMERS (continued)

Further analyses of loans to customers are set out below (continued)

(c) By residency, relationship, currency and industry sector

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
<i>Residency</i>				
Residents	<b>3,028,193,427</b>	<b>12,249,042,412</b>	<b>2,494,458,503</b>	<b>10,164,918,399</b>
<i>Relationship</i>				
External customers	3,020,051,028	12,216,106,408	2,485,691,351	10,129,192,255
Staff loans	8,142,399	32,936,004	8,767,152	35,726,144
	<b>3,028,193,427</b>	<b>12,249,042,412</b>	<b>2,494,458,503</b>	<b>10,164,918,399</b>
<i>Currency</i>				
USD	2,638,558,932	10,672,970,880	2,139,255,629	8,717,466,685
KHR	365,326,565	1,477,745,955	305,131,677	1,243,411,587
THB	24,307,930	98,325,577	50,071,197	204,040,127
	<b>3,028,193,427</b>	<b>12,249,042,412</b>	<b>2,494,458,503</b>	<b>10,164,918,399</b>
<i>Industry sector</i>				
Trade and				
Commerce	745,402,429	3,015,152,826	529,088,592	2,156,036,012
Service	513,552,045	2,077,318,022	393,814,829	1,604,795,428
Real-estate	421,594,777	1,705,350,873	407,917,050	1,662,261,979
Agriculture	408,192,523	1,651,138,756	437,528,199	1,782,927,411
Home improvement	346,941,003	1,403,376,357	258,272,787	1,052,461,607
Auto loan	281,223,077	1,137,547,346	224,256,576	913,845,547
Transportation	221,905,561	897,607,994	178,264,117	726,426,277
Manufacturing	34,613,559	140,011,846	21,483,935	87,547,035
Construction	29,420,267	119,004,980	19,512,099	79,511,803
Personal	25,348,186	102,533,412	24,320,319	99,105,300
	<b>3,028,193,427</b>	<b>12,249,042,412</b>	<b>2,494,458,503</b>	<b>10,164,918,399</b>

With the recent and rapid development of the coronavirus ("COVID-19") outbreak, several countries have limited or suspended business operations and implemented travel restrictions and other emergency measures which have significantly disrupted (or are expected to disrupt) the activities of various institutions. The outbreak occurred at a time close to the reporting date and the condition has continued to evolve. During the outbreak, Cambodia is among those affected. In March and November 2020, the NBC requested banks and financial institutions to delay or suspend all loan and interest collections to soften the economic blow to business and household borrowers. Management will continuously pay close attention to the development of the COVID-19 outbreak in Cambodia, its impact to the Company's borrowers, as well as their ability to service the loans.

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6. LOANS TO CUSTOMERS (continued)

The Company recognised provisions for (reversal of) ECLs as follows:

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Balances with other banks	29,118	118,835	(62,428)	(252,958)
Loans to customers	23,380,601	95,495,380	9,359,990	37,926,679
Refundable deposits	1,459	5,962	636	2,577
	<b>23,411,178</b>	<b>95,620,177</b>	<b>9,298,198</b>	<b>37,676,298</b>
	<i>For the three-month period ended 31 December 2020 (Unaudited)</i>		<i>For the three-month period ended 31 December 2019 (Unaudited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Balances with other banks	6,240	25,360	(34,412)	(140,083)
Loans to customers	(6,393,698)	(25,983,989)	(2,270,392)	(9,225,195)
Refundable deposits	(844)	(3,430)	(411)	(1,602)
	<b>(6,388,302)</b>	<b>(25,962,059)</b>	<b>(2,305,215)</b>	<b>(9,366,880)</b>

7. OTHER ASSETS

	<i>31 December 2020 (Unaudited)</i>		<i>31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Prepayments	767,359	3,103,967	8,250,706	33,621,626
Refundable deposits	513,266	2,076,161	429,170	1,748,868
Non-refundable deposits	42,604	172,333	23,847	97,177
Long-term investment	28,167	113,936	28,167	114,781
	<b>1,351,396</b>	<b>5,466,397</b>	<b>8,731,890</b>	<b>35,582,452</b>
Allowance for ECLs on refundable deposits	(10,300)	(41,664)	(8,841)	(36,027)
	<b>1,341,096</b>	<b>5,424,733</b>	<b>8,723,049</b>	<b>35,546,425</b>

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7. **OTHER ASSETS** (continued)

Movements of allowance for ECLs on refundable deposits are as follows:

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
At beginning of year	8,841	36,027	8,205	32,968
Provision during the year	1,459	5,962	636	2,577
Foreign exchange difference	-	(325)	-	482
<b>At end of year</b>	<b>10,300</b>	<b>41,664</b>	<b>8,841</b>	<b>36,027</b>

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**8 PROPERTY AND EQUIPMENT**

	31 December 2020 (Unaudited)							
	Office furniture USD	Vehicles USD	Motorcycles USD	Computer and peripherals USD	Leasehold improvements USD	Communication equipment USD	Work in progress USD	Total USD
<b>Cost</b>								
As at 1 January 2020	4,871,906	2,917,904	354,528	7,171,805	2,297,202	417,766	86,160	18,117,271
Additions	518,303	137,490	6,150	1,877,030	128,322	-	295,714	2,963,009
Disposals/write-offs	(34,572)	(18,000)	-	(104,575)	(24,069)	(91,410)	-	(272,626)
Transfers	-	-	-	86,160	-	-	(86,160)	-
As at 31 December 2020	<b>5,355,637</b>	<b>3,037,394</b>	<b>360,678</b>	<b>9,030,420</b>	<b>2,401,455</b>	<b>326,356</b>	<b>295,714</b>	<b>20,807,654</b>
<b>Accumulated depreciation</b>								
As at 1 January 2020	3,796,688	2,039,937	346,727	5,164,683	1,622,584	240,365	-	13,210,984
Depreciation	458,101	293,147	3,092	1,151,216	189,564	47,347	-	2,142,467
Disposals/write-offs and others	(32,457)	(18,000)	-	(100,155)	(23,238)	(34,750)	-	(208,600)
As at 31 December 2020	<b>4,222,332</b>	<b>2,315,084</b>	<b>349,819</b>	<b>6,215,744</b>	<b>1,788,910</b>	<b>252,962</b>	<b>-</b>	<b>15,144,851</b>
<b>Net book value</b>								
As at 31 December 2020	<b>1,133,305</b>	<b>722,310</b>	<b>10,859</b>	<b>2,814,676</b>	<b>612,545</b>	<b>73,394</b>	<b>295,714</b>	<b>5,662,803</b>
<b>KHR'000 equivalent (Note 2.2)</b>	<b>4,584,219</b>	<b>2,921,744</b>	<b>43,925</b>	<b>11,385,364</b>	<b>2,477,745</b>	<b>296,879</b>	<b>1,196,163</b>	<b>22,906,039</b>

