MIA PLC

មីយ៉ា ម.ក
គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ

2020
ANNUAL REPORT

MIA Plc.
www.miaplc.com

TABLE OF CONTENTS

Vision and Mission	02
Corporate Profile	03
Chairwoman's Message	05
CEO's Message	06
Financial Highlights	07
Corporate Governance	08
Organizational Chart	09
Executive Management Team	10
Products and Services	12
Director's Report	13
Independent Auditor's Report	15
Financial Reports	18
Statement of Financial Position	19
Statement of Comprehensive income	20
Statement of Changes In quity	21
Statement of Cash Flows	22
Note to The Financial Statement	23

VISION

To be one of the leading microfinance institutions which provide variety of attractive products and services for small and medium entrerpreur's in Cambodia

MISSION

Commit to provide the financial products matching the customer's needs.
Be a part of economic development and partners of small and medium entrepreneurs in Cambodia.
To improve the low and medium income-generated people who intend to create new business and expand their existing business in both urban areas and provinces.

COPERATE PROFILE

I. MIA Plc.

MIA Plc.'s project established in late 2015 which was initiated by Lok Chumteav Oknha Ngov Mok, the respectful Chairwoman and shareholders. The initiative came to exist in the early 2016 with the following progress:

- In January 2016, the team work started submitting the application of the microfinance business license under the name of MIA FINANCIAL Plc. to the National Bank of Cambodia.
- On March 22, 2016, the institution received the written notification of the principle approval under the name of MIA FINANCIAL Plc. from the National Bank of Cambodia.
- On June 2, 2016, the institution received the Certificate of Incorporation No. 00113366 from the Ministry of Commerce.
- On December 6, 2016 the institution obtained the License to Conduct Microfinance Business No. M.F. 74 from the National Bank of Cambodia
- On January 15, 2019, the institution requested to change the corporate name of the institution from MIA FINANCIAL Plc. to MIA Plc., and increased the registered capital from KHR 6,000,000,000.00 (equivalent to USD 1,500,000.00) to KHR 10,000,000,000.00 (equivalent to USD 2,500,000.00) and modified the memorandum of association of the institution.
- On March 29, 2019, the National Bank of Cambodia allowed the institution to change the institution's business name from MIA FINANCIAL Plc. to MIA Plc., and to increase the registered capital from KHR 6,000,000,000.00 (equivalent to USD 1,500,000.00) to KHR 10,000,000,000.00 (equivalent USD 2,500,000.00) and to modify the memorandum of association of the institution.

II. Summary Corporate Business Activities

1. Office Address

The Head Office of MIA Plc. is located in Building No. 93, on the Corner of the Norodom Blvd. and street 208 (in front of Chaktomuk Secondary School), Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Cambodia

Tel: +855 (23) 989 262
Email: info@miaplc.com
Website: www.miaplc.com

2. Business's Objective

To provide small and medium financial services to labor workers, civil servants, private sector, sellers, businesspeople, and small and medium enterprises; especially to offer opportunities to those who earn small and medium income to receive financial services for their respective businesses which are not violating the laws. These business activities include initiating new businesses, expansion of current businesses, renovating houses, starting agricultural businesses, etc.

Chairwoman's Message

Dear Management, staff, valued customers and stakeholders,

In the year 2020 was the year of challenges and caused the uncertainty situation around the globe due to the COVID-19 outbreak. All countries over the world have obtained the chaos and met the economy downturn below zero point in total and whereas, the Kingdom of Cambodia met the negative impact seriously because of the COVID-19 outbreak, too. By the figure of the Ministry of Economy and Finance, the GDP grown minus 3.1% in 2020 due to the COVID-19 outbreak.

The deficit in 2020 by COVID-19 was much concern for both private and public sector because all players have been difficult to determine the specific period to control the transmission effectively and successfully. All playe rs are waiting for the vaccine found and produced for contribution to the globe that takes long time and does not have the certainty whether the situation returns to the time without COVID-19 outbreak.

Due to the uncertainty situation, MIA Plc. Micro-Finance Institution has changed some strategies for preventing the credit risk in the future; especially regarded to the loan portfolio growth and maintaining the loan quality. In fact, the institution have very little growth of loan portfolio due to the COVID -19 outbreak, whereas the portfolio at risk increase significantly.

However, we were under the difficult situation, both Board of Directors, Management and all level of staff committed to maintaining the loan portfolio growth and preventing the increase of portfolio at risk. In 2020, Banks and Financial Institutions are supported by the National Bank of Cambodia to do the loan restructuring for the impacted and infected-COVID-19 clients in order to resolve the difficulty of both clients and Banks and Financi al Institutions.

