

LOLC (CAMBODIA) PLC.

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

LOLC (CAMBODIA) PLC.

**CONDENSED INTERIM FINANCIAL INFORMATION
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STATEMENT BY BOARD OF DIRECTORS

The Board of Directors has pleasure in submitting the condensed interim financial information of LOLC (Cambodia) Plc. (the Company) for the three-month period ended 31 March 2022.

BOARD OF DIRECTORS

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

- | | |
|---|----------|
| 1. Mr. Brindley Chrishantha Gajanayake de Zylva | Chairman |
| 2. Mr. Indrajith Wijesiriwardana | Member |
| 3. Mr. Hans Michael Theodor Moormann | Member |
| 4. Mr. Dulip Rasika Samaraweera | Member |
| 5. Mr. Francisco Kankanamalage Conrad Prasad Nirosch Dias | Member |

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 2022 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. Brindley Chrishantha Gajanayake de Zylva
Chairman

12 May 2022



Report on review of condensed interim financial information

To the Shareholders of LOLC (Cambodia) Plc.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of LOLC (Cambodia) Plc. (the Company) as at 31 March 2022 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 2022

LOLC (CAMBODIA) PLC.

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

		31 March 2022	31 December 2021	31 March 2022	31 December 2021
	Notes	KHR'000	KHR'000	US\$	US\$
ASSETS					
Cash on hand		100,510,905	95,083,129	24,817,507	23,339,011
Deposits and placements with the central bank		61,596,695	126,233,530	15,209,060	30,985,157
Deposits and placements with banks		361,861,476	268,874,510	89,348,513	65,997,671
Financial assets at fair value through other comprehensive income		60,750	61,110	15,000	15,000
Loans and advances at amortised cost	6	4,504,425,975	4,134,913,292	1,112,203,944	1,014,951,716
Statutory deposits with the central bank		246,271,805	219,654,230	60,807,853	53,916,109
Property and equipment	7	5,889,999	6,408,761	1,454,321	1,573,088
Right-of-use assets	8	29,330,991	27,730,520	7,242,220	6,806,706
Intangible assets	9	10,060,509	10,602,031	2,484,076	2,602,364
Deferred tax assets		29,705,673	26,225,612	7,334,734	6,437,313
Other assets		22,317,651	19,274,179	5,510,531	4,731,021
TOTAL ASSETS		<u>5,372,032,429</u>	<u>4,935,060,904</u>	<u>1,326,427,759</u>	<u>1,211,355,156</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks and other financial institutions	10	242,003,883	195,570,226	59,754,045	48,004,474
Deposits from customers	11	2,452,917,574	2,175,241,605	605,658,660	533,932,647
Borrowings	12	1,260,467,185	1,152,112,820	311,226,465	282,796,470
Debt securities		83,061,479	81,741,175	20,509,007	20,064,108
Lease liabilities	8	27,001,589	25,228,428	6,667,059	6,192,545
Current income tax liabilities		16,989,402	54,764,710	4,194,914	13,442,491
Employee benefits		4,679,882	2,449,007	1,155,526	601,131
Other liabilities		23,606,575	40,171,072	5,828,784	9,860,352
Subordinated debts	13	249,254,954	252,600,043	61,544,433	62,002,956
TOTAL LIABILITIES		<u>4,359,982,523</u>	<u>3,979,879,086</u>	<u>1,076,538,893</u>	<u>976,897,174</u>
EQUITY					
Share capital		224,377,400	224,377,400	55,460,850	55,460,850
Retained earnings		407,257,390	350,389,302	100,238,122	86,241,545
General reserves		380,415,116	380,415,116	93,768,951	93,768,951
Regulatory reserves		-	-	-	-
Other reserves		-	-	420,943	(1,013,364)
TOTAL EQUITY		<u>1,012,049,906</u>	<u>955,181,818</u>	<u>249,888,866</u>	<u>234,457,982</u>
TOTAL LIABILITIES AND EQUITY		<u>5,372,032,429</u>	<u>4,935,060,904</u>	<u>1,326,427,759</u>	<u>1,211,355,156</u>

The accompanying notes on pages 7 to 24 form an integral part of these condensed interim financial information.

LOLC (CAMBODIA) PLC.