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8. PROPERTY AND EQUIPMENT (continued)

	31 December 2019 (Audited)							
	Office furniture USD	Vehicles USD	Motorcycles USD	Computer and peripherals USD	Leasehold improvements USD	Communication equipment USD	Work in progress USD	Total USD
<b>Cost</b>								
As at 1 January 2019	4,479,429	2,764,687	346,328	6,287,673	2,139,004	300,453	151,409	16,468,983
Additions	528,756	296,613	8,200	848,725	203,950	154,045	86,160	2,126,449
Disposals/write-offs	(136,279)	(143,396)	-	(86,013)	(75,741)	(36,732)	-	(478,161)
Transfers	-	-	-	121,420	29,989	-	(151,409)	-
As at 31 December 2019	<b>4,871,906</b>	<b>2,917,904</b>	<b>354,528</b>	<b>7,171,805</b>	<b>2,297,202</b>	<b>417,766</b>	<b>86,160</b>	<b>18,117,271</b>
<b>Accumulated depreciation</b>								
As at 1 January 2019	3,443,046	1,800,234	341,651	4,232,064	1,458,904	234,972	-	11,510,871
Depreciation	484,571	383,099	5,076	1,017,126	232,734	35,493	-	2,158,099
Disposals/write-offs and others	(130,929)	(143,396)	-	(84,507)	(69,054)	(30,100)	-	(457,986)
As at 31 December 2019	<b>3,796,688</b>	<b>2,039,937</b>	<b>346,727</b>	<b>5,164,683</b>	<b>1,622,584</b>	<b>240,365</b>	<b>-</b>	<b>13,210,984</b>
<b>Net book value</b>								
As at 31 December 2019	<b>1,075,218</b>	<b>877,967</b>	<b>7,801</b>	<b>2,007,122</b>	<b>674,618</b>	<b>177,401</b>	<b>86,160</b>	<b>4,906,287</b>
<b>KHR'000 equivalent (Note 2.2)</b>	<b>4,381,513</b>	<b>3,577,716</b>	<b>31,789</b>	<b>8,179,022</b>	<b>2,749,068</b>	<b>722,909</b>	<b>351,103</b>	<b>19,993,120</b>

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9. RIGHT-OF-USE ASSETS

The Company leases office space for its head office and branches and ATM locations. Information about leases for which the Company is a lessee is presented below.

	31 December 2020 (Unaudited)			
	Office space	ATM space	Total	
	USD	USD	USD	KHR'000 equivalent (Note 2.2)
<b>Cost</b>				
As at 1 January 2020	20,863,158	500,461	21,363,619	87,056,750
Additions	4,822,970	245,844	5,068,814	20,503,353
Expirations/terminations	(47,600)	(29,252)	(76,852)	(310,866)
Translation difference	-	-	-	(640,912)
As at 31 December 2020	<b>25,638,528</b>	<b>717,053</b>	<b>26,355,581</b>	<b>106,608,325</b>
<b>Accumulated depreciation</b>				
As at 1 January 2020	6,722,452	280,902	7,003,354	28,538,670
Depreciation	3,887,081	173,458	4,060,539	16,558,093
Expirations/terminations	(30,491)	-	(30,491)	(124,312)
Translation difference	-	-	-	(342,340)
As at 31 December 2020	<b>10,579,042</b>	<b>454,360</b>	<b>11,033,402</b>	<b>44,630,111</b>
<b>Net book value</b>	<b>15,059,486</b>	<b>262,693</b>	<b>15,322,179</b>	<b>61,978,214</b>
	31 December 2019 (Audited)			
	Office space	ATM space	Total	
	USD	USD	USD	KHR'000 equivalent (Note 2.2)
<b>Cost</b>				
As at 1 January 2019	16,065,963	333,305	16,399,268	65,892,260
Additions	4,832,053	188,734	5,020,787	20,459,707
Expirations/terminations	(34,858)	(21,578)	(56,436)	(229,977)
Translation difference	-	-	-	934,760
As at 31 December 2019	<b>20,863,158</b>	<b>500,461</b>	<b>21,363,619</b>	<b>87,056,750</b>
<b>Accumulated depreciation</b>				
As at 1 January 2019	3,242,531	143,932	3,386,463	13,606,810
Depreciation	3,499,784	143,376	3,643,160	14,762,084
Expirations/terminations	(19,863)	(6,406)	(26,269)	(106,442)
Translation difference	-	-	-	276,218
As at 31 December 2019	<b>6,722,452</b>	<b>280,902</b>	<b>7,003,354</b>	<b>28,538,670</b>
<b>Net book value</b>	<b>14,140,706</b>	<b>219,559</b>	<b>14,360,265</b>	<b>58,518,080</b>

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10. INTANGIBLE ASSETS

	31 December 2020 (Unaudited)		
	Computer software	Core banking system license	Total
	USD	USD	USD
<b>Cost</b>			
As at 1 January 2020	1,121,820	2,515,752	3,637,572
Additions	98,499	375,835	474,334
As at 31 December 2020	<b>1,220,319</b>	<b>2,891,587</b>	<b>4,111,906</b>
<b>Accumulated amortization</b>			
As at 1 January 2020	720,398	1,417,288	2,137,686
Amortization	97,417	269,635	367,052
As at 31 December 2020	<b>817,815</b>	<b>1,686,923</b>	<b>2,504,738</b>
<b>Net book value</b>			
As at 31 December 2020	<b>402,504</b>	<b>1,204,664</b>	<b>1,607,168</b>
<b>KHR'000 equivalent (Note 2.2)</b>	<b>1,628,130</b>	<b>4,872,865</b>	<b>6,500,995</b>