In the year 2020 was the new lesson for the MIA Plc. as well as other Banks and Financial Institutions to look for the solutions through financial technology to support the operation activities in order to promote the financial inclusion actively and nationwide.

In 2021, we still look for the opportunity to expand our operating areas bigger than the existing ones through new branches opening and launch the new product of group loan in Khmer Riel currency following the strategy of Khmer Riel currency promoted by the National Bank of Cambodia. But the ability to move toward or not to move depends on the real situation of the COVID-19 control in 2021. If the transmission does not decrease, our master and activity plans will be delayed.

In conclusion, on behalf of shareholders, I would like to take this opportunity to thank committed and responsible management, staff and especially lovely customers and stakeholders for participating in defeat the challenges and continuously support the financial services of ours until now and in the future.

At last, I would like to wish all management, staff, valued customers and stakeholders with good peace, prosperity, good health, and success in all jobs.

Sincerely yours,

Louk Chumteav Ngov Mok

Chairwoman

CEO's Message

Dear Valued Customer and shareholders

In the period of COVID-19 outbreaks makes the globe meet the uncertainty situation and the negative economic growth for many nations and only China had the better economic growth at 2.3% referred to the World Bank's report. On the other hands, the Kingdom of Cambodia had the negative economic growth at -3.1% in 2020 due to the COVID-19 outbreak, too. Actually, all business activities in Cambodia have stuck or not been moving slowly; especially garment factories that the purchase orders were cancelled or postponed by buyers in both Europe and the United States of America, because of those countries were lockdown due to the COVID-19 transmission rapidly.

Following the uncertainty situations of the world and our country on the effective control of COVID-19 pandemic made ineffective growth of private sectors. In fact, MIA Plc. had less loan portfolio grow th due to the COVID-19 pandemic. Whereas the loan portfolio at risk increased significantly compared with last year.

In 2020, the loan portfolio is US$6,214,422.00 increased 0.68% compared with 2019. The number of clients is 522 and increased 18.36% compared with 2019. Total assets US$7,067,457.00 increased 3.13% compared with 2019. Net worth US$2,836,035 increased 5.78% compared with 2019. The interest collection US$973,523.00 increased 3.2% compared with 2019, profit before tax US$220,172.00 increased 15.45% compared with 2019, the profit after tax US$155,037 increased 19.88% compared with 2019.

The goal in 2021, our goal are ready to expand larger operating areas thr ough opening more new branches and launching new loan product in Riel currency as the group loan that follows the strategy of the national bank of Cambodia to push the Riel c urrency to work in the market. But whether or not we can achieve our goal depended on the real situation of the COVID-19 pandemic control in 2021. If the COVID-19 transmission becomes bigger and bigger, our master and activity plans will be delayed.

In conclusion, I would like to take this opportunity to thank committed and responsible management, staff and especially lovely customers and stakeholders for participating in defeat the challenges and continuously support the financial services of ours until now and in the future.

At last, I would like to wish all management, staff, valued customers and stakeholders with good peace, prosperity, good health, and success in all jobs.

Sincerely yours,

MIA PLC.
Head Office

Sincerely yours,
Chief Executive Officer

FINANCIAL HIGHLIGHTS

PROFITLIBILITY	2020 USD	2019 USD
Profit/ (Loss) before tax	220,172	190,706
Profit/ (Loss) after tax	155,037	129,323

KEY FIGURES IN BALANCE SHEET	2020 USD	2019 USD
Total Assets	7,067,457	6,852,934
Loans to customers (Net)	6,214,422	6,172,241
Borrowings	4,121,396	4,026,354
Total Liabilities	4,231,422	4,171,936
Paid up capital	2,500,000	2,500,000
Equity	2,836,035	2,680,998

FINANCIAL RATIOS	2020 USD	2019 USD
Return on Assets	2.19%	1.88%
Return on Equity	5.47%	4.82%
Debt to Equity	1.45:1	1.50:1
Debt to Assets	0.58.1	0.58.1

CORPORATE GOVERNANCE

MIA Plc. consists of higher level of organizational structure to ensure that the corporate governance of the institution is warrenty for short term and long term sustainable business growth. The following are board of directors and committees.

Board of Directors

- Lok Chumteav Okhna Ngov Mok,	Chairwoman
- Oknha Ngov Srun,	Member
- Mr. Ngov Vansu,	Member

Committees

MIA Plc. has four main commitees - Assets, Liabilities Committee, Audit Committee, Credit Committee and Disciplinary Committee.