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	Notes	Three-month period ended			
		31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Interest income	14	198,496,723	171,655,039	48,854,719	42,289,983
Interest expense	14	(68,617,496)	(62,193,037)	(16,888,382)	(15,322,256)
Net interest income	14	<u>129,879,227</u>	<u>109,462,002</u>	<u>31,966,337</u>	<u>26,967,727</u>
Fee and commission income		6,438,954	7,226,301	1,584,778	1,780,316
Fee and commission expense		(224,921)	(179,291)	(55,358)	(44,171)
Net fee and commission income		<u>6,214,033</u>	<u>7,047,010</u>	<u>1,529,420</u>	<u>1,736,145</u>
Other operating income		409,468	799,129	100,780	196,878
Other gains/(losses) – net		630,480	(933,736)	155,176	(230,041)
Total other operating income/(loss)		<u>1,039,948</u>	<u>(134,607)</u>	<u>255,956</u>	<u>(33,163)</u>
Credit impairment losses	15	(14,896,287)	(10,733,460)	(3,666,327)	(2,644,361)
Net gains on derecognition of financial assets measured at amortised cost		1,061,309	659,538	261,213	162,488
Net other operating loss		<u>(12,795,030)</u>	<u>(10,208,529)</u>	<u>(3,149,158)</u>	<u>(2,515,036)</u>
Personnel expenses	16	(35,866,219)	(34,114,071)	(8,827,521)	(8,404,551)
Depreciation and amortisation charges		(3,194,799)	(2,642,050)	(786,315)	(650,912)
Other operating expenses		(12,915,914)	(10,380,809)	(3,178,910)	(2,557,479)
Profit before income tax		<u>71,321,298</u>	<u>59,163,553</u>	<u>17,553,853</u>	<u>14,575,894</u>
Income tax expense	17	(14,453,210)	(11,938,008)	(3,557,276)	(2,941,120)
Profit for the period		<u>56,868,088</u>	<u>47,225,545</u>	<u>13,996,577</u>	<u>11,634,774</u>
Other comprehensive income: <i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	-	1,434,307	40,268
Other comprehensive income for the period, net of tax		-	-	1,434,307	40,268
Total comprehensive income for the period		<u>56,868,088</u>	<u>47,225,545</u>	<u>15,430,884</u>	<u>11,675,042</u>
Profit attributable to:					
Owners of the Company		<u>56,868,088</u>	<u>47,225,545</u>	<u>13,996,577</u>	<u>11,634,774</u>
Total comprehensive income attributable to:					
Owners of the Company		<u>56,868,088</u>	<u>47,225,545</u>	<u>15,430,884</u>	<u>11,675,042</u>

The accompanying notes on pages 7 to 24 form an integral part of these condensed interim financial information.

LOLC (CAMBODIA) PLC.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH ENDED 31 MARCH 2022**

	Attributable to owners of the Company											
	Share capital KHR'000	Retained earnings KHR'000	General reserves KHR'000	Regulatory reserves KHR'000	Other reserves KHR'000	Total KHR'000	Share capital US\$	Retained earnings US\$	General reserves US\$	Regulatory reserves US\$	Other reserve US\$	Total US\$
Balance at 1 January 2021	224,377,400	298,065,276	210,415,116	-	-	732,857,792	55,460,850	73,379,198	51,979,374	-	356,794	181,176,216
Profit for the period	-	47,225,545	-	-	-	47,225,545	-	11,634,774	-	-	-	11,634,774
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	40,268	40,268
Total comprehensive income for the period	-	47,225,545	-	-	-	47,225,545	-	11,634,774	-	-	40,268	11,675,042
Balance at 31 March 2021	<u>224,377,400</u>	<u>345,290,821</u>	<u>210,415,116</u>	<u>-</u>	<u>-</u>	<u>780,083,337</u>	<u>55,460,850</u>	<u>85,013,972</u>	<u>51,979,374</u>	<u>-</u>	<u>397,062</u>	<u>192,851,258</u>
Balance at 1 January 2022	224,377,400	350,389,302	380,415,116	-	-	955,181,818	55,460,850	86,241,545	93,768,951	-	(1,013,364)	234,457,982
Profit for the period	-	56,868,088	-	-	-	56,868,088	-	13,996,577	-	-	-	13,996,577
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	1,434,307	1,434,307
Total comprehensive income for the period	-	56,868,088	-	-	-	56,868,088	-	13,996,577	-	-	1,434,307	15,430,884
Balance at 31 March 2022	<u>224,377,400</u>	<u>407,257,390</u>	<u>380,415,116</u>	<u>-</u>	<u>-</u>	<u>1,012,049,906</u>	<u>55,460,850</u>	<u>100,238,122</u>	<u>93,768,951</u>	<u>-</u>	<u>420,943</u>	<u>249,888,866</u>

The accompanying notes on pages 7 to 24 form an integral part of these condensed interim financial information.

LOLC (CAMBODIA) PLC.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	Notes	Three-month period ended			
		31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Cash flows from operating activities					
Cash used in operations	18	(158,160,606)	(115,556,990)	(38,927,050)	(28,469,326)
Interest received		201,530,682	172,191,535	49,601,448	42,422,157
Interest paid		(54,476,710)	(56,656,868)	(13,408,001)	(13,958,332)
Income tax paid		(55,694,284)	(48,101,011)	(13,711,193)	(11,850,458)
Net cash used in operating activities		<u>(66,800,918)</u>	<u>(48,123,334)</u>	<u>(16,444,796)</u>	<u>(11,855,959)</u>
Cash flows from investing activities					
Deposits and placements with the central bank - maturity more than three months		(1,202,106)	2,838	(295,867)	699
Purchases of property and equipment	7	(460,029)	(794,614)	(113,224)	(195,766)
Purchases of intangible assets	9	(118,197)	(179,645)	(29,091)	(44,258)
Proceeds from disposals of property and equipment		13,143	6,644	3,235	1,637
Net cash used in investing activities		<u>(1,767,189)</u>	<u>(964,777)</u>	<u>(434,947)</u>	<u>(237,688)</u>
Cash flows from financing activities					
Proceeds from borrowings		159,896,865	33,872,900	39,354,385	8,345,134
Repayments of borrowings		(59,271,742)	(138,728,475)	(14,588,172)	(34,177,993)
Proceeds from subordinated debts		-	20,225,000	-	4,982,754
Repayments of subordinated debts		(4,050,000)	(12,177,000)	(996,800)	(3,000,000)
Payment of transaction costs of borrowings and subordinated debts		(1,166,611)	(542,504)	(287,130)	(133,655)
Principal element of lease payment		(1,374,609)	(1,071,237)	(338,324)	(263,916)
Net cash generated from/ (used in) financing activities		<u>94,033,903</u>	<u>(98,421,316)</u>	<u>23,143,959</u>	<u>(24,247,676)</u>
Net increase/(decrease) in cash and cash equivalents		25,465,796	(147,509,427)	6,264,216	(36,341,323)
Cash and cash equivalents at beginning of period		490,359,897	648,240,207	123,790,057	159,077,351
Currency translation differences		-	-	(2,689,904)	1,054,029
Cash and cash equivalents at end of period		<u>515,825,693</u>	<u>500,730,780</u>	<u>127,364,369</u>	<u>123,790,057</u>