	31 December 2019 (Audited)			
	Computer software	Core banking system license	Work in progress	Total
	USD	USD	USD	USD
<b>Cost</b>				
As at 1 January 2019	952,576	2,294,050	159,243	3,405,869
Additions	-	-	231,703	231,703
Transfers during the year	169,244	221,702	(390,946)	-
As at 31 December 2019	<b>1,121,820</b>	<b>2,515,752</b>	<b>-</b>	<b>3,637,572</b>
<b>Accumulated amortization</b>				
As at 1 January 2019	632,988	1,180,128	-	1,813,116
Amortization	87,410	237,160	-	324,570
As at 31 December 2019	<b>720,398</b>	<b>1,417,288</b>	<b>-</b>	<b>2,137,686</b>
<b>Net book value</b>				
As at 31 December 2019	<b>401,422</b>	<b>1,098,464</b>	<b>-</b>	<b>1,499,886</b>
<b>KHR'000 equivalent (Note 2.2)</b>	<b>1,635,794</b>	<b>4,476,241</b>	<b>-</b>	<b>6,112,035</b>



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**11. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Term deposits	35,410,000	143,233,450	54,036,810	220,200,001
Savings deposits	735,217	2,973,953	1,055,191	4,299,903
	<b>36,145,217</b>	<b>146,207,403</b>	<b>55,092,001</b>	<b>224,499,904</b>

Interest rates on deposits from banks and other financial institutions range from 2.00% to 5.50% and 0.00% for term and savings deposits, respectively.

The Company incurred interest expense of USD 2.49 million (2019: USD 3.12 million) on deposits from banks and other financial institutions (Note 22).

**12. DEPOSITS FROM CUSTOMERS**

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Term deposits	1,906,651,229	7,712,404,221	1,630,980,291	6,646,244,685
Savings deposits	118,567,872	479,607,043	102,460,634	417,527,084
	<b>2,025,219,101</b>	<b>8,192,011,264</b>	<b>1,733,440,925</b>	<b>7,063,771,769</b>

Deposits from customers are further analysed as follows:

(a) By maturity

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Within 1 month	350,832,784	1,419,118,611	318,803,361	1,299,123,696
More than 1 month to 3 months	365,363,223	1,477,894,237	285,833,627	1,164,772,030
More than 3 to 12 months	1,242,343,815	5,025,280,732	1,070,832,748	4,363,643,448
More than 12 months	66,679,279	269,717,684	57,971,189	236,232,595
	<b>2,025,219,101</b>	<b>8,192,011,264</b>	<b>1,733,440,925</b>	<b>7,063,771,769</b>

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

Deposits from customers are further analysed as follows: (continued)

(b) By relationship

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Non-related parties	1,995,903,458	8,073,429,488	1,723,048,727	7,021,423,562
Related parties	29,315,643	118,581,776	10,392,198	42,348,207
	<b>2,025,219,101</b>	<b>8,192,011,264</b>	<b>1,733,440,925</b>	<b>7,063,771,769</b>

Interest rates on deposits from customers range from 3.50% to 7.25% and from 1.50% to 2.50% for term and savings deposits, respectively.

The Company incurred USD 130.42 million (2019: USD 104.95 million) as interest expense on deposits from customers (Note 22).

**13. BORROWINGS**

All Company's borrowings are unsecured.

Borrowings are further analysed as follows:

(a) By relationship

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Non-related parties	703,429,059	2,845,370,545	704,296,717	2,870,009,122
Related parties	85,944,376	347,645,000	20,000,000	81,500,000
	<b>789,373,435</b>	<b>3,193,015,545</b>	<b>724,296,717</b>	<b>2,951,509,122</b>

(b) By maturity

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
On demand to 3 months	48,343,195	195,548,224	63,062,688	256,980,453
More than 3 to 12 months	244,000,458	986,981,853	184,547,047	752,029,217
1 year to 5 years	496,029,950	2,006,441,148	476,686,982	1,942,499,452
Over 5 years	999,832	4,044,320	-	-
	<b>789,373,435</b>	<b>3,193,015,545</b>	<b>724,296,717</b>	<b>2,951,509,122</b>

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**14. BONDS PAYABLE**

In April 2020, the Company issued KHR 127.20 billion (USD 31.18 million) fixed rate guaranteed bonds due on 23 April 2023. The bonds are guaranteed by the Credit Guarantee and Investment Facility, a trust fund of Asian Development Bank. The bonds are listed on the Cambodia Securities Exchange and were priced at KHR 100,000 with a coupon rate of 7.50% payable on a semi-annual basis commencing on 23 October 2020. The Company incurred debt issue costs amounting to KHR 6.21 billion (USD 1.52 million).

As at 31 December 2020, the carrying value of the bonds payable is KHR 122.37 billion (USD 30.25 million). The Company incurred interest expense amounting to KHR 7.40 billion (USD 1.81 million) (*Note 22*).

The movements in unamortized discount follow:

	31 December 2020 (Unaudited)	
	USD	KHR'000 equivalent (Note 2.2)
Discount on issuance of bonds	1,521,412	6,207,360
Amortization	(340,020)	(1,375,381)
Translation difference	(256,595)	-
<b>Balance at end of period</b>	<b>924,797</b>	<b>4,831,979</b>

**15. SUBORDINATED DEBTS**

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Subordinated debts (a)	97,597,474	394,781,784	61,166,666	249,254,165
Trust fund (b)	14,853,496	60,082,390	14,744,145	60,082,390
	<b>112,450,970</b>	<b>454,864,174</b>	<b>75,910,811</b>	<b>309,336,555</b>

(a) *Subordinated debts*

These are subordinated debts from foreign lenders who are related parties and non-related parties which were approved by the NBC and are repayable based on the agreed schedules stated in each loan agreement. The amount is included as Tier 2 Capital for purpose of net worth calculation.