Assets, Liabilities Committee:

- Lok Chumteav Oknha Ngov Mok,	Head
- Oknha Ngov Srun,	Member
- Mr. Ngoun Saram,	Member
- Mr. Im Song,	Member

Internal Audit Committee:

- Mr. Po Sathya,	Head
- Oknha Ngov Srun,	Member
- Mr. Ngoun Saram,	Member
- Mr. Thai bunthoeun,	Member

Credit Committee:

Approved equivalent or less than USD 5,000.00

- Mr. Ngoun Saram,	Head
- Mr. York Sopheap,	Member

Approved from USD 5,001.00 - USD 50,000.00

- Mr. Ngoun Saram,	Head
- Mr. York Sopheap,	Member
- Mr. Phun Davuthy,	Member

Approved more than USD 50,000.00

- Oknha Ngov Srun,	Head
- Mr. Ngoun Saram,	Member
- Mr. York Sopheap,	Member
- Mr. Phun Davuthy,	Member

Disciplinary Committee:

- Mr. Ngoun Saram,	Head
- Mr. Im Song,	Member
- Mr. You Phirun,	Member

ORGANIZATIONAL CHART

EXECUTIVE MANAGEMENT TEAM

Oknha Ngov Srun, Chief Executive Officer

Oknha Ngov Srun is a co-founder of MIA Plc. He completed his Master's Law Degree at Universite' Libre De Bruxfelles and Bachelor of Science. He is also a founder of Khmer Sight Foundation, a non-profit organization, specializes in eye diseases. He has earned much experience in business of real estates, financial, trading etc., in Cambodia and overseas more than 26 years.

Mr. Ngoun Saram, General Manager

Mr. Ngoun Saram, obtained the Bachelor Degree in Economics, specialized in Finance and Banking from Royal University of Law and Economics (RULE), Cambodia in2005 and dual Master Degrees in Insurance, Finance and Bank for South-East Asia from Nante University, France and Risk Management in Insurance, Finance and Banking from RULE, Cambodia in 2020. He has earned experiences in Micro-Finance Institution and Banks for 18 years with various positions as officer and middle manager in loan, internal audit, accounting and administration respectively. He had then moved to local and foreign shareholder-owned banks for a seat of deputy and branch manager, loan manager before joining MIA Plc.

Mr. Im Song, Deputy General Manager

Mr. Im Song holds a Bachelor of Business and Administration in 2005, pecialized in Accounting and Finance. He has a broad range of experience in MFIs for more than 16 years. He held various position in charge of Marketing Research Assistant, Research and Development Unit Manager, SPM Facilitator, and Branch Manager before joining MIA Plc.

Mr. You Phirun, Human Resources and Administrative Manager

He holds Bachelor of English majoring in English for Communication and Master of Finance, specialized in Finance and Banking.He has earned more than 9 years of experience with MFIs and Banks. Prior to joining MIA Plc., he held many position as HR and Administrative Assistant, HR Officer, and Senior HR and Administrative Officer.

Mrs. San Soriya, Finance Manager

She holds of Bachelor of Accounting from National University of Management in 2014.Prior to Join MIA Plc., she has worked for and ADB project for one year and she move to ell-known as an Accountant for three years and she has experience for Assistant General Manager for one year.

Mr. York Sopheap, Credit Manager

He holds Bachelor Degree Finance and Banking at Human Resources University . He has earned more than 10 year of experience with MFIs. He held various positions as credit officer, Credit Team leader, Branch manager before promoting Credit Manager at MIA PLc

Mr. Phun Davuthy,
Acting Risk and Compliance Unit Manager

He holds Bachelor Degree of Management. He has earned more than 10 years of experience with MFIs. He held Various position as Credit Officer, Credit Team leader, Branch Manager, Internal Audit Manager before promoted as the Acting Risk and Compliance Unit Manager

Mr. Thai Bunthoeun,
Internal Audit Unit Manager

He holds graduate of Decreed of Banking of finance, He has worked experience more than 8 years with MFI and private Companies, he has variety of Accounting, External Audit firm, Internal Audit Officer, Internal Audit Supervisor, Before to Promoted Internal Audit Unit Manager.

You can make loan repayment through
Wing Agents, no fee charge

023 989 262
092 777 011

PRODUCTS AND SERVICES

We are providing flexible loan terms and conditions, competitive interest rate, convenient repayment mode. MIA is also provides individual loan to micro, small, medium, large businesses and enterprises size.