The accompanying notes on pages 7 to 24 form an integral part of these condensed interim financial information.

LOLC (CAMBODIA) PLC.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

1. GENERAL INFORMATION

LOLC (Cambodia) Plc. (formerly known as Thaneakea Phum (Cambodia) Ltd.) (the Company), a licensed micro-finance institution, incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce (MoC) as a public limited liability company under the registration number Co. 1413 E/2002, dated 23 May 2002 and changed to the new registration number 00012829 dated 28 September 2015. After the change in the shareholding structure in September 2014, the Company became a subsidiary of LOLC Micro Investments Ltd., a company incorporated in Sri Lanka. The ultimate parent is LOLC Holdings PLC (previously known as Lanka ORIX Leasing Company PLC), a company incorporated in Sri Lanka and listed on the Colombo Stock Exchange.

On 11 September 2015, 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).

On 16 September 2017, LOLC Micro investments Ltd. and DWM Investment Asia Ltd, transferred/sold all their shareholding of 96.97% to LOLC Private Limited which was approved by NBC on 28 November 2017. NBC approved for the change in ownership on 14 March 2018 and endorsed by the MoC on 25 June 2018.

The Company's shareholder which is LOLC Private Limited changed name to LOLC Asia Private Limited, and the Company got approval from NBC to change its shareholder name on 15 December 2021. On 30 December 2021, MoC approved the change in shareholder name.

The principal activity of the Company is to provide micro-finance services (deposit-taking and lending) to the rural population, micro-enterprises and small and medium enterprises through its head office in Phnom Penh and its various branches in the Kingdom of Cambodia. Its corporate objective is to provide reliable and affordable access to financial services to micro-entrepreneurs and small and medium enterprises.

As at 31 March 2022, the Company has 82 office locations (81 branches and a head office in Phnom Penh). The Company's registered office is at Building No. 666B, Street 271, Sangkat Boeung Tumpun 2, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia.

The condensed interim financial information was authorised to issue by the Board of Directors on 12 May 2022.

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 2021, 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.

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.

LOLC (CAMBODIA) PLC.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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 IAS 16,
- Reference to the Conceptual Framework – Amendments to IFRS 3,
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 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 United States dollars (US\$)

The translation of Khmer Riel (KHR) into US\$ is solely for management's use only and is based on the official exchange rates published by the central Bank as at the reporting dates and average rate for the year. The statement of profit or loss and other comprehensive income and cash flow statement are translated into US\$ using the average rate for the year. Assets and liabilities for each statement of financial position presented are translated at the closing rate as of the reporting date. Shareholders' capital and reserves are translated at the rate at the date of transaction. Resulting exchange difference arising from the translation of reserves are recognised in 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 2022</u>	<u>31 March 2021</u>
Average rate	KHR 4,063	KHR 4,059
	<u>31 March 2022</u>	<u>31 December 2021</u>
Closing rate	KHR 4,050	KHR 4,074

3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

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

(i) Impact on impairment charge from COVID-19 pandemic

The COVID-19 pandemic and its ongoing effect on global and domestic economies has continued to impact the Bank's customers, operations and performance. The government has responded at unprecedented levels to protect the health of the population, local economies and livelihoods. The country economy has been reopened despite the risk of further waves of infection remaining, so there is still a high level of estimation uncertainty involved in the preparation of this condensed interim financial information. This includes the extent and duration of the disruption to business arising from the actions of government, businesses and consumers in the ongoing management of the virus, and the impact and expected response of the economy. Therefore, management has continuously refreshed the macroeconomic variables quarterly to reflect the recent economic condition in its forward-looking model for the allowances for expected losses for loans and advances to customers.

Other than additional impairment loss recognised, management considers that the Company's activities may be slow in this short period but would not lead to a going concern issue given the size of the operations, current profitability level and liquidity headroom of the Company.

LOLC (CAMBODIA) PLC.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD (continued)

(ii) Classification and provisioning requirement by the central bank on restructured loans

The central bank's new circular B7-021-2314 on classification and provisioning requirement on restructured loan dated 28 December 2021 requires the financial institutions to classify and make provision on the restructured loan into three groups of viable, need more restructuring, and non-viable. Each group is classified into five loan classes and calculated provision accordingly. The implementation of this new circular is effective for the financial reporting period on 31 January 2022.