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15. SUBORDINATED DEBTS (continued)

(b) Trust fund

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
The Royal Government of Cambodia ("the RGC")	11,280,672	45,630,317	11,197,624	45,630,317
Cambodia Rural Development Foundation ("the CRDF")	3,572,824	14,452,073	3,546,521	14,452,073
	<b>14,853,496</b>	<b>60,082,390</b>	<b>14,744,145</b>	<b>60,082,390</b>

*The RGC*

This trust fund denominated in KHR represents subordinated debt transferred to RGC on 31 December 2004.

This subordinated debt is considered as "Tier 2 Capital" in the context of Article 6 of Prakas No. B7-010-182 on The Calculation of the Banks' Net Worth dated 15 October 2010 which was also approved by the NBC for inclusion in the calculation of net worth following Prakas No. B7-018-068 dated 22 February 2018.

*The CRDF*

The full amount of the subordinated debt from the CRDF fund shall be included in the calculation of the net worth as Tier 2 Capital in the context of the calculation of net worth and for all prudential ratio purposes, such as the capital adequacy ratio.

On 3 December 2018, PRASAC Financial Trust and the Company agreed to an annual interest rate of 3.00% on the trust fund (both the RGC and CRDF) with a five-year term. The interest rate and the term of the trust fund shall be revisited and negotiated every five years (before the end of the term).

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16. LEASE LIABILITIES

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
<b>Maturity analysis – contractual undiscounted cash flows</b>				
Less than year	4,926,938	19,929,464	3,996,737	16,286,703
One to five years	13,233,200	53,528,294	18,105,959	73,781,783
More than five years	1,075,061	4,348,622	4,447,523	18,123,656
<b>Total undiscounted lease liabilities</b>	<b>19,235,199</b>	<b>77,806,380</b>	<b>26,550,219</b>	<b>108,192,142</b>
<b>Present value of lease liabilities</b>				
Current	3,640,367	14,725,285	3,629,105	14,788,603
Non-current	10,784,451	43,623,104	9,543,623	38,890,264
	<b>14,424,818</b>	<b>58,348,389</b>	<b>13,172,728</b>	<b>53,678,867</b>

The Company has lease contracts for various office and ATM spaces used in its operations. Leases of office space generally have lease terms between 1 and 10 years, while ATM spaces generally have lease terms between 1 and 5 years. The Company's lease obligations are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

Amounts recognized in statement of comprehensive income are as follows:

	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)	
	USD		USD	
Expenses relating to short-term leases		633,895		393,976
Interest on lease liabilities		1,134,113		1,027,954
Depreciation of right-of-use assets		4,060,539		3,643,160
<b>Total</b>		<b>5,828,547</b>		<b>5,065,090</b>
<b>KHR'000 equivalent (Note 2.2)</b>		<b>23,767,457</b>		<b>20,527,866</b>
	For the three-month period ended 31 December 2020 (Unaudited)		For the three-month period ended 31 December 2019 (Unaudited)	
	USD		USD	
Expenses relating to short-term leases		201,898		113,880
Interest on lease liabilities		289,539		269,801
Depreciation of right-of-use assets		1,051,681		969,205
<b>Total</b>		<b>1,543,118</b>		<b>1,352,886</b>
<b>KHR'000 equivalent (Note 2.2)</b>		<b>6,271,232</b>		<b>5,496,776</b>

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**17. INCOME TAX**

The Company's tax returns are subject to examination by the General Department of Taxation ("GDT"). Because the application of tax laws and regulations too many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the GDT.

**17.1 Income tax expense**

**Applicable tax rates**

In accordance with Cambodian tax law, the Company has the obligation to pay tax on income ("ToI") at the rate of 20% of taxable income or minimum tax at 1% of turnover inclusive of all taxes except value-added tax, whichever is higher.

As an incentive to the listing of debt securities in Cambodia Securities Exchange, the Company is eligible to tax incentives in accordance with Sub-Decree 01 ANKr.BK dated 4 January 2019. One of the tax incentives provided under the Sub-Decree is a 50% reduction of the annual ToI liability for three years. The ToI incentive would commence at the beginning of the first tax year that the approval was given if the securities were issued before 30 June of that year. For the incentive to be granted, the Company submitted a request to GDT through Securities and Exchange Regulator of Cambodia ("SERC") on 4 February 2021. The Company's request was subsequently approved on 15 February and 11 March 2021 by SERC and GDT, respectively.

On 25 February 2020, the Ministry of Economy and Finance issued Prakas No. 183 which implements the ToI incentive. It clarifies that an entity issuing debt securities equal to or less than 20% of the total assets value of the enterprise will be granted the ToI incentive for 3 years following a declining proportion basis by taking 20.001% as a base and multiplying by 50%. Since the Company issued debt securities less than 20% of its total assets, the Company applied tax incentive by reducing 2.17% of tax on income for the twelve-month period ended 31 December 2020.

Income tax expense comprises:

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Current tax	28,775,681	117,311,919	26,938,988	109,156,779
Deferred tax	(1,638,462)	(6,716,649)	(996,968)	(4,039,714)
Tax incentive on bond listing	(624,432)	(2,537,692)	-	-
	<b>26,512,787</b>	<b>108,057,578</b>	<b>25,942,020</b>	<b>105,117,065</b>
	<i>For the three-month period ended 31 December 2020 (Unaudited)</i>		<i>For the three-month period ended 31 December 2019 (Unaudited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Current tax	8,712,713	35,408,466	6,267,812	25,440,127
Deferred tax	2,683,853	10,907,179	1,365,676	5,538,089
Tax incentive on bond listing	(624,432)	(2,537,692)	-	-
	<b>10,772,134</b>	<b>43,777,953</b>	<b>7,633,488</b>	<b>30,978,216</b>

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17. INCOME TAX (continued)