Group Loan

Group Loan is a type of micro loan that is provided to clients with members from 2 to 5 groups to be used a capital for small business and other activities to increase income and improve the lives of customers.

Micro Loan Size

Micro Loan is general lending which MIA provides to individual micro business enterprise which purpose to start up and extent their business with loan features such as KHR and USD currency, competitive interest rate, convenient repayment mode, and flexible terms and condition.

Small Loan Size

Small loan is general lending which MIA provides to individual small business enterprise which purpose to start up and extent their business with loan features such as KHR and USD currency, competitive interest rate, convenient repayment mode, and flexible terms and condition.

Medium Loan Size

Medium loan is general lending which MIA provides to individual medium business enterprise which purpose to start up and extent their business with loan features such as KHR and USD currency, competitive interest rate, convenient repayment mode, and flexible terms and condition.

Large Loan Size

Large loan is general lending which MIA provides to individual large business enterprise which purpose to start up and extent their business with loan features such as KHR and USD currency, competitive interest rate, convenient repayment mode, and flexible terms and condition.

SME Loan Size

SME loan is general lending which MIA provides to individual SME business enterprise which purpose to start up and extent their business with loan features such as KHR and USD currency, cpmpetitive interest rate, convenient repayment mode, and flexible terms and condition.

DIRECTOR'S REPORT

The directors hereby submit the report and the audited financial statements of the Company for the financial year ended 31 December 2020.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Ngov Mok	Chairman
Ngov Srun	Director
Ngov Vansu	Director

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible to ascertain that financial statements are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations and its cash flow for the year ended 31 December 2019. In preparing these financial statements, the directors are required to:

(i) adopt appropriate accounting policies in compliance with Cambodian International Financial Reporting Standards for Small and Medium-Sized Entities ("CIFRS for SMEs"), supported by reasonable and appropriate judgments and estimates and then apply them consistently;

(ii) comply with disclosure requirements of CIFRS for SMEs and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of the financial statements or, if there have been any departure in the interest of true and fair presentation, ensure that 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 its operation in the foreseeable future; and

(v) control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/ or instructions have been properly reflected

The directors confirm that the Company has complied with the above requirements in preparing the financial statements.

In the opinion of the directors, the accompanying financial statements of the Company are drawn up in accordance with CIFRS for SMEs so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations and its cash flows for the year then ended.

PREPARATION OF THE FINANCIAL STATEMENTS

In the preparation of the financial statements, the directors have taken regard of the following matters:-

(i) all material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements;

(ii) adequate allowance for impairment losses on receivables and other current and non-current assets, if required, has been made;

(iii) known bad debts had been written off, if any;

(iv) existing methods of valuation of assets or liabilities is not misleading or inappropriate;

(v) there are no known circumstances that would render any amount stated in the financial statements to be misleading;

(vi) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made;

(vii) the results of the operations of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature;

(viii) no contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

APPROVAL OF THE FINANCIAL STATEMENTS

The directors hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the financial year then ended in accordance with CIFRS for SMEs.

Ngov Srun

Director

Date:

INDEPENDENT AUDIT'S REPORT

Opinion

We have audited the financial statements of MIA PLC. ("the Company") which comprise the statement of financial position as at 31 December 2020 of the Company, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages19 to 50.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flow for the financial year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs") and guidelines of the National Bank of Cambodia.

Basis of Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISA"). Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance 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.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Director for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs") and guidelines of the National Bank of Cambodia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whet her due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 the directors either intends to liquidate the Company or to ceases operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 CISA 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 a part of an audit in accordance with CISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Company, 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 the director.

- conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements denominated in the functional currency of United States Dollar ("USD"). The translation of the financial statements from USD into Khmer Riel ("KHR") using the closing and average rates as at 31 December 2020 and for the year then ended, respectively, is presented for the purpose of additional analysis and it does not form an integral part of the audited financial statements. The translation has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express any opinion on it .

Crowe (KH) Co., Ltd.

