

# ANNUAL REPORT 2022



Save more and get more interest earning

Open Saving Account in MOHANOKOR







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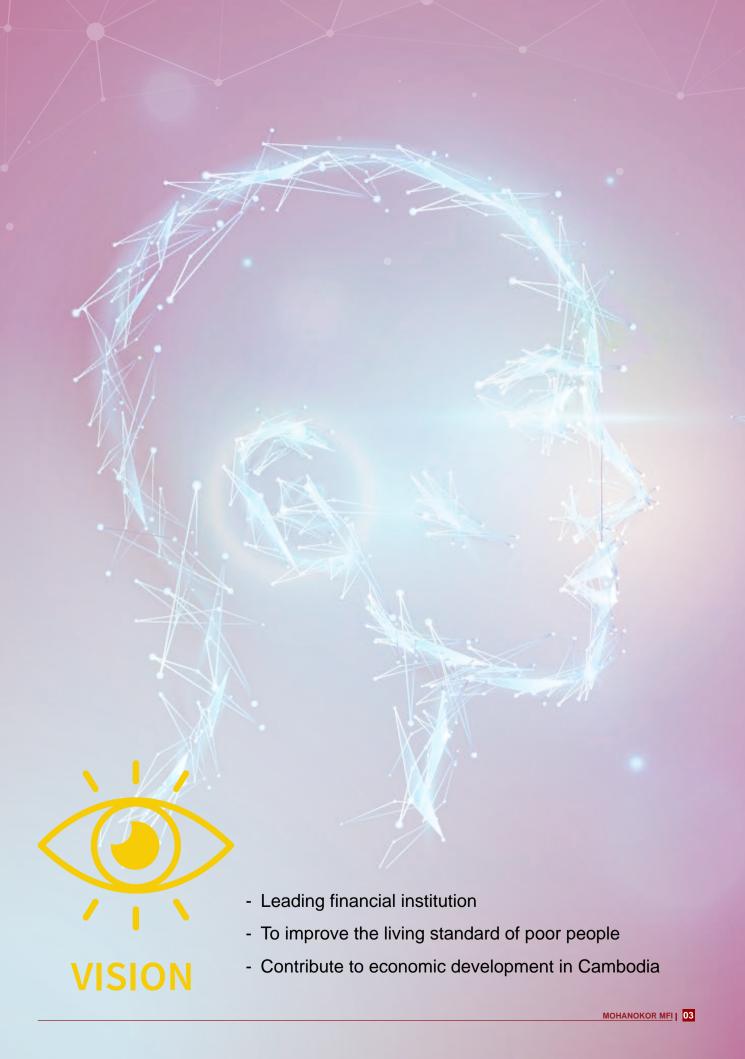
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#### **BRANCH NETWORK**





#### **CORE VALUES**

#### TRUST:

- Builds strong relationship
- Commit to build willingness, consciousness, take action, get outcome

#### **EXCELLENCE:**

- Accurate
- Specific
- Evidence
- Time

# A: ACCOUNTABILITY:

- Responsibility on task and duty
- Transparency without openness to the institution
- Honesty
- Commit to achieve the goals

- Good Ethics on Body, Speech and Mind
- Fully Respect on the customs, traditions, laws and environment.

#### **KEY PERFORMANCE HIGHLIGHTS**

#### TOTAL ASSETS 159.06 132.15 87.79 78.93 46.5

2020

2021

2022

#### **GROSS LOAN PORTFOLIO (\$)**



#### **SAVING PRODUCTS (\$)**

2019

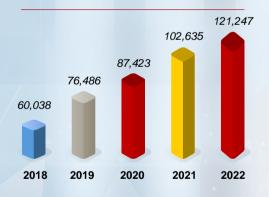
2018



#### **NET INCOME (\$)**



#### **NUMBER OF ACTIVE BORROWERS**



#### **BRANCH OFFICE NUMBERS** (INCLUDE HO)



#### **SAVING CLIENTS**



#### **EMPLOYEES**





The Board of Directors ("the Board") submits this report, together with the financial statements of MOHANOKOR Microfinance Institution Plc. ("the Company") for the year ended 31 December 2022.

#### THE COMPANY

MOHANOKOR Micofinance Plc. was established as a Cambodian non-government organisation ("NGO") in 2014 that provides financial service to the rural poor with the economic opportunities to transform the quality of their lives and their communities through the provision of effective and sustainable client empowering financial services.

MOHANOKOR Microfinance Plc. was registered with the Ministry of Commerce on 20 March 2015 and transform from NGO to a Public limited Company. MOHANOKOR Microfinance Plc. obtained its license from the National Bank of Cambodia ("NBC") to operate as microfinance institution on 11 June 2015.

On 17 July 2017, Mohanokor Microfinance Plc. Submitted a request letter to the NBC for the change of its legal name from "MOHANOKOR Microfinance Plc." to "MOHANOKOR Microfinance Institution Plc.".

It was approved by the NBC on 5 October 2017 and Ministry of Commerce on 14 March 2018.

On 22 July 2020, the Company obtained a Micro-finance Deposit Taking Institution ("MDI") license to conduct deposit taking business from the National Bank of Cambodia ("NBC").

### STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended. The Board oversees preparation of these financial statements by management who is required to:

- (i) Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) Comply with the disclosure requirements and guidelines of Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) Maintain adequate accounting records and an effective system of internal controls;
- (iv) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future;
- (v) Effectively control and direct the company in all material decisions affecting the operations and performance and ascertain that these have been properly reflected in the 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.



MR. CHHUN VANRA

Chairman of the Board



The microfinance sector continued to contribute to the economic development by providing formal financial service, particularly to rural population. The total asset increased by 18.5% to KHR 44.4 trillion (USD 10.8billion), of which loans rose by 21.4% to KHR 38.9 trillion (USD 9.5 billion), supported by growth of shareholder's equity of 20.3% to KHR 9,8 trillion (USD 2.4billion). At the same time, deposits increased by 14% to KHR 19.4 trillion (USD 4.7 billion), according to the 2022 Annual Report by the National Bank of Cambodia. These loans have been provided to economic sectors such as Household 33.2%, Trade and commerce 23% agriculture 17.8%, services 13.6% and others 12.1%., according to NBC report.

In 2022, MOHANOKOR conducted its business operations with caution and maintained its loan portfolio growth with quality and strong internal control. Responding to the COVID-19 outbreak mainly those, MOHANOKOR provided loan to low-income households and small businesses in tourism, construction, garment sectors and other sectors, and has modified products and service to meet clients' need and cash flow conditions.

MOHANOKOR Microfinance Plc. adopted a cautious approach after the outbreak of the COVID-19 pandemic globally, and braced itself for the adverse impact on economic activity. As an initial Step, we provided concessions to out customers in the tourism, construction and apparel industires whose incomes reduced to trickle. The concession include restructuring repayment schedules, providing borrows the space required to face the downturn in business activities.

The COVID-19 pandemic has heightened the need to expand digital financial services. In 2022, MOHANOKOR Microfinance Plc. Launched five digital banking service: (i) the Bakong project with the National Bank of Cambodia; (ii) MOHANOKOR Banking Service; (iii) 'Mohanokor Mobile' our Mobile Banking Application; (iv) ATM Machine; and (v) ATM Card.

#### DIGITAL BANKING PROJECT

In order to support the business and new products development, MOHANOKOR has been investing in digital banking project which will improve customer service and increases efficiency.

- In 2022, MOHANOKOR has been promoting and encouraging its customers to use available digital products and electronic payment means through MOHANOKOR Mobile application which was upgraded with new interface and enhancement, Bakong, Remittance transfer and internet banking transactions conveniently from their mobile phone at any time without having to visit MOHANOKOR branch offices.
- Furthermore, Mohanokor's customers are able to withdraw and deposit cash at MOHANOKOR ATM Machines 24/7.
- Aside from these efforts, MOHANOKOR has been integrating with third party connectivity in order to contribute more distribution channels and provide superior customer experiences.

In short, we are confident that MOHANOKOR is well positioned to bring further value to its customers, and will continue to actively support financial services to the socio-economically underprivileged individuals to improve their living standard to contribute to the economic development of Cambodia.

Finally, I would like to express my sincere thanks to our customers, Board of Directors, management and the staff, who have been working hard, smart, highly committed to performing their work with integrity, ethics, professionalism and accountability. Especially the Royal Government and the National Bank of Cambodia, for continuous support and advice.