Following the adoption of this new circular, the impact on the regulatory provision has been increased but still lower than provision based on CIFRS 9.

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 2021.

5. SEGMENT AND REVENUE INFORMATION

The Company has only one reportable segment, namely, interest income. The chief operating decision-maker (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. LOANS AND ADVANCES

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
<i>At amortised cost</i>				
Group loans	683,393,369	626,723,724	168,739,103	153,834,984
Individual loans	3,897,807,052	3,572,565,196	962,421,494	876,918,310
Staff loans	24,447,757	22,519,365	6,036,483	5,527,581
Total gross loans	4,605,648,178	4,221,808,285	1,137,197,080	1,036,280,875
Less: Allowance for expected credit loss	(101,222,203)	(86,894,993)	(24,993,136)	(21,329,159)
Total net loans	<u>4,504,425,975</u>	<u>4,134,913,292</u>	<u>1,112,203,944</u>	<u>1,014,951,716</u>

LOLC (CAMBODIA) PLC.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

6. LOANS AND ADVANCES (continued)

(a) Analysis by industry

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Trade and commerce	997,451,031	875,579,429	246,284,205	214,918,858
Services	714,600,215	669,714,969	176,444,498	164,387,572
Manufacturing	85,586,693	75,093,602	21,132,517	18,432,401
Transportation	45,214,485	35,512,349	11,164,070	8,716,826
Agriculture	1,164,745,182	1,048,364,627	287,591,403	257,330,542
Construction	183,776,304	173,398,312	45,376,865	42,562,178
Household/family	1,409,849,386	1,343,563,880	348,110,960	329,789,858
Others	4,424,882	581,117	1,092,562	142,640
Total gross loans	<u>4,605,648,178</u>	<u>4,221,808,285</u>	<u>1,137,197,080</u>	<u>1,036,280,875</u>

(b) Analysis by loan classification

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
<i>Performing</i>				
Gross amount	4,355,604,855	3,932,943,702	1,075,457,989	965,376,461
Exposure at default	4,355,604,855	3,932,943,702	1,075,457,989	965,376,461
Allowance for expected credit loss	(32,818,226)	(25,163,215)	(8,103,266)	(6,176,538)
<i>Under-performing</i>				
Gross amount	135,844,126	181,173,597	33,541,760	44,470,691
Exposure at default	135,844,126	181,173,597	33,541,760	44,470,691
Allowance for expected credit loss	(4,634,233)	(3,715,030)	(1,144,255)	(911,888)
<i>Non-performing</i>				
Gross amount	114,199,197	107,690,986	28,197,331	26,433,723
Exposure at default	114,199,197	107,690,986	28,197,331	26,433,723
Allowance for expected credit loss	(63,769,744)	(58,016,748)	(15,745,615)	(14,240,733)
Total gross loans	<u>4,605,648,178</u>	<u>4,221,808,285</u>	<u>1,137,197,080</u>	<u>1,036,280,875</u>
Exposure at default	<u>4,605,648,178</u>	<u>4,221,808,285</u>	<u>1,137,197,080</u>	<u>1,036,280,875</u>
Allowance for expected credit loss	<u>(101,222,203)</u>	<u>(86,894,993)</u>	<u>(24,993,136)</u>	<u>(21,329,159)</u>

(c) Analysis by maturity

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Not later than 1 year	242,536,229	240,410,337	59,885,489	59,010,883
Later than 1 year and no later than 3 years	1,468,654,778	1,377,467,302	362,630,809	338,111,758
Later than 3 years and no later than 5 years	1,399,667,421	1,330,534,774	345,596,894	326,591,746
Later than 5 years	1,494,789,750	1,273,395,872	369,083,888	312,566,488
Total gross loans	<u>4,605,648,178</u>	<u>4,221,808,285</u>	<u>1,137,197,080</u>	<u>1,036,280,875</u>

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6. LOANS AND ADVANCES (continued)

(d) Analysis by relationship

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Related parties (including staff loans)	24,447,757	22,519,367	6,036,483	5,527,581
Non-related parties	<u>4,581,200,421</u>	<u>4,199,288,918</u>	<u>1,131,160,597</u>	<u>1,030,753,294</u>
Total gross loans	<u>4,605,648,178</u>	<u>4,221,808,285</u>	<u>1,137,197,080</u>	<u>1,036,280,875</u>

(e) Analysis by residency

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Residents	4,605,648,178	4,221,808,285	1,137,197,080	1,036,280,875
Non-residents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total gross loans	<u>4,605,648,178</u>	<u>4,221,808,285</u>	<u>1,137,197,080</u>	<u>1,036,280,875</u>

(f) Interest rates

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

	31 March 2022	31 December 2021
Short term loans	8.55% – 18.00%	7.30% – 18.00%
Long term loans	8.84% – 18.00%	8.92% – 18.00%

(g) Allowance for expected credit loss

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
12-month ECL (Stage 1)	32,818,226	25,163,215	8,103,266	6,176,538
Lifetime ECL-not credit impaired (Stage 2)	4,634,233	3,715,030	1,144,255	911,888
Lifetime ECL-credit impaired (Stage 3)	<u>63,769,744</u>	<u>58,016,748</u>	<u>15,745,615</u>	<u>14,240,733</u>
	<u>101,222,203</u>	<u>86,894,993</u>	<u>24,993,136</u>	<u>21,329,159</u>