17.2 Income tax payable

Movements of income tax payable follow:

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Balance at beginning of year	23,414,889	95,415,673	20,538,620	82,524,175
Current tax	28,775,681	117,311,919	26,938,988	109,156,779
Income tax paid	(27,489,443)	(112,074,459)	(24,062,719)	(97,502,137)
Tax incentive on bond listing	(624,432)	(2,537,692)	-	-
Foreign exchange difference	-	(725,210)	-	1,236,856
<b>Balance at end of year</b>	<b>24,076,695</b>	<b>97,390,231</b>	<b>23,414,889</b>	<b>95,415,673</b>

The reconciliation of income tax expense shown in statement of comprehensive income is as follows:

	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Profit before income tax	135,341,774	551,574,686	129,447,338	524,520,614
Income tax expense at applicable tax rate of 20%	27,068,355	110,314,938	25,889,468	104,904,124
Non-deductible expenses	68,864	280,332	52,552	212,941
Tax incentive on bond listing	(624,432)	(2,537,692)	-	-
<b>Effective income tax</b>	<b>26,512,787</b>	<b>108,057,578</b>	<b>25,942,020</b>	<b>105,117,065</b>

	For the three-month period ended 31 December 2020 (Unaudited)		For the three-month period ended 31 December 2019 (Unaudited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Profit before income tax	56,820,265	230,917,557	38,119,386	154,691,837
Income tax expense at applicable tax rate of 20%	11,364,053	46,183,511	7,623,878	30,938,366
Non-deductible expenses	32,513	132,134	9,610	39,850
Tax incentive on bond listing	(624,432)	(2,537,692)	-	-
<b>Effective income tax</b>	<b>10,772,134</b>	<b>43,777,953</b>	<b>7,633,488</b>	<b>30,978,216</b>

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**17. INCOME TAX** (continued)

**17.3 Deferred tax assets**

Details of deferred income tax asset and liability items recognized during the year follow:

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Unamortized loan fees	5,771,758	23,346,761	5,433,499	22,141,508
Allowance for ECLs	4,506,554	18,229,011	3,581,823	14,595,928
Unused annual leave	382,077	1,545,501	326,697	1,331,290
Unamortized borrowing fees	172,950	699,583	-	-
Provision for employee benefits	87,075	352,218	14,912	60,766
Accrued interest receivable	13,934	56,363	(4,370)	(17,808)
Right-of-use assets and lease liabilities	63,709	257,703	68,058	277,336
Property and equipment	(219,976)	(889,803)	(145,432)	(592,635)
Foreign exchange differences	126,770	512,785	(77,014)	(313,830)
<b>Deferred tax assets – net</b>	<b>10,904,851</b>	<b>44,110,122</b>	<b>9,198,173</b>	<b>37,482,555</b>

**18. PROVISION FOR EMPLOYEE BENEFITS**

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Balance as at beginning of year	74,562	303,840	1,266,404	5,088,411
Provision during the year	3,289,019	13,413,646	2,990,322	12,116,785
Payments during the year	(2,928,206)	(11,938,296)	(4,182,164)	(16,946,129)
Translation difference	-	(18,098)	-	44,773
<b>Balance at end of year</b>	<b>435,375</b>	<b>1,761,092</b>	<b>74,562</b>	<b>303,840</b>

**19. OTHER LIABILITIES**

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Accrued interest payable	57,237,536	231,525,833	57,767,946	235,404,380
Accruals and other payables	2,090,041	8,454,216	1,790,518	7,296,361
Accounts payable	2,096,877	8,481,867	1,148,673	4,680,842
Tax on salary	1,326,675	5,366,400	1,413,982	5,761,977
Withholding tax payable	1,208,570	4,888,666	515,945	2,102,476
Accrued bonus	1,000,000	4,045,000	4,181	17,038
Others	151,437	612,562	478,055	1,948,074
	<b>65,111,136</b>	<b>263,374,544</b>	<b>63,119,300</b>	<b>257,211,148</b>

Others include accrued utilities, professional fees, marketing and staff recreation expenses.



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**20. EQUITY AND RESERVES**

**Share capital**

All 230,000,000 ordinary shares are registered, issued, and paid-up with a par value of KHR 4,000 per share.

Details of shareholding are as follows:

	31 December 2020 (Unaudited)			31 December 2019 (Audited)		
	USD	KHR'000 equivalent (Note 2.2)	%	USD	KHR'000 equivalent (Note 2.2)	%
KB	161,000,000	644,000,000	70.00	-	-	-
LOLC	48,300,000	193,200,000	21.00	161,000,000	644,000,000	70.00
BEA	14,490,000	57,960,000	6.30	48,300,000	193,200,000	21.00
PSCo	6,210,000	24,840,000	2.70	20,700,000	82,800,000	9.00
	<b>230,000,000</b>	<b>920,000,000</b>	<b>100.00</b>	<b>230,000,000</b>	<b>920,000,000</b>	<b>100.00</b>

Abbreviation:

KB: Kookmin Bank  
LOLC: LOLC International Private Limited  
BEA: The Bank of East Asia, Limited  
PSCo: PRASAC Staff Company Limited

In January 2019, the Company applied for the conversion of USD 58.00 million retained earnings into share capital. On 5 February and 11 February 2019, the Company obtained relevant approval from the NBC and the MOC, respectively. The Company recorded the capitalization of retained earnings in 2019.

On 23 September and 8 October 2019, the Company obtained approval from the NBC and MOC, respectively, for the conversion of additional USD 62.00 million retained earnings into share capital.

In December 2019, KB, a subsidiary of KB Financial Group, agreed to buy a 70.00% stake in the Company. On 29 January 2020, the Company received approval from the NBC on KB's investment in PRASAC. On 13 April 2020, the sale was finalized and settlement has been made. In the process, the Company changed its corporate name to PRASAC Microfinance Institution Plc. effective 9 April 2020.