CROWE (KH)
CO., LTD.
KINGDOM OF CAMBODIA

Onn Kien Hoe

Director

Phnom Penh, Kingdom of Cambodia

Date

FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
ASSETS				
Cash on hand	1,577	2,665	6,379	10,860
Deposits and placement with banks	596,033	412,470	2,410,953	1,680,815
Loans and advances to customers	6,214,422	6,172,241	25,137,337	25,151,882
Other assets	102,946	93,107	416,417	379,411
Statutory deposit	125,000	125,000	505,625	509,375
Equipment	20,329	33,701	82,231	137,332
Intangible asset	7,150	13,750	28,922	56,031
TOTAL ASSETS	7,067,457	6,852,934	28,587,864	27,925,706
LIABILITIES AND EQUITY				
LIABILITIES				
Borrowings	4,121,396	4,026,354	16,671,047	16,407,393
Other liabilities	80,675	85,928	326,330	350,157
Income tax payable	29,351	59,654	118,725	243,090
TOTAL LIABILITIES	4,231,422	4,171,936	17,116,102	17,000,640
EQUITY				
Share capital	2,500,000	2,500000	10,000,000	10,000,000
Retained earnings	336,035	180,998	1,358,771	731,647
Translation reserve	-	-	112,991	193,419
TOTAL EQUITY	2,836,035	2,680,998	11,471,762	10,925,066
TOTAL LIABILITY AND EQUIT	7,067,457	6,852,934	28,587,864	27,925,706

STATEMENT OF COMPREHENSIVE IN COME

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Interest income	973,523	943,055	3,937,901	3,821,259
Interest expense	(227,394)	(236,980)	(919,809)	(960,243)
Gross profit	746,129	706,075	3,018,092	2,861,016
Other income	92,077	88,146	372,451	357,168
Personnel cost	(284,457)	(250,677)	(1,150,629)	(1,015,743)
Depreciation expense	(20,535)	(22,847)	(83,063)	(92,576)
Amortization expense	(6,600)	(6,600)	(26,697)	(26,743)
Other operating expenses	(173,333)	(229,933)	(701,133)	(931,689)
Profit from operation	353,281	284,164	1,429,021	1,151,433
Allowance for impairment losses on loans	(133,109)	(93,458)	(538,426)	(378,692)
Profit before tax	220,172	190,706	890,595	772,741
Income tax expense	(65,135)	(61,383)	(263,471)	(248,724)
Profit after tax for the year	155,037	129,323	627,124	524,017

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained earnings	Total
	USD	USD	USD
Balance at 1.1.2019	1,500000	51,675	1,551,675
Issuance of shares	1,000,000	-	1,000,000
Profit for the year	-	129,323	129,323
Balance at 31.12.2019/1.1.2020	2,500,000	180,998	2,680,998
Profit for the year	-	155,037	155,037
Balance at 31.12.2010	2,500,000	336,035	2,836,035

	Share Capital	Retained earnings	Translation reserve	Total
	KHR'000	KHR'000	KHR'000	KHR'000
Balance at 1.1.2019	6,027,000	207,630	-	6,234,630
Issuane of shares	4,000000	-	-	4,000,000
Profit for the year	-	524,017	-	524,017
Translation differences	(27,000)	-	193,419	166,419
	10,000,000	731,647	193,419	10,925,066
Balance at 31.12.2019/1.1.2020				
Profit for the year	-	627,124	-	627,124
Translation differences	-	-	(80,428)	(80,428)
Balance at 31.12.2020	10,000,000	1,358,771	112,991	11,471,762

STATEMENT OF CASH FLOWS

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
CASH FLOWS FROM (FOR) OPERATING ACTIVTIVES				
Profit before tax	220,172	190,706	890,595	772,741
Adjustments for-:				
Impairment allowance	133,109	93,458	538,426	378,692
Depreciation of equipment	20,535	22,847	83,063	92,576
Amortization expense	6,600	6,600	26,697	26,743
Interest expense	227,394	236,980	919,809	960,243
Operating loss before working capital changes	607,810	550,591	2,458,590	2,230,995
Working capitalchanges:				
- Loans and advance to customers	(175,290)	(1,005.354)	(709,048)	(4,096,818)
-Other assets	(9,839)	(16,616)	(39,799)	(67,710)
-Statutory deposit	-	(50,000)	-	(203,750)
-Other liabilities	(5,836)	14,804	(23,607)	60,326
NET CASH FLOWS FROM (FOR) OPERATION	416,845	(506,575)	1,686,135	(2,076,957)
Income tax paid	(95,438)	(23,219)	(386,047)	(94,083)
Interest paid	(226,811)	(235,075)	(917,450)	(952524)
NET CASH FLOWS FROM(FOR) OPERATING ACTIVITIES	94,596	(764,869)	382,638	(3,123,564)
CASH FLOWS FOR INVESTING ACTIVITIES				
Purchase of equipment	(7,163)	(12,310)	(28,975)	(50,163)
NET CASH FLOWS FOR INVESTING ACTIVITIES	(7,163)	(12,310)	(28,975)	(50,163)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES				
Drawdown of borrowing	1,153,328	243,481	4,665,212	992,185
Repayment of borrowing	(1,058,286)	(80,586)	(4,280,767)	(328,388)
Issuance of shares	-	1,000,000	-	4,000,000
NET CASH FROM INVESTING ACTIVITIES	95,042	1,162,895	384,445	4,663,797