MR. CHHUN SOPHEAK Chief Executive Officer



## **ABOUT MOHANOKOR MICROFINANCE INSTITUTION PLC.**

- Prospects for the Cambodia Microfinance
  - **◄** About MOHANOKOR Microfinance Institution Plc
    - Products and Services

- Launch MOHANOKOR Mobile
- Become an OBS member
- Remittance Transfer
- Indirect member of the National Football Federation
- ATM Deposit and Withdrawal
- Become a member of Bakong system
- Operate KHQR



- Received certificate and trophy of CEO of the year 2021
- Payroll Service from NBC

- Received CPP Certificate from

- Received certificate and trophy of

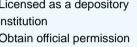
Fast Growing MFI provider

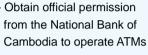
- With 56 branches

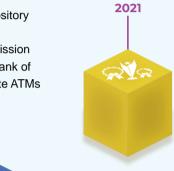
Cambodia 2021

M-CRILL

- MOHANOKOR Mobile from NBC
- Licensed as a depository institution
- Obtain official permission from the National Bank of







- With 43 branches
- first financial rating of BB+

2018

- Start CPP



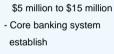
- Total Active Clients 76,447

Loan Outstanding \$57 million

- Total Amount of

- Total Number of Key Person 5,798 2020

- Capital increase from





- Increased on paid up capital from \$15 million - \$30 million

2017

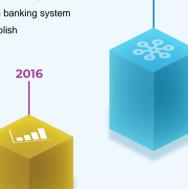
- Temporary license of NBC to operate as an MFI
- License by the ministry of commerce
- Permenent license as an MFI



- Obtainted license to operate as an NGO







#### PERSPECTIVE FOR THE CAMBODIA MICROFINANCE

In 2022, Cambodia's economic recovery solidified with real growth accelerating to 5.2 percent. After shifting to "living with COVID-19" in late 2021, the economy is firmly on a path to recovery and has now returned to its pre-pandemic growth trajectory. According to World Bank report.

In the second half of 2022, Cambodia has a small economy that is open to outside trade and investment, and the global growth outlook is gloomy. Global trade growth slowed and is projected to slow sharply in 2023. The economies of developing countries such as Cambodia are particularly vulnerable to rising inflation, slower global economic growth, decreased availability of energy supplies, and higher interest rates.

The latest data loan portfolios grew to \$9.135 billion (23.8% annual increase) with 2 million clients while deposit at the 5 MDI has grown to \$4.686 billion (20.1% annual increase) with 2.66 million depositors. In early 2022 from Covid-19, the microfinance sector remained healthy adding if no external challenges may arise, According to the Cambodian Microfinance Associations' (CMA),

Increasing bond rates by the Federal Reserve are already causing the cost of Cambodian lenders to increase which will in turn result in higher interest rates to consumers and impact already thin margins under the current 18% per annum interest ceiling.

The study "Micro" Finance in Cambodia: Development, Challenges, and Recommendations was commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ) after ongoing concerns by donors in the sector. The study found the sector overall has a positive impact on borrowers while also raising concerns about over-indebtedness and land sales.

#### ABOUT MOHANOKOR MICROFINANCE INSTITUTION PLC

MOHANOKOR Microfinance Institution Plc. was established as a non-governmental organization in 2014, providing financial services to the rural poor with the economic opportunity to change their quality of life and community through the provision of services. Effective and sustainable finance to clients.

MOHANOKOR Microfinance Institution Plc. was registered with the Ministry of Commerce on March 20, 2015 and moved from the NGO to a private limited company. MOHANOKOR Microfinance Institution Plc. received its license from the National Bank of Cambodia (NBC or The Central bank) to operate as a microfinance institution on 11 June 2015.

On July 17, 2017 MOHANOKOR Microfinance Institution Plc. Filed a letter to the National Bank of Cambodia reguesting a legal name change from MOHANOKOR Microfinance Institution Plc. And Ministry of Commerce on March 14, 2018.

On July 17, 2020, MOHANOKOR Microfinance Institution (MFI) received a Microfinance Deposit-taking License (MDI) from the National Bank of Cambodia (Central Bank).

On April, 2021 MOHANOKOR Microfinance institution plc. Received CPP certificate from M-CRILL.

On April, 2021 MOHANOKOR Microfinance institution plc. Received certificate and trophy from international awards of as the "Fastest Growing Microfinance Institution in Cambodia 2021" and "Best Executive CEO award of the year 2021".

On September 15, 2021 MOHANOKOR Launched the payroll service, and MOHANOKOR Mobile from the National Bank of Cambodia.

The institution is primarily involved in providing financial services with core credit products, and those services continue to provide credit to poor and low-income households and small businesses throughout Cambodia.

SAVING

LOAN



MOBILE BANKING



MONEY TRANSFER



ATM & CARD





PAYROLL SERVICE



OTHER BANK SERVICE



# **PRODUCTS**



SERVICES

# Cash Withdrawal from ATM Machince

**Every Where! Every Time...!** 



#### PRODUCTS AND SERVICES

MOHANOKOR Microfinance Institution Plc., currently provide the various type of credit service, deposit services, payroll services, 24/7 ATM Deposit and withdrawal services, MOHANOKOR Mobile, Bakong with KHQR merchant operating and Remittance Transfer.

#### 1. CREDIT SERVICE

MOHANOKOR Microfinance Institution Plc., provides various types of loan including:

- Business loan
- Group Ioan
- Agriculture Ioan
- Car loan
- Motor loan
- Home Improvement loan
- Housing loan
- Staff loan

#### 2. DEPOSIT SERVICE

MOHANOKOR make significant efforts to deposits to broaden outreach and diversify its banking products. MOHANOKOR deposit accounts cater to all segments of the population. The initial opening balance and interest rate are flexi for Khmer Riel (KHR) or US Dollars (USD). Withdrawals, transfers, and payment are convenient, and depositors can make transactions at MOHANOKOR offices during working hours or using ATMs and MOHANKOR MOBILE 24/7 with provides various types of deposit including:

- General Saving
- Fixed Deposit
- Future Account
- Other Service



#### 3. OTHER BANKING SERVICE (i-CASH)

MOHANOKOR ATM offers i-CASH service to customers who wish to withdraw cash without ATM card or send money to their partners or relatives who have no account with MOHANOKOR. i-CASH can be operated via MOHANOKOR ATMs at any time. The receiver can withdraw cash via any ATMs quickly, safely and free of charge.

#### 4. MOBILE TOP-UP

Mobile Top-up is a convenient service for customers to top up their mobile phone balance in a fast and secure manner anywhere at any time. Customers can perform a Mobile Top up through ATMs, MOHANOKOR Mobile

#### 5. MOHANOKOR MOBILE SERVICE

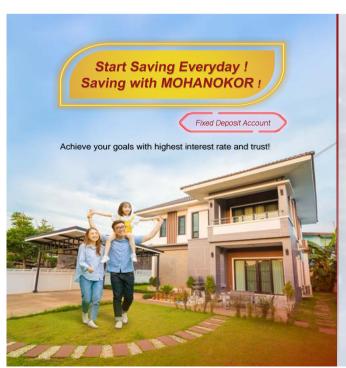
With MOHANOKOR Mobile service, customers can perform several transactions such as view account balance, phone top up, i-CASH, cash by account, fund transfer within MOHANOKOR, fund transfer by Bakong, scan KHQR to received fund or payment to all merchant or Banks (Bakong members).

#### 6. PAYROLL SERVICE

MOHANOKOR provides payroll service to help corporate clients in managing salary payments to their employees by allows employers to pay salaries directly into employees' accounts with high security, confidentiality, efficiency, and convenience with our support.

#### 7. BAKONG PAYMENT SERVICE

Bakong Payment Service is one of the new era payment services that allows the clients to perform realtime electroic interbank transactions among memebers of banks and financial institutions of Bakong. The clients can make transactions with two currencies such as Khmer Riel (KHR) and US Dollar (USD). With Bankong Payment Service, the client can perform interbank fund transfers from Bakong Account to Bankong Account or Bank Account and to scan & Pay for goods/services easily and securely at anywhere and anytime (24/7).







# ABOUT BUSINESS

- Achievements
  - Social Work Management Process
    - Operations Expansion
      - Education, Training and Sports
        - Activities

#### **ACHIEVEMENTS**

MOHANOKOR has been improving and diversifying its product offerings over the years to meet its clients' evolving demands and needs. Our mission to provide inclusive financial services to the socio-economically underprivileged individuals to improve their living standard to contribute to the economic devilment of Cambodia. MOHANOKOR's group loan is still most well-established loan product among Cambodians in low-income household.

Likewise, MOHANOKOR has been updated MOHANOKOR Mobile to the new version that can be provide the more convenient and fast service to our clients.

Furthermore, MOHANOKOR lunched various digital banking service such as: (i) the Bakong project with the National Bank of Cambodia; (ii) Remittance Transfer; (iii) updated new version of MOHANOKOR Mobile; (iv) ATM Deposit and withdrawal; (v) ATM Card; and (vi) operated KHQR to merchant.