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6. LOANS AND ADVANCES (continued)

(h) Expected credit loss reconciliation – loans and advances

	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit- Impaired KHR'000	Stage 3 Lifetime ECL Credit- Impaired KHR'000	Total KHR'000
Expected Credit Losses				
Loss allowance as at 1 January 2022	25,163,215	3,715,030	58,016,748	86,894,993
<i>Changes due to exposure:</i>				
Transfer to stage 1	1,141,871	(798,410)	(343,461)	-
Transfer to stage 2	(454,784)	821,833	(367,049)	-
Transfer to stage 3	(180,427)	(970,519)	1,150,946	-
Net remeasurement of loss allowance (*)	1,082,828	2,305,259	7,511,936	10,900,023
New financial assets originated or purchased	8,011,082	48,343	-	8,059,425
Financial assets derecognised during the period other than write off	(1,793,220)	(465,791)	(2,781,789)	(5,040,800)
Unwinding of discount (**)	-	-	878,425	878,425
Foreign exchange differences	(152,339)	(21,512)	(296,012)	(469,863)
Loss allowance as at 31 March 2022	<u>32,818,226</u>	<u>4,634,233</u>	<u>63,769,744</u>	<u>101,222,203</u>
<i>In US\$ equivalent</i>	<u>8,103,266</u>	<u>1,144,255</u>	<u>15,745,615</u>	<u>24,993,136</u>

(*) Impact of the measurement of ECL due to changes in loss given default (LGD) and probability of default (PD) during the period arising from refreshing of inputs to models.

(**) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit- Impaired KHR'000	Stage 3 Lifetime ECL Credit- Impaired KHR'000	Total KHR'000
Gross carrying amount				
Gross carrying amount as at 1 January 2022	3,932,943,702	181,173,597	107,690,986	4,221,808,285
<i>Changes due to financial instruments recognised:</i>				
Transfer to stage 1	46,118,962	(45,514,324)	(604,638)	-
Transfer to stage 2	(39,568,170)	40,265,855	(697,685)	-
Transfer to stage 3	(1,758,865)	(13,040,267)	14,799,132	-
New financial assets originated or purchased	776,916,976	(7,472,601)	(513,817)	768,930,558
Financial assets derecognised during the period other than write off	(359,047,750)	(19,568,134)	(6,474,781)	(385,090,665)
Gross carrying amount as at 31 March 2022	<u>4,355,604,855</u>	<u>135,844,126</u>	<u>114,199,197</u>	<u>4,605,648,178</u>
<i>In US\$ equivalent</i>	<u>1,075,457,989</u>	<u>33,541,760</u>	<u>28,197,331</u>	<u>1,137,197,080</u>

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6. LOANS AND ADVANCES (continued)

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

	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not Credit-	Credit-	
	KHR'000	Impaired	Impaired	KHR'000
	KHR'000	KHR'000	KHR'000	KHR'000
Expected Credit Losses				
Loss allowance as at 1 January 2021	30,823,708	5,132,755	31,371,536	67,327,999
<i>Changes due to exposure:</i>				
Transfer to stage 1	1,055,319	(935,061)	(120,258)	-
Transfer to stage 2	(494,625)	942,505	(447,880)	-
Transfer to stage 3	(261,900)	(1,882,711)	2,144,611	-
Net remeasurement of loss allowance (*)	(3,589,324)	3,152,601	9,924,328	9,487,605
New financial assets originated or purchased	7,150,994	53,282	-	7,204,276
Financial assets derecognised during the period other than write off	(3,192,780)	(904,514)	(1,945,145)	(6,042,439)
Unwinding of discount (**)	-	-	634,531	634,531
Foreign exchange differences	(52,440)	(9,257)	(69,209)	(130,906)
Loss allowance as at 31 March 2021	<u>31,438,952</u>	<u>5,549,600</u>	<u>41,492,514</u>	<u>78,481,066</u>
<i>In US\$ equivalent</i>	<u>7,772,300</u>	<u>1,371,965</u>	<u>10,257,729</u>	<u>19,401,994</u>

(*) Impact of the measurement of ECL due to changes in loss given default (LGD) and probability of default (PD) during the period arising from refreshing of inputs to models.

(**) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not Credit-	Credit-	
	KHR'000	Impaired	Impaired	KHR'000
	KHR'000	KHR'000	KHR'000	KHR'000
Gross carrying amount				
Gross carrying amount as at 1 January 2021	3,295,828,183	101,152,077	65,222,656	3,462,202,916
<i>Changes due to financial instruments recognised:</i>				
Transfer to stage 1	30,473,006	(30,200,644)	(272,362)	-
Transfer to stage 2	(24,010,256)	24,989,004	(978,748)	-
Transfer to stage 3	(8,679,721)	(17,037,003)	25,716,724	-
New financial assets originated or purchased	582,585,215	(3,106,396)	(344,936)	579,133,883
Financial assets derecognised during the period other than write off	(392,755,978)	(17,330,502)	(5,294,630)	(415,381,110)
Gross carrying amount as at 31 March 2021	<u>3,483,440,449</u>	<u>58,466,536</u>	<u>84,048,704</u>	<u>3,625,955,689</u>
<i>In US\$ equivalent</i>	<u>861,171,928</u>	<u>14,454,026</u>	<u>20,778,419</u>	<u>896,404,373</u>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
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7. PROPERTY AND EQUIPMENT