**Reserve fund**

Based on the loan agreement signed between the Company and Instituto De Crédito Oficial ("ICO") of the Kingdom of Spain, the Company shall undertake to establish and keep a reserve fund for capital strengthening by transferring its net profit of each year, an amount equivalent to a 3.50% of the outstanding principal of the loan. As at 31 December 2020, this non-distributable reserve amounted to USD 3.15 million (2019: USD 3.09 million).

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20. EQUITY AND RESERVES (continued)

**Regulatory reserve**

The movements in regulatory reserve are as follows:

	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.1)	USD	KHR'000 equivalent (Note 2.1)
Balance as at beginning of year	4,108,924	16,649,360	299,009	1,209,491
Transfer (from) to regulatory reserve	(2,183,087)	(8,830,587)	3,809,915	15,437,776
Translation difference	-	(69,859)	-	2,093
<b>Balance as at end of year</b>	<b>1,925,837</b>	<b>7,748,914</b>	<b>4,108,924</b>	<b>16,649,360</b>

21. INTEREST INCOME

	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Individual loans	430,029,195	1,753,457,451	355,523,000	1,440,579,197
Balances with the NBC	145,306	592,518	539,594	2,186,435
Group loans	87,151	355,404	62,254	252,253
Balances with other banks	63,873	260,458	130,520	528,867
	<b>430,325,525</b>	<b>1,754,665,831</b>	<b>356,255,368</b>	<b>1,443,546,752</b>
	For the three-month period ended 31 December 2020 (Unaudited)		For the three-month period ended 31 December 2019 (Unaudited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Individual loans	115,483,731	469,325,882	81,954,753	332,682,335
Balances with the NBC	8,835	35,905	82,839	339,880
Group loans	17,711	71,978	29,584	119,806
Balances with other banks	10,672	43,372	103	1,353
	<b>115,520,949</b>	<b>469,477,137</b>	<b>82,067,279</b>	<b>333,143,374</b>

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**22. INTEREST EXPENSE**

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Deposits from customers	130,423,290	531,836,293	104,953,470	425,271,461
Borrowings	55,047,225	224,504,394	50,257,182	203,642,101
Subordinated debts	7,489,842	30,533,666	5,206,543	21,096,912
Deposits from banks and other financial institutions	2,490,150	10,156,527	3,116,976	12,629,987
Bonds payable	1,814,068	7,399,139	-	-
Lease liabilities	1,134,113	4,624,616	1,027,954	4,165,270
	<b>198,398,688</b>	<b>809,054,635</b>	<b>164,562,125</b>	<b>666,805,731</b>
	<i>For the three-month period ended 31 December 2020 (Unaudited)</i>		<i>For the three-month period ended 31 December 2019 (Unaudited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Deposits from customers	33,802,261	137,372,388	28,433,226	115,303,985
Borrowings	11,380,165	46,248,991	10,654,767	43,283,817
Subordinated debts	2,329,474	9,466,982	1,047,785	4,267,281
Deposits from banks and other financial institutions	540,291	2,195,743	1,519,240	6,192,709
Bonds payable	660,962	2,686,150	-	-
Lease liabilities	289,539	1,176,686	269,801	1,095,565
	<b>49,002,692</b>	<b>199,146,940</b>	<b>41,924,819</b>	<b>170,143,357</b>

**23. NET FEES AND COMMISSION INCOME**

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Instalment and loan fee income	6,004,101	24,482,897	17,325,073	70,201,196
Local remittance services income	873,457	3,561,787	921,029	3,732,010
<b>Fees and commission income</b>	<b>6,877,558</b>	<b>28,044,684</b>	<b>18,246,102</b>	<b>73,933,206</b>
Borrowing fees	-	-	3,340,715	13,536,579
Bank charges on borrowings	163,152	666,270	131,507	532,866
<b>Fees and expenses</b>	<b>163,152</b>	<b>666,270</b>	<b>3,472,222</b>	<b>14,069,445</b>
<b>Net fees and commission</b>	<b>6,714,406</b>	<b>27,378,414</b>	<b>14,773,880</b>	<b>59,863,761</b>

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23. NET FEES AND COMMISSION INCOME (continued)

	For the three-month period ended 31 December 2020 (Unaudited)		For the three-month period ended 31 December 2019 (Unaudited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Instalment and loan fee income	2,107,242	8,563,831	16,098,109	65,186,594
Local remittance services income	214,987	873,708	230,496	936,338
<b>Fees and commission income</b>	<b>2,322,229</b>	<b>9,437,539</b>	<b>16,328,605</b>	<b>66,122,932</b>
Borrowing fees	-	-	3,340,715	13,536,579
Bank charges on borrowings	21,082	85,677	24,538	100,253
<b>Fees and expenses</b>	<b>21,082</b>	<b>85,677</b>	<b>3,365,253</b>	<b>13,636,832</b>
<b>Net fees and commission</b>	<b>2,301,147</b>	<b>9,351,862</b>	<b>12,963,352</b>	<b>52,486,100</b>

24. OTHER INCOME

	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Penalty from loans	4,585,539	18,698,787	7,094,130	28,745,415
Loan recovery	3,296,548	13,438,257	3,705,890	15,016,266
Others	1,123,462	4,583,399	894,013	3,622,539
	<b>9,005,549</b>	<b>36,720,443</b>	<b>11,694,033</b>	<b>47,384,220</b>
	For the three-month period ended 31 December 2020 (Unaudited)		For the three-month period ended 31 December 2019 (Unaudited)	
	USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Penalty from loans	1,159,778	4,713,338	1,164,010	4,773,328
Loan recovery	889,071	3,613,185	781,766	3,183,040
Others	204,045	829,238	272,515	1,107,116
	<b>2,252,894</b>	<b>9,155,761</b>	<b>2,218,291</b>	<b>9,063,484</b>

Others include service, penalty and dormant charges on deposits and extraordinary income.