#### SOCIAL WORK MANAGEMENT PROCESS

MOHANOKOR Microfinance Institution Plc.. has participated in social activities as various programs:

#### Tree Planting and resource mobilization for out of school children:

On 25th June 2022, MOHANOKOR sponsor ed study materies to Youth Star Cambodia organization in event of out-of-school Children under topic "Together for Green Environment" at Phum Chev. SALA VISEY Commune. Prasat Balang District, Kampong Thom Province.







#### **Blood Donation:**

On 12th May 2022, MOHANOKOR's staff had joint blood donation to Kuntakbopha Hospital with Cambodia Microfinance Association and union of youth federation of cambodia.





#### **Donate to Flooding Victims**

On 30th November 2022, MOHANOKOR donated USD 2,500 (Two thousand five hundred US Dollars) to help the victims affected by flood. Due to heavy rainfalls, many regions in Cambodia suffer from sever flood, and thousand of people have been affected. MOHANOKOR responded to the call to action by Cambodia Microfinance Association by actively fulfilling corporate social responsibility to help the people affected by the flood.



#### **Donate to SALA Dong**

On 18th December, 2022 MOHANOKOR's Managements Donation study materies & cash to teacher and students at Dong School (Kirirum Mountain, Kompong Speu Province).





#### **OPERATION EXPANSION**

According to its business plan to expand network all over the Kingdom of Cambodia, MOHANKOR Microfinance Institution Plc., set up additional branches such as:

#### 1. Thma Koul District Branch-Ta Meun Commune

Address: Kouk Trab Village, Ta Meun Commune, Thma Koul District, Batttambang Province

#### 2. Khan Chbar Ampov Branch-Sangkat Niroth

Address: National Road No. 01, Phum Boeng Chuk, Sangkat Nirouth, Khan Chbar Ampov, Phnom Penh.

#### 3. Puok District Branch-Pouk Commune

Address: National Road No. 6, Kouk Thmei Village, Puok Commune, Puok District, Siem Reap Province.

#### 4. Krong Siemreap Branch-Sangkat Svay Dankum

Address: #856 & 857, Phum Stueng Thmei, Sangkat Svay Dankum, Krong Siem Reap, Siem Reap Province.



THMA KOUL DISTRICT BRANCH



KHAN CHBAR AMPOV BRANCH





#### SOCIAL PERFROMANCE MANAGEMENT

The result are reported to management of MOHANOKOR Microfinance Institution Plc., and Social Performance Management. The Social Performance Management Committee recommendations to the Board about the results and discusses the findings result that related to the business strategy, aiming for the Board to balance the overall performance of the institution so that management decisions are aligned. The overall purpose of the institution is social and financial.

#### **EXPANSION OF MOHANOKOR ATM**

As a result, in 2022, MOHANOKOR Microfinance Institution Plc., has equipped its ATMs in offices and in public places, Tela gas stations, supermarkets, cafes, companies ... a total of 83 units. MOHANOKOR ATM is a modern machine that uses the latest technology, while MOHANOKOR ATM is a plastic card with high chip and security cable with the latest technology that is aesthetically pleasing, easy to follow. As a result, It is for free.

#### **EDUCATION, TRAINING AND SPORT**

In 2022, the institution has partnered with 72 universities across the country to provide employment opportunities for students to work and meet the vision of the metropolis to boost the economy in Cambodia by providing Jobs for students with no work experience in the financial sector, especially for the preparation of reserve human resources for their business expansion plans.

Education and training is still the key and priority that MOHANOKOR Microfinance Institution Plc., adheres to in building human resource capacity at all levels on a regular basis. As a result, in 2022, the company has spent a total of 82,257 USD on training, including: training of a total of 544 new employees (245 women), initial training for new employees. 780 (2,757 women) and 10,221 in-house skills development training and 202 out-of-institution (6 women) training courses, equivalent to 20 sessions.

MOHANOKOR MFI also provided loans to 277 employees amounting to approximately USD 865,790 at reasonable interest rates to enable workers to use their staff loans for personal purchase, purchase of land and housing. ... as required. In that, the institution provided health insurance from 1,378 people with the cost of 161,073 USD and health insurance to the management of 129 people from ProSur Insurance Company with the amount of \$13,033 and also offered condolences to the 33 workers and relatives who died, amounting to approximately 4,800 USD.

# **MOHANOKOR ATM**



























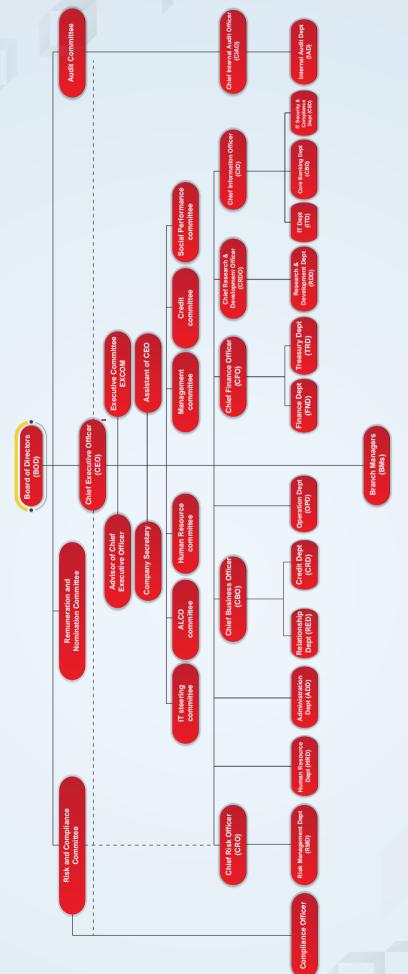




# **GOVERNANCE**

- Organizational Chart
  - Overview of Governance
    - About Board of Directors
      - Board Profile
      - Financial Risk Management

# MOHANOKOR MICROFINANCE INSTITUTION PLC. MANAGEMENT STRUCTURE OF



#### **OVERVIEW OF GOVERNANCE**

MOHANOKOR Microfinance Institution Plc. has been strengthening its self-sufficiency, including the governance of the Board and the management of all departments with high levels of human resources, experience in banking and finance for many years. There are 7 members of the Board of Directors, leads by the Chairman of the Board of Directors, are responsible for setting strategic goals in the financial markets, in which the Board of Directors has established a number of 7 committees overseeing regular operations include:

#### A - BOARD LEVEL COMMITTEE

#### 1- BOD Risk Management and Compliance Committee (RMCC)

- Mr. Sophean Chettra, Chairman
- Mr. Chuon Sophal, Member
- Mrs. Marasigan Marjorie, Member
- Chief of Risk Management Officer, Secretary

#### 2- Audit Committee (AC)

- Mr. Cheam Kimhour, Chairman
- Mr. Chuon Sophal, Member
- Mrs. Marasigan Marjorie, Member
- Chief of Internal Audit Officer, Secretary

#### 3- Remuneration & Nomination Committee (RNC)

- Mr. Sou Vanthan, Chairman
- Mr. Chhun Sopheak, Member
- Mr. Chuon Sophal, Member
- Company Secretary

#### **B - SENIOR COMMITTEE LEVEL COMMITTEE**

- 1- Executive Committee (EC)
- 2- Management Committee (MANCOM),
- 3- Asset / Liability Management Committee (ALCO)
- 4- Credit Committee (CC)
- 5- Information Technology Steering Committee
- 6- Human Resource Committee (HRC)
- 7- Social Environment Performance Management (SEPM)

We are committed to optimizing the development of our human resources, which is a core priority of our governance.

#### **ABOUT THE BOARD OF DIRECTORS**

The Board members who have been active during the period and up to the date of this report are listed below:

- Mr. Chhun Vanra, Chairman
- Mr. Chhun Sopheak, Director
- Mr. Chuon Sophal, Director
- Mrs. Marasigan Margorie, Director
- Mr. Cheam Kimhour, Independent Director
- Mr. Sophean Chettra, Independent Director
- Mr. Sou Vanthan, Independent Director

The term of reference that the composition of the board of directors is responsible for setting strategy and management for all business operations for the benefit of the institution.

#### ABOUT BOARD OF DIRECTORS



MR. CHHUN VANRA **Chairman of Board of Director** 

Cambodian. He joined the Board of Directors of MOHANOKOR MFI in May 2015 and become Chairman on February 27, 2019. He obtained a Bachelor's Degree in Business from the Massey University and a Diploma in Business from the Manukau Institute of Technology. He is a co-founder of MOHANOKOR Microfinance Institution Plc.



#### **MR. CHHUN SOPHEAK Board of Director**

Cambodian. He is CEO and He joined the Board of Directors of MOHANOKOR MFI in May 2015. He obtained a bachelor degree in accounting from the National University of Management and a Bachelor of Arts in English Literature from the Royal University of Phnom Penh. In addition, he has attended numerous courses in Finance Management and Finance. He is the Founder of MOHANOKOR Microfinance Institution Plc.