	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvement KHR'000	Total KHR'000
As at 31 December 2021					
Cost	4,293,667	14,150,343	14,561,067	1,971,061	34,976,138
Accumulated depreciation	<u>(3,600,771)</u>	<u>(12,384,608)</u>	<u>(11,422,902)</u>	<u>(1,159,096)</u>	<u>(28,567,377)</u>
Net book amount	<u>692,896</u>	<u>1,765,735</u>	<u>3,138,165</u>	<u>811,965</u>	<u>6,408,761</u>
<i>In US\$ equivalents</i>	<u>170,078</u>	<u>433,416</u>	<u>770,291</u>	<u>199,303</u>	<u>1,573,088</u>
Three-month period ended 31 March 2022					
Opening net book amount	692,896	1,765,735	3,138,165	811,965	6,408,761
Additions	68,732	-	275,906	115,391	460,029
Disposal-net	(33)	-	(2,000)	-	(2,033)
Depreciation charge	<u>(111,808)</u>	<u>(135,696)</u>	<u>(669,775)</u>	<u>(59,479)</u>	<u>(976,758)</u>
Closing net book amount	<u>649,787</u>	<u>1,630,039</u>	<u>2,742,296</u>	<u>867,877</u>	<u>5,889,999</u>
As at 31 March 2022					
Cost	4,345,413	13,992,278	14,549,024	2,086,453	34,973,168
Accumulated depreciation	<u>(3,695,626)</u>	<u>(12,362,239)</u>	<u>(11,806,728)</u>	<u>(1,218,576)</u>	<u>(29,083,169)</u>
Net book amount	<u>649,787</u>	<u>1,630,039</u>	<u>2,742,296</u>	<u>867,877</u>	<u>5,889,999</u>
<i>In US\$ equivalents</i>	<u>160,441</u>	<u>402,479</u>	<u>677,110</u>	<u>214,291</u>	<u>1,454,321</u>

8. LEASES

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

The Company leases various buildings for its head office and branch operation. 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

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
<i>Right-of-use assets (Non-current)</i>				
Buildings	<u>29,330,991</u>	<u>27,730,520</u>	<u>7,242,220</u>	<u>6,806,706</u>
	<u>29,330,991</u>	<u>27,730,520</u>	<u>7,242,220</u>	<u>6,806,706</u>
<i>Lease liabilities</i>				
Current	7,342,489	6,464,760	1,812,960	1,586,834
Non-current	<u>19,659,100</u>	<u>18,763,668</u>	<u>4,854,099</u>	<u>4,605,711</u>
	<u>27,001,589</u>	<u>25,228,428</u>	<u>6,667,059</u>	<u>6,192,545</u>

Right-of-use assets' additions during the period were KHR 3,303,458 thousand (2021: KHR 13,050,632 thousand).

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8. LEASES (continued)

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

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

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2021 US\$	31 March 2021 US\$
<i>Depreciation of right-of-use assets</i>				
Buildings	<u>1,558,322</u>	<u>1,415,099</u>	<u>383,540</u>	<u>348,632</u>
Interest expense (Note 14)	<u>528,088</u>	<u>408,539</u>	<u>129,975</u>	<u>100,649</u>
Expense relating to short-term lease and leases of low-value assets (included in operating expenses)	<u>1,718,693</u>	<u>1,448,004</u>	<u>423,011</u>	<u>356,739</u>
Total expenses related to leases	<u>3,805,103</u>	<u>3,271,642</u>	<u>936,526</u>	<u>806,020</u>

Total cash outflow for lease during the period was KHR 3,093,302 thousand (2021: KHR 2,927,780 thousand).

9. INTANGIBLE ASSETS

	Software and license KHR'000	Work in progress KHR'000	Total KHR'000
As at 31 December 2021			
Cost	12,435,484	1,627,825	14,063,309
Accumulated amortisation	<u>(3,461,278)</u>	<u>-</u>	<u>(3,461,278)</u>
Net book amount	<u>8,974,206</u>	<u>1,627,825</u>	<u>10,602,031</u>
<i>In US\$ equivalents</i>	<u>2,202,800</u>	<u>399,564</u>	<u>2,602,364</u>
Three-month period ended 31 March 2022			
Opening net book amount	8,974,206	1,627,825	10,602,031
Additions	-	118,197	118,197
Amortisation charge	<u>(659,719)</u>	<u>-</u>	<u>(659,719)</u>
Closing net book amount	<u>8,314,487</u>	<u>1,746,022</u>	<u>10,060,509</u>
As at 31 March 2022			
Cost	12,435,484	1,746,022	14,181,506
Accumulated amortisation	<u>(4,120,997)</u>	<u>-</u>	<u>(4,120,997)</u>
Net book amount	<u>8,314,487</u>	<u>1,746,022</u>	<u>10,060,509</u>
<i>In US\$ equivalents</i>	<u>2,052,959</u>	<u>431,117</u>	<u>2,484,076</u>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
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10. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Savings deposits	8,624,130	5,653,893	2,129,415	1,387,799
Fixed deposits	<u>228,937,841</u>	<u>186,507,446</u>	<u>56,527,862</u>	<u>45,779,933</u>
	237,561,971	192,161,339	58,657,277	47,167,732
Accrued interest payables	<u>4,441,912</u>	<u>3,408,887</u>	<u>1,096,768</u>	<u>836,742</u>
	<u>242,003,883</u>	<u>195,570,226</u>	<u>59,754,045</u>	<u>48,004,474</u>
	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Current	241,550,616	195,120,551	59,642,127	47,894,097
Non-current	<u>453,267</u>	<u>449,675</u>	<u>111,918</u>	<u>110,377</u>
	<u>242,003,883</u>	<u>195,570,226</u>	<u>59,754,045</u>	<u>48,004,474</u>