NET IN CREASE IN CASH AND CASH EQUIVALENTS	182,475	385,716	738,111	1,490,070
CASH AND CASH EQUIVALENTS BEGINNING OF THE FINANCIAL YEAR	415,135	29,419	1,691,675	118,206
TRANSLATION DIFFERENCE	-	-	(12,454)	83,399
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	597,610	415,135	2,417,332	1,691,675

Cash and cash equivalents comprise :-

Cash on hand	1,577	2,665	6,379	10,860
Deposits and placement with banks	596,033	412,470	2,410,953	1,680,815
Total	597,610	415,135	2,417,332	1,691,675

NOTE TO THE FINANCIAL STATEMENT

1. GENERAL INFORMATION

MIA PLC. ("the Company") was incorporated in Cambodia and registered with the Ministry of Commerce on 02 June 2016 under Registration No. 00013666. On 14 November 2019, the Company obtained a license to conduct microfinance business from the National Bank of Cambodia ("NBC").

Registered office:	Building No. 93, Norodom Blvd, Corner Street 208, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia
Principal of business:	Building No. 93, Norodom Blvd, Corner Street 208, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia

The financial statements were authorized for issue by the directors on 28 April 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in all aspects of micro-finance services business and the provision of related financial service in Cambodia.

There have been no significant changes in the nature of the principle activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with the Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs") and guidelines issued by NBC.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Impairment on Loan and Advances to Customers

An impairment loss is recognized when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and advances and analyses their ageing profile, historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognizes tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognized, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognized in the financial statements.

4.2 FUNCTIONAL AND PRESENTATION CURRENCIES

(a) Functional and Presentation Currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates, which is the functional currency.

The financial statements are presented in US Dollar ("USD"), which is the Company's functional and presentation currency.

The translation of the USD amounts into Khmer Riel ("KHR") is presented in the financial statements to comply with the Law on Accounting and Auditing dated 11 April 2016 using the closing and average rates for the year then ended, as announced by the General Department of Taxation of Cambodia.

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

	2020	2019
Closing rate	4,045	4,075
Average rate for the year	4,045	4,052

Amounts in the financial statements have been rounded off to the nearest dollar and nearest thousand for USD and KHR amounts, respectively.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition using exchange rates at the transaction dates. At the end of the reporting period, foreign currency monetary assets and liabilities are retranslated at the exchange rates of that date. Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting.

All foreign currency exchange differences arising from the settlement of monetary items or on the retranslation of monetary items are recognized in profit or loss in the period in which they arise.

4.3 FINANCIAL INSTRUMENTS

(a) Initial recognition and measurement

Financial assets and financial liabilities are recognized in the statements of financial position when the Company has become a party to the contractual provisions of the instruments.

A financial instrument is recognized initially at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through profit or loss, transaction costs are recognized in profit or loss when incurred.

An arrangement constitutes a financing transaction if payment is deferred beyond normal business terms. Under a financing transaction, a financial asset or a financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition. Any fair value adjustment upon the initial recognition is recognized in profit or loss immediately as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets; otherwise, the difference is charged to profit or loss on a straight-line method over the contractual terms of the financial instrument.

(b) Subsequent measurement

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing arrangement. Other debt instruments are measured at amortized cost using the effective interest method.

Other than the above, all financial assets and financial liabilities are measured at fair value with changes in fair value recognized in profit or loss.

(c) Derecognition

A financial asset or part of it is derecognized when, and only when, the contractual rights to the cash flows from the financial asset expire or financial asset is transfer to another party without retaining control or substantially all risks and rewards of asset. On derecognition of a financial asset, the difference between the carrying amount and the consideration received (including any new liability assumed) and is recognized in profit or loss.

A financial liability or a part of it is derecognized when, and only when, the obligation specified in the contract is discharged, cancelled or expires.

A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(d) Ordinary share

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognized as liabilities when approved for appropriation.

4.4 EQUIPMENT

All items of equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognized.

Depreciation is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The principal annual rates used for this purpose are:-

Leasehold improvement	20%
Furniture and fixtures	33%
Office equipment	33%
Computer/IT equipment	33%
Motor vehicles	25%

The depreciation method, useful lives and residual values will be reviewed if there is a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits. Any changes are accounted for as a change in accounting estimate.