#### MR. CHUON SOPHAL **Board of Director**

Cambodian. He graduated with a Bachelor's Degree in Business Administration in 1975. He was Chief of the Koh Thom District Chamber of Commerce from 1979 to 1992 and served as Accountant, Assistant to General Manager, Chief Financial Officer, Deputy General Manager, and CEO at MFIs. He has also received management training in MANCHESTER, United States and has trained in the Philippines and Vietnam. He has been trained in financial management, banking and accounting. 2014 - He is currently an Advisor and member Board of Directors of MOHANOKOR Microfinance Institution Plc.

#### ABOUT BOARD OF DIRECTORS



#### MR. MARASIGAN MARJORIE **Board of Director**

Philippines. 2006: She holds an MBA: National College of Business Administration, Philippines 1986 She holds a Bachelor of Science in Agriculture: Gregorio Araneta University Foundation, Caloocan City, Philippines, she previously served as Managing Director at the Center for Agriculture And Rural Development (CARD) Myanmar Microfinance Institution, Yangon, Myanmar and also served as Managing Director at the Center for Agriculture and Rural Development (CARD) Inc. In 2008-2011, she worked as Director of International Group, Oikocredit Philippines, Unit 503 Transorient Maritime Building # 66 Timog Avenue, Brgy Sacred HeartQuezon City, Philippines, Advisor to KREDIT Microfinance Institution and Country Director for World Bank Relief, 7E Baltimore St, Baltimore, MD 21202, USA. She currently serves as a consultant and board member of MOHANOKOR MFI.



#### **MR. SOU VANTHAN Independent Director**

Cambodian. From 1986 to 1998, he graduated from the National Bank of Cambodia. From 2011 to 2013, he graduated from Chamroeun University of Poly-Technology with a Master's Degree in Public Administration. He has worked as Credit Officer, Credit Officer, District Bank Vice President, Credit Accountant, Internal Auditor, Treasurer, Provincial Credit Coordinator, Branch Manager, HR Director and HR Director and HR Director at NGO and a number of microfinance institutions. He is currently appointed as the Independent Director of MOHANOKOR MFI in December 2019, in charge of the Nominating and Remuneration Committee.

#### ABOUT BOARD OF DIRECTORS



#### MR. SOPHEAN CHEATTRA **Independent Director**

Cambodian. He is a member of the ACCA in 2016. From 2003 to 2005, he completed his Bachelor of Business Administration in Japan. From 1993 to 1997, he obtained his Master's Degree in Business Administration in Cambodia. He has worked as a Senior Auditor. Professor, Accountant, Chief Financial Officer, Financial Planner, Analyst and Treasurer, Financial Advisor at a number of private companies and companies. Program and was previously chairman of Growth Greems Pte; Ltd. and SREEAL Co.; Ltd. . He is also the publisher of Hot Page Magazine Cambodia. He is currently appointed as the Independent Director of MOHANOKOR MFI in December 2019, in charge of Risk and Compliance Committee.



#### MR. CHEAM KIMHOUR **Independent Director**

Cambodian. He has joined the Board of Director of the Mohanokor MFI in February 2019, which functions on Independent Audit follow to CIFRS and Taxation. He graduated Bachelor degree in Business Administration degree from ACCED from CamEd Business School in June 2011 and an ACCA member on October 15, 2012. He also graduated CFA (Chartered Financial Analyst) in 2015, currently he is an in charge of Internal Audit Committee of MOHANOKOR MFI.

### FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:

- Operational risk
- · Credit risk:
- Market risk: and
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

### Risk management functional and governance structure

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business.

The Company does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to manage its risk exposure.

A primary objective of the Company in risk management is to comply with NBC's regulations. On the other hand, the Company has recognized the importance of achieving international best practices on risk management. The Company has established a Risk and Compliance Management Meeting to formulate broad parameters of acceptable risk for the Company and monitor the activities against these parameters.

The details of financial assets and liabilities are as follows:

	202	2	202 <sup>-</sup>	1
Financial assets	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Balances with the NBC (excluding statutory				
deposits)	4,426,372	18,223,373	7,620,128	31,044,402
Balances with banks	5,448,090	22,429,787	9,751,563	39,727,867
Loans and advances	121,979,506	502,189,627	93,081,519	379,214,109
Other assets	887,399	3,653,421	643,808	2,622,874
Total financial assets	132,741,367	546,496,208	111,097,018	452,609,252
Financial liabilities				
Deposits from customers	51,726,260	212,957,012	35,061,556	142,840,779
Deposits from other financial institutions	2,208,774	9,093,523	3,915,487	15,951,694
Borrowings	48,504,036	199,691,116	39,549,536	161,124,810
Lease liabilities	7,705,771	31,724,659	6,568,492	26,760,036
Other liabilities	240,346	989,504	151,062	615,427
Total financial liabilities	110,385,187	454,455,814	85,246,133	347,292,746
Net financial assets	22,356,180	92,040,394	25,850,885	105,316,506

### **OPERATIONAL RISK**

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The operational risk loss is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the senior management of the Company.

The Company's operational risk management entails the establishment of clear organizational structures. roles and control policies. Various internal control policies and measures have been implemented including the establishment of signing authorities, defining system parameters controls, streamlining procedures and documentation and compliance with regulatory and other legal requirements. These are continually reviewed to address the operational risks of the business unit as well as to assess the level of compliance with the Company policies by a program of periodic reviews undertaken by the internal audit function. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

### **CREDIT RISK**

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation. Credit risk is the most important risk for the Company's business. Credit exposure arises principally in lending activities that lead to loans and advances. The lending activities are guided by the Company's credit policy to ensure that the overall objectives in the area of lending are achieved; i.e., that the loan portfolio is strong and credit risks are well diversified. The credit policy documents the lending policy, collateral policy and credit approval processes, including the Company's own internal grading system, and procedures implemented to ensure compliance with the NBC's guidelines.

### (a) Credit risk measurement

The Company assesses the probability of default of individual counterparties using internal rating tool. The Credit Committee of the Company is responsible for designing the tools and determining the risk rating policies for approval of the Board's Risk Committee. Management of the Company will implement the policies at branch levels.

Risk ratings are reviewed and updated regularly, and in events of (i) change of loan terms and conditions including extension; (ii) repayment irregularities or delinquencies and (iii) adverse information relating to the borrower or transaction.

### (b) Risk limit control and mitigation policies

The Company operates and provides loans and advances to individuals or small and medium-sized enterprises (SMEs) within the Kingdom of Cambodia. The Company manages, limits and controls the concentration of credit risk whenever it is identified. Large exposure is defined by the NBC as overall credit exposure to any individual beneficiary which exceeds 10% of the Company's net worth. The Company is required, under the conditions of NBC Prakas No. B7-06-226, to maintain at all times a maximum ratio of 20% between the Company's overall credit exposure to any single beneficiary and the Company's net worth. The aggregate of large credit exposure must not exceed 300% of the Company's net worth.

The Company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans and advances to customers,

### (b) Risk limit control and mitigation policies (continued)

which is common practice. The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types to secure for loans and advances to customers are:

- Mortgages over residential properties (land, building and other properties);
- · Charges over business assets such as land and buildings; and
- Cash in the form of margin deposits.

### (c) Management of credit risk

- Developing and maintaining the Company's processes for measuring ECL: This includes processes for:
- initial approval, regular validation and back-testing of the models used;
- determining and monitoring significant increase in credit risk; and
- incorporation of forward-looking information.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries and product types. Regular reports on the credit quality of local portfolios are provided to clients, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowances.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.

### (d) Concentration of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

The Company monitors concentration of credit risk of counterparty by industry. An analysis of concentration of the credit risk as at the date of reporting period in the following tables.