11. DEPOSITS FROM CUSTOMERS

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Savings deposits	236,373,507	188,717,541	58,363,829	46,322,420
Fixed deposits	<u>2,158,657,793</u>	<u>1,932,336,847</u>	<u>533,001,924</u>	<u>474,309,486</u>
	2,395,031,300	2,121,054,388	591,365,753	520,631,906
Accrued interest payables	<u>57,886,274</u>	<u>54,187,217</u>	<u>14,292,907</u>	<u>13,300,741</u>
	<u>2,452,917,574</u>	<u>2,175,241,605</u>	<u>605,658,660</u>	<u>533,932,647</u>
	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Current	2,255,155,503	1,880,583,014	556,828,519	461,606,042
Non-current	<u>197,762,071</u>	<u>294,658,591</u>	<u>48,830,141</u>	<u>72,326,605</u>
	<u>2,452,917,574</u>	<u>2,175,241,605</u>	<u>605,658,660</u>	<u>533,932,647</u>

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12. BORROWINGS

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Current	420,112,675	411,272,313	103,731,525	100,950,494
Non-current	840,354,510	740,840,507	207,494,940	181,845,976
	<u>1,260,467,185</u>	<u>1,152,112,820</u>	<u>311,226,465</u>	<u>282,796,470</u>

During the period, the Company obtained additional borrowings from various financial institutions of KHR 158,730,254 thousand (US\$39,067,254). The annual interest rates are ranging from 4.55% to 8.49% (2021: 4.00% to 8.49%).

13. SUBORDINATED DEBTS

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Current	30,016,614	30,032,038	7,411,510	7,371,634
Non-current	219,238,340	222,568,005	54,132,923	54,631,322
	<u>249,254,954</u>	<u>252,600,043</u>	<u>61,544,433</u>	<u>62,002,956</u>

The annual interest rates for all subordinated debts are ranging from 9.01% to 10.47% (2021: 9.77% to 10.47%).

14. NET INTEREST INCOME

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
<i>Interest income from financial assets at amortised cost</i>				
Loans and advances	198,037,230	170,544,808	48,741,627	42,016,459
Deposits and placements with banks	288,273	941,666	70,951	231,995
Deposits and placements with the central bank	171,220	168,565	42,141	41,529
Total interest income	<u>198,496,723</u>	<u>171,655,039</u>	<u>48,854,719</u>	<u>42,289,983</u>
<i>Interest expense on financial liabilities at amortised cost</i>				
Deposits from customers	(38,867,324)	(36,372,957)	(9,566,164)	(8,961,064)
Borrowings	(21,272,797)	(19,404,994)	(5,235,736)	(4,780,733)
Subordinated debts	(6,306,860)	(4,360,749)	(1,552,267)	(1,074,341)
Debt securities	(1,642,427)	(1,645,798)	(404,240)	(405,469)
Lease liabilities	(528,088)	(408,539)	(129,975)	(100,649)
	<u>(68,617,496)</u>	<u>(62,193,037)</u>	<u>(16,888,382)</u>	<u>(15,322,256)</u>
Net interest income	<u>129,879,227</u>	<u>109,462,002</u>	<u>31,966,337</u>	<u>26,967,727</u>

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15. CREDIT IMPAIRMENT LOSSES

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
<i>Expected Credit Loss (ECL):</i>				
Loans and advances	13,918,648	10,649,442	3,425,707	2,623,661
Deposits and placements with banks	977,639	84,018	240,620	20,700
	<u>14,896,287</u>	<u>10,733,460</u>	<u>3,666,327</u>	<u>2,644,361</u>

16. PERSONNEL EXPENSES

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Salaries and wage expenses	33,236,319	31,569,742	8,180,241	7,777,714
Other benefits	2,629,900	2,544,329	647,280	626,837
	<u>35,866,219</u>	<u>34,114,071</u>	<u>8,827,521</u>	<u>8,404,551</u>

17. INCOME TAX EXPENSE

(a) Income tax expense

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Current income tax	17,933,271	13,705,054	4,413,801	3,376,460
Deferred income tax	(3,480,061)	(1,767,046)	(856,525)	(435,340)
	<u>14,453,210</u>	<u>11,938,008</u>	<u>3,557,276</u>	<u>2,941,120</u>

(b) Reconciliation between income tax expenses and accounting profit

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Profit before income tax	71,321,298	59,163,553	17,553,853	14,575,894
Tax expenses at 20%	14,264,260	11,832,711	3,510,771	2,915,179
Tax effect of reconciling items:				
Expenses not deductible for tax purposes	188,950	105,297	46,505	25,941
Income tax expense	<u>14,453,210</u>	<u>11,938,008</u>	<u>3,557,276</u>	<u>2,941,120</u>