Any gain or loss arising from the disposal of equipment is recognized in profit or loss.

4.5 INTANGIBLE ASSETS

Intangible assets represent the initial costs incurred for the banking software.

Following initial recognition, intangible assets are stated at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are assessed to have finite useful lives and are amortized over the license period using straight-line method. The intangible assets are also assessed for impairment whenever there is an indication that they may be impaired. Intangible assets are amortized as below:-

Banking software	20%

4.6 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed for impairment at each reporting date when there is an objective evidence of impairment.

For a financial asset measured at amortized cost, the impairment loss is the difference between the financial asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective rate.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the financial asset's carrying amount and the best estimate of the amount that would be received for the financial asset if it were to be sold at the reporting date.

All impairment losses are recognized in profit or loss immediately.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previous recognized impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed its amortized cost at the reversal date. The amount of impairment reversal is recognized in profit or loss.

Loans and advances to customers

On 1 December 2017, NBC issued a new Prakas No. B7-017-344 on Credit Risk Grading and Impairment Provisioning for ensuring appropriate recognition, measurement, provisioning and reporting of impaired facilities of the institutions. Facilities under this Prakas are defined as all loans and other financial products, whether reported on balance sheet or off-balance sheet, provided by an Institution to a counterparty, which give rise to credit risk exposure on the Institution.

On 16 February 2018, NBC issued Circular No. B7-018-001 clarifying on implementation of Prakas on Credit Risk Grading and Impairment Provisioning.

According to the new Circular and during the transitional period (from 1 December 2017 to 31 December 2018), the Company is required to calculate the allowance for impaired facilities in accordance with regulatory provision of which facilities are classified into 5 classes with allowance rates as follows:-

Classifications	**Number of days past due**	**Allowance**
1. General allowance		
Short-term facilities (one year or less):		
Normal	0-14 days	1%
Long-term facilities (more than one year):		
Normal	0-29 days	1%
2. Specific allowance		
Short-term facilities (one year or less):		
Special mention	15-30 days	3%
Sub-standard	31-60 days	20%
Doubtful	61-90 days	50%
Loss	91 days & above	100%

Long-term facilities (more than one year):		
Special mention	30-89 days	3%
Sub-standard	90-179 days	20%
Doubtful	180-359 days	50%
Loss	360 days & above	100%

The regulatory provision applies to all on and off-balance sheet facilities of banks and financial institutions.The Prakas also requires the comparison of the regulatory provision with the impairment provision determined based on CIFRS for SMEs. In case the regulatory provision calculated in accordance with Prakas is lower than impairment loss determined based on CIFRS for SMEs, the Company shall recognize the impairment loss calculated in accordance with CIFRS for SMEs. In the case the regulatory provision is higher than impairment loss, the Company shall recognize the impairment loss in accordance with CIFRS for SMEs and transfer the difference from retained earnings into regulatory reserve. The Company has presented the regulatory reserve in the statement of changes in equity.

An uncollectible loan or portion of a loan classified as bad is written off after taking into consideration the realizable value of the collateral, if any when in the judgment of the management, there is no prospect of recovery. Recoveries on loans previously written off are disclosed as other income in the statement of profit or loss.

The evaluation of the adequacy of the allowance for the loan losses is based on the management's judgment of the amount necessary to maintain the allowance at a level adequate to absorb losses.

The allowance policy is based on the management's experience in relation to size of the portfolios, previous loss experience, current economic conditions and their effect on individual clients and the performance of individual loans in relation to contract terms. Bad loans are being written off when it sees fit.

(b) Impairment or Non Financial Assets

The carrying values of assets, other than those to which Section 27 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that assets might be impaired.

Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.7 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with original maturity of three months or less from the date of acquisition, including cash on hand, the non-restricted balances with NBC and balances with banks and other financial institutions.

4.8 STATUTORY DEPOSITS WITH NATIONAL BANK OF CAMBODIA

Balances with the NBC including statutory deposits are stated at cost. Statutory deposits are maintained with the NBC in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by defined percentages of minimum share capital and customers' deposits as required by the NBC. The amounts are not available to finance the Company's day-to-day operations and hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

4.9 LEASES

All leases that do not transfer substantially to the Company all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Company.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease.