### (e) Maximum exposure to credit risk before collateral held or other credit enhancements

Details of maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

202	22	202	1
US\$	KHR'000	US\$	KHR'000
	(Note 2.3)		(Note 2.3)
4,426,372	18,223,373	7,620,128	31,044,402
5,448,090	22,429,787	9,751,563	39,727,867
121,979,506	502,189,627	93,081,519	379,214,109
887,399	3,653,421	643,808	2,622,874
132,741,367	546,496,208	111,097,018	452,609,252
	4,426,372 5,448,090 121,979,506 887,399	(Note 2.3)  4,426,372	US\$       KHR'000 (Note 2.3)       US\$         4,426,372       18,223,373       7,620,128         5,448,090       22,429,787       9,751,563         121,979,506       502,189,627       93,081,519         887,399       3,653,421       643,808

### (f) Concentration of risks of financial assets with credit risk exposure

		2	022		
	Balances with the NBC	Balances with banks	Loans and advances	Others US\$	Total US\$
	US\$	US\$	US\$	03\$	03\$
Financial intermediaries	4,426,372	5,448,090	-	-	9,874,462
Household/family	-	-	64,066,283	-	64,066,283
Agriculture	-	-	38,023,857	-	38,023,857
Trade and commerce	-	-	12,999,062	-	12,999,062
Construction	-	-	1,006,207	-	1,006,207
Services	-	-	744,921	-	744,921
Production/manufacturing	-	-	302,801	-	302,801
Transportations	-	-	73,580	-	73,580
Others			4,762,795	887,399	5,650,194
	4,426,372	5,448,090	121,979,506	887,399	132,741,367
Allowance for ECLs	-	(87,651)	(1,863,984)	-	(1,951,635)
	4,426,372	5,360,439	120,115,522	887,399	130,789,732
KHR'000 (Note 2.3)	18,223,373	22,068,927	494,515,604	3,653,421	538,461,325
		2	021		
	Balances with	Balances	Loans and	Others	Total
	the NBC	Balances with banks	Loans and advances	Others US\$	Total US\$
		Balances	Loans and		
Financial intermediaries	the NBC	Balances with banks	Loans and advances		
Financial intermediaries Household/family	the NBC US\$	Balances with banks US\$	Loans and advances		US\$
	the NBC US\$	Balances with banks US\$	Loans and advances US\$		<b>US</b> \$ 17,413,571
Household/family	the NBC US\$	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660		US\$ 17,413,571 45,984,660
Household/family Agriculture	the NBC US\$	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942		US\$ 17,413,571 45,984,660 28,262,942
Household/family Agriculture Trade and commerce	the NBC US\$	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349	US\$	US\$ 17,413,571 45,984,660 28,262,942 11,963,349
Household/family Agriculture Trade and commerce Services	the NBC US\$ 7,620,128	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349 1,238,982	US\$	US\$  17,413,571  45,984,660  28,262,942  11,963,349  1,238,982
Household/family Agriculture Trade and commerce Services Construction	the NBC US\$ 7,620,128	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163	US\$	US\$  17,413,571  45,984,660  28,262,942  11,963,349  1,238,982  1,543,163
Household/family Agriculture Trade and commerce Services Construction Transportations	the NBC US\$ 7,620,128	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009	US\$	US\$  17,413,571  45,984,660  28,262,942  11,963,349  1,238,982  1,543,163  102,009
Household/family Agriculture Trade and commerce Services Construction Transportations Production/manufacturing	the NBC US\$ 7,620,128	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009 331,332	US\$	17,413,571 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009 331,332
Household/family Agriculture Trade and commerce Services Construction Transportations Production/manufacturing	the NBC US\$ 7,620,128	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009 331,332	US\$	17,413,571 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009 331,332
Household/family Agriculture Trade and commerce Services Construction Transportations Production/manufacturing	the NBC US\$ 7,620,128	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009 331,332 3,613,202	US\$ 643,808	17,413,571 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009 331,332 4,257,010
Household/family Agriculture Trade and commerce Services Construction Transportations Production/manufacturing Others	the NBC US\$ 7,620,128	Balances with banks US\$ 9,751,563	Loans and advances US\$ 41,880 45,984,660 28,262,942 11,963,349 1,238,982 1,543,163 102,009 331,332 3,613,202 93,081,519	US\$ 643,808	US\$  17,413,571  45,984,660  28,262,942  11,963,349  1,238,982  1,543,163  102,009  331,332  4,257,010  111,097,018

### (g) Credit quality by class of financial assets

		2022		
	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$
Balances with the NBC				
(excluding statutory deposits)	4,426,372	-	-	4,426,372
Balances with banks	5,448,090	-	-	5,448,090
Loans and advances	111,713,357	6,644,634	3,621,515	121,979,506
Other assets	887,399			887,399
	122,475,218	6,644,634	3,621,515	132,741,367
Allowance for ECL	(603,218)	(333,214)	(1,015,203)	(1,951,635)
	121,872,000	6,311,420	2,606,312	130,789,732
KHR'000 equivalent (Note 2.3)	501,747,024	25,984,116	10,730,185	538,461,325

	:	2021		
	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$
Balances with the NBC				
(excluding statutory deposits)	7,620,128	-	-	7,620,128
Balances with banks	9,751,563	-	-	9,751,563
Loans and advances	80,666,385	11,394,373	1,020,761	93,081,519
Other assets	643,808			643,808
	98,681,884	11,394,373	1,020,761	111,097,018
Allowance for ECL	(438,440)	(220,069)	(308,399)	(966,908)
	98,243,444	11,174,304	712,362	110,130,110
KHR'000 equivalent (Note 2.3)	400,243,791	45,524,114	2,902,164	448,670,069

The Company applies a three-stage approach based on the change in credit quality since initial recognition.

Allowance for ECL will be made based on the following three-stage approach which reflects the change in credit quality of the financial instrument since initial recognition:

### (i) Stage 1: 12-month ECL - not credit-impaired

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognized.

### (ii) Stage 2: Lifetime ECL - not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL will be recognized.

### (iii) Stage 3: Lifetime ECL - credit-impaired

Financial assets are assessed as credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit-impaired, a lifetime ECL will be recognized.

Below is a table showing a summary of credit risk status and period for ECL calculation by stages:

Short-term facilities (one year or less)

;	Stage Credit risk status	Grade	DPD	Default indicator
	1 No significant increase in credit risk	Normal	0 ≤ DPD ≤ 14	Performing
2	2 Credit risk increased significantly	Special mention	15 ≤ DPD ≤ 30	Underperforming
,	3 Credit impaired assets	Substandard Doubtful	31 ≤ DPD ≤ 60 61 ≤ DPD ≤ 90	
		Loss	DPD ≥ 91	Nonperforming

Long-term facilities (more than one year)

Stage Credit risk status	Grade	DPD	Default indicator
1 No significant increase in credit risk	Normal	0 ≤ DPD ≤ 29	Performing
2 Credit risk increased significantly	Special mention	30 ≤ DPD ≤ 89	Underperforming
3 Credit impaired assets	Substandard	90 ≤ DPD ≤ 179	Nonperforming
	Doubtful	180 ≤ DPD ≤ 359	
	Loss	DPD ≥ 360	

The Company uses the day past due ("DPD") information and NBC's classification for staging criteria. Also, the Company will incorporate credit scoring or more forward-looking elements in the future when information is more readily available. Upon the implementation of credit scoring system, if the risk level drops by two or more notches as compared to the risk level at origination, the accounts have to be classified under stage 2.

The definition of default used for this purpose shall be applied consistently to all financial assets unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

### **MARKET RISK**

### (a) Incorporation of forward-looking information

The Company incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. External information considered includes economic data and forecasts published by governmental bodies

and monetary authorities in the countries where the Company operates, supranational organizations such as the International Monetary Fund, and selected private-sector and academic forecasters. The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments in accordance with each country and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

### (b) Repossessed collateral

During the year, the Company did not repossess any collateral held as security. The Company takes on exposure to market risk, which is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, and foreign exchange rates, does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to hedge its risk exposure.

### (i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency.

The Company maintains a policy of not exposing itself to large foreign exchange positions. Any foreign currency exchange open positions are monitored against the operating requirements, pre-determined position limits and cut-loss limits.

### Concentration of currency risk

		2	022	
	KHR	US\$	Others	Total
Financial assets				
Balances with the NBC				
(excluding statutory deposits)	4,041,831	384,541	-	4,426,372
Balances with banks	4,644,738	803,352	-	5,448,090
Loans and advances	79,459,764	37,315,173	5,204,569	121,979,506
Other assets	-	887,399	-	887,399
	88,146,333	39,390,465	5,204,569	132,741,367
Financial liabilities				
Deposits from customers	10,308,751	40,520,441	897,068	51,726,260
Deposits from other financial institutions	1,181	2,207,593	-	2,208,774
Borrowings	42,206,723	6,297,313	-	48,504,036
Lease liabilities	-	7,705,771	-	7,705,771
Other liabilities	-	240,346	-	240,346
	52,516,655	56,971,464	897,068	110,385,187
Net asset (liability) position	35,629,678	(17,580,999)	4,307,501	22,356,180
KHR'000 equivalent (Note 2.3)	146,687,384	<u>(72,380,973)</u>	17,733,982	92,040,393

### (i) Foreign exchange risk (Continued)

		2	021	
	KHR	US\$	Others	Total
Financial assets				
Balances with the NBC (excluding				
statutory deposits)	2,904,777	4,715,351	-	7,620,128
Balances with banks	3,574,624	6,176,939	-	9,751,563
Loans and advances	52,491,891	35,709,141	4,880,487	93,081,519
Other assets	-	643,808	-	643,808
	58,971,292	47,245,239	4,880,487	111,097,018
Financial liabilities				
Deposits from customers	6,444,829	28,115,318	501,409	35,061,556
Deposits from other financial institution	ns -	3,915,487	-	3,915,487
Borrowings	28,529,388	11,020,148	-	39,549,536
Lease liabilities	-	6,568,492	-	6,568,492
Other liabilities	-	151,062	-	151,062
	34,974,217	49,770,507	501,409	85,246,133
Net asset (liability) position	23,997,075	(2,525,268)	4,379,078	25,850,885
KHR'000 equivalent (Note 2.3)	97,764,084	(10,287,942)	17,840,364	105,316,506