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

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18. CASH USED IN OPERATIONS

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Profit before income tax	71,321,298	59,163,553	17,553,853	14,575,894
<i>Adjustments for:</i>				
Depreciation and amortisation charges	3,194,799	2,642,050	786,315	650,912
Credit impairment losses	14,896,287	10,733,460	3,666,327	2,644,361
Net losses on derecognition of financial assets measured at amortised cost	(1,061,309)	(659,538)	(261,213)	(162,488)
Gain on disposals of property and equipment	(11,109)	(6,644)	(2,734)	(1,637)
Provision for employee benefits	2,230,875	1,742,752	549,071	429,355
Unrealised exchange gains	(5,721,218)	(4,135,348)	(1,408,127)	(1,018,810)
Net interest income (Note 14)	(129,879,227)	(109,462,002)	(31,966,337)	(26,967,727)
<i>Changes in working capital:</i>				
Reserve requirement deposits	(26,453,441)	(522,000)	(6,510,815)	(128,603)
Loans and advances	(386,447,136)	(164,692,966)	(95,113,743)	(40,574,764)
Other assets	(3,043,472)	(2,480,995)	(749,070)	(611,233)
Deposits from banks and other financial institutions	45,400,632	19,865,101	11,174,165	4,894,087
Deposits from customers	273,976,912	83,061,358	67,432,171	20,463,503
Other liabilities	(16,564,497)	(10,805,771)	(4,076,913)	(2,662,176)
Cash used in operations	<u>(158,160,606)</u>	<u>(115,556,990)</u>	<u>(38,927,050)</u>	<u>(28,469,326)</u>

19. 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:

Relationship	Related party
Ultimate parent Shareholders	LOLC Holdings Plc. LOLC Private Limited TPC-ESOP Co., Ltd.
Related company	Entity under the same parent company
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)

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19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Loans and advances to key management personnel

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Loans to key management personnel	2,680,177	2,368,233	661,772	581,304

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Interest income	59,743	67,339	14,704	16,590

Loans and advances to key management personnel are secured and having interest rate of 8.84% to 9.48% per annum (2021: 8.92% to 9.48% per annum). Allowances for expected credit losses for loans to related parties recognised during the period of KHR 2,405 thousand (2021: KHR 2,321 thousand).

(c) Payables to related parties

	31 March 2022 KHR'000	31 December 2021 KHR'000	31 March 2022 US\$	31 December 2021 US\$
Payables to related companies	66,181	-	16,341	-

(d) Deposits from related parties

	2022 KHR'000	2021 KHR'000	2022 US\$	2021 US\$
Shareholders	16,830	16,822	4,156	4,129
Board of directors	1,255,007	1,150,377	309,878	282,370
Key management personnel	8,960,604	6,271,331	2,212,495	1,539,355
Related companies	2,151,374	2,497,248	531,203	612,972
	<u>12,383,815</u>	<u>9,935,778</u>	<u>3,057,732</u>	<u>2,438,826</u>
Interest payable	139,022	110,117	34,326	27,029

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Interest expense	153,910	64,037	37,881	15,776

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19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(d) Deposits from related parties (continued)

Annual interest rates during the period are as follows:

	<u>2022</u>	<u>2021</u>
Shareholders	3.00%	3.00%
Board of directors	3.00% – 7.50%	3.00% – 7.50%
Key management personnel	3.00% – 9.00%	3.00% – 7.70%
Related companies	1.00% - 4.50%	1.00% - 4.50%

(e) Transactions with related parties

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
<i>i) Incomes from related companies:</i>				
Rental income	16,333	8,037	4,020	1,980
Management fee income	48,927	14,862	12,042	3,662
	<u>65,260</u>	<u>22,899</u>	<u>16,062</u>	<u>5,642</u>
<i>ii) Expenses to related companies:</i>				
Purchases of assets for financial leasing products	-	63,645	-	15,680
License fees	141,734	148,437	34,884	36,570
IT consultancy and support fees	244,621	112,751	60,217	27,778
Rental expense	6,704	-	1,650	-
	<u>393,059</u>	<u>324,833</u>	<u>96,751</u>	<u>80,028</u>

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

(f) Key management compensation

	Three-month period ended			
	31 March 2022 KHR'000	31 March 2021 KHR'000	31 March 2022 US\$	31 March 2021 US\$
Directors' fees	166,873	159,468	41,071	39,288
Salaries and other benefits to key management	2,650,037	2,635,759	652,237	649,362
	<u>2,816,910</u>	<u>2,795,227</u>	<u>693,308</u>	<u>688,650</u>

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20. 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 2022 and 31 December 2021 on a recurring basis:

	Level 1 KHR'000	Level 2 KHR'000	Level 3 KHR'000	Total KHR'000
As at 31 March 2022				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	60,750	60,750
Total financial assets	-	-	60,750	60,750
<i>In US\$ equivalent</i>	-	-	15,000	15,000
As at 31 December 2021				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	61,110	61,110
Total financial assets	-	-	61,110	61,110
<i>In US\$ equivalent</i>	-	-	15,000	15,000

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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20. 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.

(v) Borrowings and subordinated debts

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

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20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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

(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.