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25. PERSONNEL EXPENSES

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Salaries and wages	46,729,900	190,672,427	40,995,461	166,113,608
Bonuses and incentives	15,954,903	64,962,730	14,273,500	57,836,222
Employee benefits	3,289,019	13,413,646	2,990,322	12,116,785
Employee social welfare fund	1,126,383	4,592,880	1,007,492	4,082,358
Staff uniform	226,036	921,718	274,118	1,110,726
Medical expenses	16,197	66,002	24,844	100,668
Other employee benefits	508,418	2,082,930	529,027	2,143,617
	<b>67,850,856</b>	<b>276,712,333</b>	<b>60,094,764</b>	<b>243,503,984</b>
	<i>For the three-month period ended 31 December 2020 (Unaudited)</i>		<i>For the three-month period ended 31 December 2019 (Unaudited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Salaries and wages	6,096,156	24,774,778	6,089,490	24,721,676
Bonuses and incentives	8,910,283	36,211,390	7,769,499	31,547,905
Employee benefits	757,812	3,079,748	1,122,812	4,552,221
Employee social welfare fund	302,788	1,230,530	295,914	1,201,124
Staff uniform	56,428	229,323	29,258	124,418
Medical expenses	6,888	27,993	4,782	19,215
Other employee benefits	(720,923)	(2,929,830)	(557,524)	(2,244,410)
	<b>15,409,432</b>	<b>62,623,932</b>	<b>14,754,231</b>	<b>59,922,149</b>

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**26. GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>		<i>For the three-month period ended 31 December 2020 (Unaudited)</i>		<i>For the three-month period ended 31 December 2019 (Unaudited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Fuel costs	3,816,692	15,563,659	3,292,169	13,339,869	944,931	3,840,200	899,991	3,652,612
Transportation	1,368,728	5,582,511	1,067,727	4,326,428	327,187	1,329,689	297,782	1,208,423
Printing and stationary	1,300,211	5,300,527	1,027,100	4,161,809	319,707	1,299,289	270,998	1,098,121
License fees	1,258,342	5,131,108	448,415	1,816,978	311,657	1,266,574	-	10,179
Utilities	1,236,215	5,041,651	1,134,629	4,597,517	281,146	1,142,577	243,973	991,431
Repairs and maintenance	1,193,431	4,867,757	1,070,703	4,338,489	296,701	1,205,793	350,863	1,419,988
Professional fees	817,258	3,331,565	531,610	2,154,084	216,705	880,689	174,769	708,127
Communications	812,810	3,314,431	742,728	3,009,534	204,442	830,852	200,669	814,584
Donation	701,476	2,852,547	151,458	613,708	563,833	2,291,417	73,126	296,542
Rental	633,895	2,584,747	393,976	1,596,392	201,898	820,514	113,880	461,825
Stamp and registration	602,297	2,456,324	47,992	194,464	198,236	805,631	22,418	91,338
Marketing and promotions	547,931	2,236,877	670,315	2,716,116	968	3,934	297,996	1,209,230
Office supplies	484,585	1,976,463	616,693	2,498,840	54,864	222,967	249,961	1,013,240
Other taxes	350,371	1,429,116	209,204	847,695	44,743	181,836	24,950	104,502
Bank charges	264,250	1,077,273	374,425	1,517,170	103,072	418,885	10,596	46,041
Travelling	197,275	804,134	419,680	1,700,543	40,168	163,243	109,276	443,033
Training	51,349	209,280	169,422	686,498	5,484	22,287	42,124	170,722
Other expenses	347,556	1,418,237	310,428	1,257,853	65,042	264,329	78,228	318,087
	<b>15,984,672</b>	<b>65,178,207</b>	<b>12,678,674</b>	<b>51,373,987</b>	<b>4,180,784</b>	<b>16,990,706</b>	<b>3,461,600</b>	<b>14,058,025</b>

Others include public relation, credit investigation, insurance, membership and other sundry expenses.

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**27. DEPRECIATION AND AMORTIZATION**

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Property and equipment	2,142,467	8,736,548	2,158,099	8,744,617
Intangible assets	367,052	1,496,890	324,570	1,315,158
Right-of-use assets	4,060,539	16,558,093	3,643,160	14,762,084
	<b>6,570,058</b>	<b>26,791,531</b>	<b>6,125,829</b>	<b>24,821,859</b>
	<i>For the three-month period ended 31 December 2020 (Unaudited)</i>		<i>For the three-month period ended 31 December 2019 (Unaudited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Property and equipment	539,498	2,192,520	551,461	2,240,124
Intangible assets	90,202	366,581	91,781	372,565
Right-of-use assets	1,051,681	4,274,031	969,205	3,935,265
	<b>1,681,381</b>	<b>6,833,132</b>	<b>1,612,447</b>	<b>6,547,954</b>

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**28. NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES**

	<i>For the twelve-month period ended 31 December 2020 (Unaudited)</i>		<i>For the twelve-month period ended 31 December 2019 (Audited)</i>	
	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>	<i>USD</i>	<i>KHR'000 equivalent (Note 2.2)</i>
Profit before income tax	135,341,774	551,574,686	129,447,338	524,520,614
<i>Adjustments for:</i>				
Provisions for ECLs	23,411,178	95,620,177	9,298,198	37,676,298
Depreciation and amortization	6,570,058	26,791,531	6,125,829	24,821,859
Employee benefits expense	3,289,019	13,413,646	2,990,322	12,116,785
Loss (gain) on disposal of property and equipment	53,149	216,688	(66,305)	(268,668)
Income tax paid	(27,489,443)	(112,074,459)	(24,062,719)	(97,502,137)
Employee benefits paid	(2,928,206)	(11,938,296)	(4,182,164)	(16,946,129)
<b>Cash generated by operating activities before changes in net operating assets and liabilities</b>	<b>138,247,529</b>	<b>563,603,973</b>	<b>119,550,499</b>	<b>484,418,622</b>
<i>Decrease (increase) in operating assets</i>				
Loans to customers	(533,734,924)	(2,085,831,848)	(548,521,339)	(2,222,608,465)
Balances with the NBC	(24,575,724)	(99,408,804)	(49,564,119)	(200,833,810)
Other assets	7,380,494	30,115,730	(1,755,538)	(7,113,440)
<i>Increase (decrease) in operating liabilities</i>				
Deposits from customers	291,778,176	1,128,239,495	496,147,958	2,010,391,526
Deposits from banks and other financial institutions	(18,946,784)	(78,292,501)	1,105,783	4,480,633
Other liabilities	(5,801,475)	(25,360,547)	18,685,253	75,712,645
<b>Net cash (used in) provided by operating activities</b>	<b>(145,652,708)</b>	<b>(566,934,502)</b>	<b>35,648,497</b>	<b>144,447,711</b>