### **SENSITIVITY ANALYSIS**

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Company as at reporting date is summarised as follows (only exposures in currencies that accounts for more than 5 percent of the net open positions are shown in its specific currency in the table below. For other currencies, these exposures are grouped as 'Others'):

	2	022	2	021
	- 1%	+ 1%	- 1%	+ 1%
	Depreciation	Appreciation	Depreciation	Appreciation
	US\$	US\$	US\$	US\$
KHR	(356,297)	356,297	(239,971)	239,971
Other	(43,075)	43,075	(43,791)	43,791
	(399,372)	399,372	(283,762)	283,762
KHR'000 (Note 2.3)	(1,644,215)	1,644,215	(1,156,046)	1,156,046

### (ii) Price risk

The Company is not exposed to price risk of securities because it does not hold any investments classified in the statement of financial position as marketable securities.

### (iii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes and may reduce losses in the event that unexpected movements arise. The management of the Company at this stage have a policy to set limits on the level of mismatch of interest rate re-pricing that may be undertaken; which regularly monitors the mismatch by the management and head office.

The Company has no significant financial assets and liabilities with floating interest rates. Balances with the NBC, balances with banks, and loans and advances earn fixed interest rates and deposits from customers, deposits from other financial institutions and borrowings have fixed interest rates.

### LIQUIDITY RISK

Liquidity risk is the risk of the Company being unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

### (i) Liquidity risk management process

The Company's management monitor balance sheet liquidity and manages the concentration and profile of debt maturities through the gap analysis. Periodic reporting on the movement in loans and advances are monitored and liquidity requirements are adjusted to ensure sufficient liquid assets to meet financial commitments and obligation.

Monitoring and reporting take the form of the reviewing of the daily cash position and projections for the next day, week and month, as these are key years for liquidity management. Management monitors the movement of the main depositors and lenders and projections of their withdrawals.

### (ii) Funding approach

The Company's main sources of liquidity arise from the shareholders' paid-up capital, borrowings from social lenders and financial institutions, deposits from other financial institutions and deposits from customers. The sources of liquidity are reviewed regularly through management's review of the maturity of term deposits and key depositors.

### (iii) Non-derivative cash flows

The table on the following page presents the cash flows payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Company manages the inherent liquidity risk based on the expected undiscounted cash flows.

The table below summarises the Company's assets and liabilities based on remaining contractual maturities. The expected cash flows of these assets and liabilities could vary significantly from what is shown in the table. For example, deposits from other financial institutions and deposits from customers are not all expected to be withdrawn immediately.

## **LIQUIDITY RISK**

				2022	2			
Financial assets	On demand US\$	Up to 1 month US\$	>1-3 months US\$	>3-6 months US\$	>6-12 months US\$	>1 to 5 years US\$	Over 5 years US\$	Total US\$
Balances with the NBC (excluding statutory deposits)	4,426,372	•	,		ı	,	•	4,426,372
Balances with banks	5,448,090	ı		•	•			5,448,090
Loans and advances $(*)$	1,767,338	2,220,153	6,339,220	10,250,566	26,756,065	72,457,711	2,188,453	121,979,507
Other assets (*)	16,223	121,874	167,375	131,771	6,907	321,753	121,496	887,399
Total financial assets	11,658,023	2,342,027	6,506,595	10,382,337	26,762,972	72,779,464	2,309,949	132,741,367
Financial liabilities								
	5,604,369	18,763	500,495	1,165,891	19,196,341	25,240,401	•	51,726,260
Deposits from customers (*)								
Deposits from other financial institutions $(^{st})$	122,758	•	٠	•	1,723,308	362,708		2,208,774
Borrowings (*)		1,005,587	291,949	1,997,938		38,605,153	6,603,409	48,504,036
Lease liabilities (**)	•	30,000	102,400	178,500	13,333	3,267,885	5,632,685	9,224,803
Other liabilities	240,346	1	•			'		240,346
Total financial liabilities	5,967,473	1,054,350	894,844	3,342,329	20,932,982	67,476,147	12,236,094	111,904,219
Net liquidity surplus	5,690,550	1,287,677	5,611,751	7,040,008	5,829,990	5,303,317	(9,926,145)	20,837,148
KHR'000 equivalent (Note 2.3)	23,427,994	5,301,366	23,103,579	28,983,713	24,002,069	21,833,756	(40,865,939)	85,786,538
(*) Includes future interest								

<sup>(\*\*)</sup> Contractual undiscounted cash flows

## **LIQUIDITY RISK**

				2021				
Financial assets	On demand US\$	Up to 1 month US\$	>1-3 months US\$	>3-6 months US\$	>6-12 months US\$	>1 to 5 years US\$	Over 5 years US\$	Total US\$
Balances with the NBC (excluding statutory deposits)	7,620,128	,	1	ı	1	,	,	7,620,128
Balances with banks	9,751,563					•	•	9,751,563
Loans and advances (*)	756,622	801,340	2,764,637	8,677,670	24,171,309	53,158,997	2,750,944	93,081,519
Other assets (*)	58,595	39,721	4,967	•	42,900	420,530	77,095	643,808
Total financial assets	18,186,908	841,061	2,769,604	8,677,670	24,214,209	53,579,527	2,828,039	111,097,018
Financial liabilities								
Deposits from customers (*)	5,471,183	326,745	1,119,842	1,259,974	10,591,719	16,292,093		35,061,556
Deposits from other financial institutions (*)	21,616	•	669,147	•	3,224,724	1	•	3,915,487
Borrowings (*)	395,797	187,170	82,777	2,555,417	1,839,469	25,613,289	8,875,617	39,549,536
Lease liabilities (**)	٠	•	477,415	769,167	1,457,553	5,062,734	48,205	7,815,074
Other liabilities	151,062						•	151,062
Total financial liabilities	6,039,658	513,915	2,349,181	4,584,558	17,113,465	46,968,116	8,923,822	86,492,715
Net liquidity surplus	12,147,250	327,146	420,423	4,093,112	7,100,744	6,611,411	(6,095,783)	24,604,303
KHR'000 equivalent (Note 2.3)	49,487,897	1,332,793	1,712,803	16,675,338	28,928,431	26,934,888	(24,834,220)	100,237,930
(*) Includes future interest								

<sup>(\*\*)</sup> Contractual undiscounted cash flows

### COMMITMENTS AND CONTINGENCIES

### (i) Legal claims

During the year, the Company pursued legal claims against borrowers in default. Majority of these claims are still being negotiated and/or disputed by borrowers, thus, neither the ultimate outcome of these claims, nor the amounts recoverable can be determined at this time.

### (ii) Tax contingency

The taxation system in Cambodia has undergone numerous changes and is characterized by either often unclear, contradictory and/or differing interpretations existing 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 and its subsidiaries could be significant.

### FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments comprise financial assets and financial liabilities. 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.

The fair values of the Company's financial instruments are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. Fair values have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the balance sheet are a reasonable estimation of their fair values.

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

### Balances with the NBC and banks

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

### Loans and advances

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 approximates their carrying value at reporting date.

### Deposits from customers and other financial institutions and borrowings

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

### 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.

### 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 debt instruments with significant unobservable components.

There have been no transfers between level 1 and level 2 fair value movements, and no transfers into and out of level 3 fair value measurement during the year ended 31 December 2022.

### **EVENTS AFTER THE REPORTING PERIOD**

Other than as disclosed elsewhere in these financial statements, at the date of this report, there were no other events which occurred subsequent to 31 December 2022 that had significant impact on the statement of financial position of the Company as at 31 December 2022, and its financial performance for the year then ended.



### **FINANCIAL STATEMENT AND INDEPENDENT AUDIT REPORT**

- Independent auditor's report
  - Statement of financial position
    - Statement of comprehensive income
      - Statement of changes in equity
      - Statement of cash flows
        - Notes to the financial statements

### INDEPENDENT AUDITORS REPORT

To: The Shareholders of MOHANOKOR Microfinance Institution Plc.