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**29. RELATED PARTY TRANSACTIONS AND BALANCES**

Significant transactions with related parties during the period were as follows:

Related party	Transaction	For the twelve-month period ended 31 December 2020 (Unaudited)		For the twelve-month period ended 31 December 2019 (Audited)	
		USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Board of Directors	Fees and related expenses	335,784	1,369,252	326,256	1,321,989
	Interest expense	121,540	495,627	112,881	457,394
Shareholders	Interest expense	1,470,547	5,996,277	1,388,781	5,627,341
	Loan fees and commission	391,280	1,594,384	68,823	278,871
Key management personnel	Salaries and employee benefits	4,740,451	19,322,711	4,979,391	20,176,492
	Interest expense	1,633,226	6,660,438	647,318	2,622,933
	Employee benefits expense	233,526	951,734	268,592	1,088,335

Related party	Transaction	For the three-month period ended 31 December 2020 (Unaudited)		For the three-month period ended 31 December 2019 (Unaudited)	
		USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Board of Directors	Fees and related expenses	85,137	345,997	81,564	331,394
	Interest expense	28,366	115,279	28,912	117,571
Shareholders	Interest expense	299,632	1,217,704	383,080	1,548,387
	Loan fees and commission	226,866	921,983	23,278	94,064
Key management personnel	Salaries and employee benefits	1,813,804	7,371,299	2,613,912	10,598,135
	Interest expense	503,545	2,046,407	147,897	601,800
	Employee benefits expense	91,139	370,389	148,680	602,498

Outstanding balances with related parties were as follows:

Related party	Account	31 December 2020 (Unaudited)		31 December 2019 (Audited)	
		USD	KHR'000 equivalent (Note 2.2)	USD	KHR'000 equivalent (Note 2.2)
Directors and key management	Deposit	29,315,643	118,581,776	10,392,198	42,348,207
	Loan	805,477	3,258,154	731,171	2,979,522
BEA	Borrowing	5,977,078	24,177,281	20,000,000	81,500,000
KB	Borrowing	129,424,756	523,523,138	-	-
PSCo	Deposit	2,585,641	10,458,918	1,007,102	4,103,941

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**30. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

Financial instruments comprise financial assets, financial liabilities and off-balance sheet instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The information presented herein represents the estimates of fair values as at the financial position date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of CIFRS 7, *Financial Instruments Disclosures* which requires the fair value information to be disclosed. These include investment in subsidiaries and property and equipment.

The fair value of the Company's financial instruments such as cash and short-term funds, balances with the NBC, balances with other banks, deposits from customers and banks, other assets, other liabilities and short-term borrowings are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

The methods and assumptions used by the Company in estimating the fair value of the financial instruments are:

- *Cash on hand, balances with the NBC and with other banks*

The carrying amounts approximate the fair values due to the short-term nature of these accounts.

- *Loans to customers*

The fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of financing with similar credit risks and maturities.

- *Deposits and borrowings*

The estimated fair value of demand deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits and other borrowings without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

- *Other assets and liabilities*

Due to their short duration, the carrying amounts of other liabilities in the statement of financial position are considered to be reasonable approximation of their fair values.

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30. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

The table below summarizes the fair value hierarchy of financial asset and liabilities which are not measured at fair values but for which fair values are disclosed.

	31 December 2020				
	Carrying value	Fair value			
		Total	Quoted	Significant	Significant
			prices in	observable	unobservable
	active market	inputs	inputs		
	Level 1	Level 2	Level 3		
USD'000	USD'000	USD'000	USD'000	USD'000	
<b>Financial asset for which fair value is disclosed</b>					
Loans and receivables	<u>2,978,580</u>	<u>3,122,262</u>	-	-	
<b>KHR'000,000 equivalent (Note 2.2)</b>	<u>12,048,356</u>	<u>12,629,550</u>	-	-	
<b>Financial liabilities for which fair values are disclosed</b>					
Borrowings	789,373	802,686		802,686	
Bonds payable	30,252	31,978		31,978	
Subordinated debts	112,451	115,584		115,584	
	<u>932,076</u>	<u>950,248</u>	-	-	
<b>KHR'000,000 equivalent (Note 2.2)</b>	<u>3,770,247</u>	<u>3,843,753</u>	-	-	

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30. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value hierarchy (continued)

	31 December 2019				
	Carrying value	Fair value			
		Quoted prices in active market	Significant observable inputs	Significant unobservable inputs	
	USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	
		Total USD'000			
<b>Financial asset for which fair value is disclosed</b>					
Loans and receivables	<u>2,468,226</u>	<u>2,578,281</u>	-	-	<u>2,578,281</u>
<b>KHR'000,000 equivalent (Note 2.2)</b>	<u>10,058,019</u>	<u>10,506,495</u>	-	-	<u>10,506,495</u>
<b>Financial liabilities for which fair values are disclosed</b>					
Borrowings	724,297	737,178	-	-	737,178
Subordinated debts	<u>75,911</u>	<u>77,349</u>	-	-	<u>77,349</u>
	<u>800,208</u>	<u>814,527</u>	-	-	<u>814,527</u>
<b>KHR'000,000 equivalent (Note 2.2)</b>	<u>3,260,846</u>	<u>3,319,197</u>	-	-	<u>3,319,197</u>

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

31. TAX CONTINGENCY

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects since the incorporation of the Company could be significant.

32. SUBSEQUENT EVENTS

Other than as disclosed elsewhere in these interim condensed financial statements, at the date of this report, there were no other events which occurred subsequent to 31 December 2020 that had significant impact on the statement of financial position of the Company as at 31 December 2020, and its financial performance for the twelve-month period then ended.