### **OUR OPINION**

We have audited the financial statements of MOHANOKOR Microfinance Institution Plc. ("the Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

### **BASIS FOR OPINION**

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants and Auditors issued by the Ministry of Economy and Finance of Cambodia, together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT **THEREON**

The other information obtained at the date of the auditor's report is the Report of the Board of Directors. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **INDEPENDENT AUDITORS REPORT (CONTINUED)**

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- · Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Phnom Penh, Kingdom of Cambodia

30 June 2023

## FOR THE YEAR ENDED 31 DECEMBER 2022 STATEMENT OF FINANCIAL POSITION

	NOTES	2022 US\$	KHR'000 (Note 2.3)	2021 US\$	KHR'000 (Note 2.3)
ASSETS					
Cash on hand	ις	6,890,289	28,367,320	4,365,147	17,783,609
Balances with the National Bank of Cambodia ("NBC)	9	11,882,832	48,921,619	13,367,791	54,460,381
Balances with other banks	7	5,360,439	22,068,927	9,591,697	39,076,574
Loans and advances	∞	120,115,522	494,515,604	92,274,477	375,926,219
Property and equipment	တ	4,187,439	17,239,686	3,583,634	14,599,725
Intangible assets	10	1,013,163	4,171,192	1,079,967	4,399,786
Right-of-use assets	7	6,985,889	28,760,905	6,063,475	24,702,597
Deferred tax assets	16	573,426	2,360,795	345,767	1,408,655
Other assets	12	2,051,838	8,447,417	1,482,099	6,038,071
TOTAL ASSETS		159,060,837	654,853,465	132,154,054	538,395,617

# STATEMENT OF FINANCIAL POSITION (CONTINUED)

# FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022		2021	
LIABILITIES AND SHAREHOLDERS' EQUITY		ns\$	KHR'000 (Note 2.3)	\$SN	KHR'000 (Note 2.3)
LIABILITIES					
Deposits from customers	13	51,726,260	212,957,012	35,061,556	142,840,779
Deposits from other financial institutions	4	2,208,774	9,093,523	3,915,487	15,951,694
Borrowings	15	48,504,036	199,691,116	39,549,536	161,124,810
Income tax payable	16	711,652	2,929,871	835,365	3,403,277
Lease liabilities	7	7,705,771	31,724,659	6,568,492	26,760,036
Other liabilities	17	545,611	2,246,280	450,886	1,836,910
TOTAL LIABILITIES		111,402,104	458,642,461	86,381,322	351,917,506
SHAREHOLDERS' EQUITY					
Share capital	18	30,000,000	121,350,000	30,000,000	121,350,000
Retained earnings		17,658,733	71,702,009	14,902,157	60,435,882
Regulatory reserve	19			870,575	3,527,614
Cumulative currency translation differences		1	3,158,995	•	1,164,615
TOTAL SHAREHOLDERS' EQUITY		47,658,733	196,211,004	45,772,732	186,478,111
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		159,060,837	654,853,465	132,154,054	538,395,617

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	202	22	202	21
		US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Interest income	20	27,169,593	111,042,127	21,220,096	86,323,351
Interest expense	21	(7,012,402)	(28,659,687)	(4,190,764)	(17,048,028)
Net interest income		20,157,191	82,382,440	17,029,332	69,275,323
Fee and commission income	22	834,300	3,409,784	591,684	2,406,971
Fee and commission expense	22	(79,314)	(324,156)	(37,066)	(150,784)
Net fee and commission income		754,986	3,085,628	554,618	2,256,187
Other operating income	23	199,533	815,491	158,352	644,176
Other losses - net	24	(357,752)	(1,462,132)	(427,517)	(1,739,139)
Total operating income		20,753,958	84,821,427	17,314,785	70,436,547
General and administrative expenses	25	(15,303,241)	(62,544,346)	(13,151,025)	(53,498,370)
Provision for expected credit losses	26	(2,882,234)	(11,779,690)	(364,903)	(1,484,425)
Income before tax		2,568,483	10,497,391	3,798,857	15,453,752
Income tax expense	16	(682,482)	(2,789,304)	(1,009,374)	(4,106,133)
Net income for the year		1,886,001	7,708,087	2,789,483	11,347,619
Other comprehensive income:					
Currency translation difference			2,024,806		1,263,248
Total comprehensive income for the	year	1,886,001	9,732,893	2,789,483	12,610,867

## FOR THE YEAR ENDED 31 DECEMBER 2022 STATEMENT OF CHANGES IN EQUITY

	Share capital	capital	Retained earnings	earnings	Regulatory reserve	/ reserve	Cumulative currency translation differences	Total	al
	\$SN	US\$ KHR'000 (Note 2.3)	\$SN	KHR'000 (Note 2.3)	\$SN	KHR'000 (Note 2.3)	KHR'000 (Note 2.3)	\$SN	KHR'000 (Note 2.3)
At 1 January 2022	30,000,000	30,000,000 121,350,000	14,902,157	60,435,882	870,575	3,527,614	1,164,615	45,772,732	186,478,111
Net profit for the year	•	1	1,886,001	7,708,087		•		1,886,001	7,708,087
Currency translation difference	1	1		1	1	30,426	1,994,380		2,024,806
Total comprehensive income for the year	•	•	1,886,001	7,708,087	•	30,426	1,994,380	1,886,001	9,732,893
Transfer from regulatory reserve		1	870,575	3,558,040	(870,575)	(3,558,040)		'	
At 31 December 2022	30,000,000	121,350,000	17,658,733	71,702,009	•	'	3,158,995	47,658,733	196,211,004
At 1 January 2021	30,000,000	30,000,000 121,350,000	12,359,154	50,090,944	624,095	2,524,933	(98,633)	42,983,249	173,867,244
Net profit for the year	•	•	2,789,483	11,347,619	•	1	•	2,789,483	11,347,619
Currency translation difference					'		1,263,248	'	1,263,248
Total comprehensive income for the year	•	•	2,789,483	11,347,619	•	•	1,263,248	2,789,483	12,610,867
Transfer to regulatory reserve		1	(246,480)	(1,002,681)	246,480	1,002,681	•	'	•
At 31 December 2021	30,000,000	30,000,000 121,350,000	14,902,157	60,435,882	870,575	3,527,614	1,164,615	45,772,732	186,478,111

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

ı	NOTES		2022	20	21
		US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
OPERATING ACTIVITIES					
Income before tax		2,568,483	10,497,391	3,798,857	15,453,752
Adjustments for:					
Depreciation of right-of-use assets	25	2,645,079	10,810,438	2,382,949	9,693,837
Depreciation and amortization	25	1,470,433	6,009,660	1,160,594	4,721,296
Provision for of expected credit losses	26	2,882,234	11,779,690	364,903	1,484,425
Reversal of over accrued income tax		(352,035)	(1,438,767)	-	-
Remeasurement loss of employee benefits		1,288	5,264	306,634	1,247,387
Foreign exchange revaluation on borrowings	15	57,195	233,756	153,455	624,255
Gain on early terminated lease	25	(25,296)	(103,385)	-	-
Gain on disposal of property and equipment		(77)	(315)	(5,950)	(24,205)
Changes in operating assets and liabilities:					
Loans and advances		(30,795,338)	(125,860,547)	(25,562,345)	(103,987,620)
Statutory deposits with the NBC		(1,708,953)	(6,984,491)	(2,747,663)	(11,177,493)
Other assets		(367,402)	(1,501,572)	870,173	3,539,864
Deposits from customers and other financial institu	tions	14,957,991	61,133,309	33,405,552	135,893,786
Other liabilities		93,437	381,877	(833,376)	(3,390,174)
Net cash (used in)/provided by operations		(8,572,961)	(35,037,692)	13,293,783	54,079,110
Income tax paid	16	(681,819)	(2,786,594)	(847,508)	(3,447,663)
Net cash (used in)/provided by operating activity	ties	(9,254,780)	(37,824,286)	12,446,275	50,631,447
INVESTING ACTIVITIES					
Acquisition of:					
Property and equipment	9	(1,906,864)	(7,793,353)	(1,796,277)	(7,307,255)
Intangible assets	10	(100,570)	(411,030)	(358,863)	(1,459,855)
Proceeds from disposal of property and equipment	:	77	315	9,791	39,830
Net cash used in investing activities		(2,007,357)	(8,204,068)	(2,145,349)	(8,727,280)

### STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

NO	TES	20	22	20	21
		US\$	KHR'000	US\$	KHR'000
			(Note 2.3)		(Note 2.3)
FINANCING ACTIVITIES					
Proceeds from borrowings	15	28,547,590	116,674,000	13,369,469	54,387,000
Settlement of borrowings	15	(19,650,285)	(80,310,715)	(4,153,195)	(16,895,197)
Repayment of principal portion of lease liabilities	11	(2,607,255)	(10,655,851)	(2,290,795)	(9,318,954)
Net cash provided by (used in) financing activities	es	6,290,050	25,707,434	6,925,479	28,172,849
Net (decrease)/increase in cash		(4,972,087)	(20,320,920)	17,226,405	70,077,016
Cash at the beginning of the year		21,736,838	88,555,878	4,510,433	18,244,702
Currency translation difference		-	785,522	-	234,160
Cash at the end of the year	5	16,764,751	69,020,480	21,736,838	88,555,878
OPERATIONAL CASH FLOWS FROM INTEREST					
Interest received		26,546,915	108,497,242	20,964,125	85,282,061
Interest paid		6,922,949	28,294,093	3,690,623	15,013,454

### 13. DEPOSITS FROM CUSTOMERS

	202	22	202	1
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Savings deposits	5,641,563	23,226,315	6,135,638	24,996,589
Term deposits	46,084,697	189,730,697	28,925,918	117,844,190
	51,726,260	212,957,012	35,061,556	142,840,779
Further analyses of deposits from customers	are as follows:			
(i) By type of customers	200	20	200	M
	202 US\$	KHR'000	202 US\$	KHR'000
	03\$	(Note 2.3)	039	(Note 2.3)
Individual	50,137,304	206,415,281	33,881,494	138,033,207
Corporations	1,588,956	6,541,731	1,180,062	4,807,572
	51,726,260	212,957,012	35,061,556	142,840,779
(ii) By currency				
	202		202	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
US\$	40,520,441	166,822,656	28,115,318	114,541,806
KHR	10,308,751	42,441,128	6,444,830	26,256,237
	51,726,260	212,957,012	35,061,556	142,840,779
(iii) By residency and relationship				
(iii) By residency and relationship	202	22	202	21
Residency	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Residents	51,713,763	51,713,763	142,840,779	142,840,779
Non-residents	12,497	12,497		
	51,726,260	51,726,260	142,840,779	142,840,779
Relationship				
Non-related parites	51,531,908	51,531,908	513,691	513,691
Related parties	194,352	194,352	142,327,088	142,327,088
	51,726,260	51,726,260	142,840,779	142,840,779
(iv) By maturity				
Refer to Note 28 for maturity analysis.				
(v) Ranges of interest rate (per annum)	202	22	202	04
Savings deposits	202	0.50% - 3.25%		3.25%
Term deposits		3% - 9.50%		5.50% - 7.50%
#000000		0 /0 0.00 /0		

### 14. DEPOSITS FROM OTHER FINANCIAL INSTITUTIONS

	2022	2	2021	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
s deposits	8,774	36,123	8,353	34,030
its	2,200,00 <b>0</b>	9,057,400	3,907,134	15,917,664
	2,208,774	9,093,523	3,915,487	15,951,694

Further analyses of deposits from other financial institutions are as follows:

i dittier analyses of deposits from other imancial	i ilistitutions are as	o ioliows.		
(i) By currency	2022	2	2021	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
US\$	2,207,593	9,088,660	3,915,487	15,951,694
KHR	1,181	4,863		
	2,208,774	9,093,523	3,915,487	15,951,694
(ii) By residency and relationship				
	2022	2	2021	
Residency	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Residents	2,208,774	9,093,523	3,915,487	15,951,694
Relationship				

### (iii) By maturity

Refer to Note 28 for maturity analysis.

(iv) Ranges of interest rate (per annum)

( )	2022	2021
Savings deposits	0.50% - 3.25%	2.0%-3.25%
Term deposits	7.50% - 9%	5.25% - 7.75%

### 15. BORROWINGS

The Company entered into borrowing agreements with local banks and overseas investment fund to support the Company's business operation and fund capital expenditure investment. Borrowings are unsecured and bear fixed rates ranging as shown in (iii) below. Terms of interest payments and principal repayments are monthly, quarterly and semi-annually.

	202	22	202	1
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Borrowings	48,592,645	200,055,919	39,536,136	161,070,218
Accrued interest payable	420,366	1,730,647	406,275	1,655,165
	49,013,011	201,786,566	39,942,411	162,725,383
Unamortized fees	(508,975)	(2,095,450)	(392,875)	(1,600,573)
	48,504,036	199,691,116	39,549,536	161,124,810

### 15. BORROWINGS (CONTINUED)

### Movements of borrowings are as follows:

	202	22	202	1
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
As at 1 January	<b>3</b> 9,549,536	161,124,810	30,179,807	122,077,319
Additions	28,547,590	116,674,000	13,369,469	54,387,000
Repayments	(19,650,285)	(80,310,715)	(4,153,195)	(16,895,197)
Foreign exchange revaluation	57,195	233,756	153,455	624,255
Currency translation difference		1,969,265		931,433
As at 31 December	48,504,036	199,691,116	39,549,536	161,124,810

### Further analyses of borrowings are as follows:

### (i) By currency

(v, _y ourrone)	202	22	202	21
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
US\$	6,297,313	25,926,038	11,020,148	44,896,083
KHR	42,206,723	173,765,078	28,529,388	116,228,727
	48,504,036	199,691,116	39,549,536	161,124,810

### (ii) By residency and relationship

	202	22	202	21
Residency	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Residents	45,143,489	185,855,744	34,599,536	140,958,510
Non-residents	3,360,547	13,835,372	4,950,000	20,166,300
	48,504,036	199,691,116	39,549,536	161,124,810

### Relationship

Non related parties	48,504,036	199,691,116	39,549,536	161,124,810
Non-related parties	40,304,030	199,091,110	39,349,330	101,124,010

### (iii) By maturity

Refer to Note 28 for maturity analysis.

### (iv) Ranges of interest rate (per annum)

	2022	2021
US\$	7.5% - 9.0%	7.5% - 9.5%
KHR	7.5% - 9.0%	8.75% - 9.0%

## MATURITY PROFILE OF ASSETS AND LIABILITIES

		2022			2021	
Financial assets	Within one year US\$	Beyond one year US\$	Total US\$	Within one year US\$	Beyond one year US\$	Total US\$
Cash on hand	6,890,289		6,890,289	4,365,147	ı	4,365,147
Balances with the NBC	4,426,372	ı	4,426,372	7,620,128	•	7,620,128
Balances with other banks	5,448,090	1	5,448,090	9,751,563	1	9,751,563
Loans and advances	47,333,342	74,646,164	121,979,506	37,427,141	55,654,378	93,081,519
Other assets	444,150	443,249	887,399	182,740	461,068	643,808
	64,542,243	75,089,413	139,631,656	59,346,719	56,115,446	115,462,165
Non-financial assets						
Balances with the NBC	٠	7,456,460	7,456,460	•	5,747,663	5,747,663
Property and equipment	•	8,157,072	8,157,072	•	6,257,636	6,257,636
Intangible asset	٠	1,754,298	1,754,298		1,653,728	1,653,728
Right-of-use assets	ı	17,584,409	17,584,409	•	14,177,209	14,177,209
Deferred tax assets		573,426	573,426	•	345,767	345,767
Other assets		1,164,439	1,164,439	•	838,291	838,291
	•	36,690,104	36,690,104	•	29,020,294	29,020,294
	64,542,243	111,779,517	176,321,760	59,346,719	85,135,740	144,482,459
Less: Allowance for ECLs			(1,951,635)			(806,998)
Accumulated depreciations and amortization			(15,309,288)			(11,361,497)
Total assets			159,060,837			132,154,054
KHR'000 (Note 2.3)			654,853,465			538,395,617

# MATURITY PROFILE OF ASSETS AND LIABILITIES (CONTINUED)

		2022			2021	
	Within one year US\$	Beyond one year US\$	Total US\$	Within one year US\$	Beyond one year US\$	Total US\$
Financial liabilities	26,485,859	25,240,401	51,726,260	21,006,063	14,055,493	35,061,556
Deposits from customers	1,846,065	362,709	2,208,774	3,915,487	•	3,915,487
Deposits from other financial institutions	3,295,475	45,208,561	48,504,036	4,675,304	34,874,232	39,549,536
Borrowings	1,940,932	5,764,839	7,705,771	2,226,720	4,341,772	6,568,492
Lease liabilities	240,346		240,346	151,062		151,062
Other liabilities	33,808,677	76,576,510	110,385,187	31,974,636	53,271,497	85,246,133
Non-financial liabilities						
Income tax payable	711,652	1	711,652	835,365	1	835,365
Other liabilities	226,508	78,757	305,265	228,120	71,704	299,824
	938,160	78,757	1,016,917	1,063,485	71,704	1,135,189
Total liabilities	34,746,837	76,655,267	111,402,104	33,038,121	53,343,201	86,381,322
KHR'000 (Note 2.3)	143,052,728	315,589,733	458,642,461	134,597,305	217,320,201	351,917,506

### MOHANOKOR Mobile, Pay via KHQR











### **BRANCH NETWORK**



\* BRANCH NETWORK: 60 BRANCHES & 83 ATMS MACHINE



**BUILDING TYPE "A" 19** 



**BUILDING TYPE "B" 19** 



**BUILDING TYPE "C" 22** 



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