4.10 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.11 EMPLOYEE BENEFITS

Wages, salaries, paid annual leave, bonuses and social security contributions are measured on an undiscounted basis and are recognised in profit and loss in the period in which the associated services are rendered by employees

4.12 INCOME TAX

(a) Current Tax

Current tax assets and liabilities is expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets recognized are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

(c) Value added tax ("VAT")

Revenues, expenses and assets are recognised net of VAT except for the VAT in a purchase of assets or services which are not recoverable from the taxation authorities, the VAT are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of VAT included (where applicable).

The net amount of the VAT recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

Current and deferred tax items are recognized in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.13 BORROWING COSTS

Borrowing costs are recognized as an expense in profit or loss in the period in which they are incurred by using the effective interest method.

4.14 REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring services to a customer net of sales and service tax, returns, rebates and discounts. The Company recognizes revenue when (or as) it transfers control over a service to customer. Depending on the substance of the contract, revenue is recognized when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Interest Income

Interest income is recognized on an accrual basis, based on the effective interest method. Interest income on performing loans and advances, and deposits and placements with banks are recognized on a daily accrual basis. Interest on non-performing loans is recorded as interest in suspense rather than income until it is realized on cash basis.

The policy on the suspension of interest is in conformity with the National Bank of Cambodia's guidelines on the suspension of interest on non-performing loans and provision for loan losses.

(b) Free and commission inccome

Loan arrangement fee and commissions are recognised in the statement of income when all the conditions precedent are fulfilled.

Service charges, processing fees and other operating income are recognised when the right to receive payment is established.

5. CASH ON HAND

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
US Dollars	416	779	1,684	3,175
Khmer Riels	1,161	1,886	4,695	7,685
	1,577	2,665	6,379	10,860

6. DEPOSITS AND PLACEMENTS WITH BANKS

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Current account with:				
National Bank of Cambodia	1,346	1,366	5,444	5,566
Banks	594,687	411,104	2,405,509	1,675,249
	596,033	412,470	2,410,953	1,680,815
By currency				
US Dollars	596,033	412,470	2,410,953	1,680,815

7. LOANS AND ADVANCES TO CUSTOMERS

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Individual loans	6,494,124	6,318,834	26,268,732	25,749,249
Allowance for impairment losses	(279,702)	(146,593)	(1,131,395)	(597,367)
Net loans and advances to customers	6,214,422	6,172,241	25,137,337	25,151,882

Changes in allowance for impairment losses are as follow:

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
At 1 January	146,593	53,135	597,366	213,496
Transfer to profit or loss	133,109	93,458	538,426	378,692
Translation difference	-	-	(4,397)	5,178
At 31 December	279,702	146,593	1,131,395	597,366

Further analysis of the above loans and advances is provided as below:

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
(a) By maturity period				
Within one year	1,917,746	1,405,325	7,757,283	5,726,699
From one to five years	2,363,449	2,853,386	9,560,151	11,627,548
More than five years	2,212,929	2,060,123	8,951,298	8,395,002
	6,494,124	6,318,834	26,268,732	25,749,249

(b) By performance				
Standard loans:				
- Secured	6,217,556	6,158,948	25,150,014	25,097,713
- Unsecured	55,669	41,580	225,181	169,439
Special mention loans:				
- Secured	2,401	33,327	9,712	135,808
- Unsecured	869	-	3,516	-
Substandard loans:				
- Secured	-	51,125	-	208,334
- Unsecured	579	-	2,342	-
Doubtful loans:				
- Secured	-	33,854	-	137,955
- Unsecured	515	-	2,083	-
Loss loans:				
- Secured	216,535	-	875,884	-
- Unsecured	-	-	-	-
	6,494,124	6,318,834	26,268,732	25,749,249

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
(c) By currency denomination				
USD	5,969,734	6,076,155	24,147,574	24,760,332
KHR	524,390	242,679	2,121,158	988,917
	6,494,124	6,318,834	26,268,732	25,749,249
(d) By status of residence				
Residents	6,494,124	6,318,834	26,268,732	25,749,249
(e) By relationship				
External customers	6,200,391	6,063,689	25,080,582	24,709,533
Staff loans	293,733	255,145	1,188,150	1,039,716
	6,494,124	6,318,834	26,268,732	25,749,249
(f) By industry:				
Agriculture	47,499	90,666	192,133	369,464
Trade and commerce	1,411,026	2,228,180	5,707,600	9,079,834
Service	395,245	1,203,647	1,598,766	4,904,862
Transportation	70,524	179,077	285,270	729,739
Construction	1,333,724	766,781	5,394,914	3,124,633
Household/family	3,200,759	106,405	12,947,070	433,600
Production	35,347	341,210	142,979	1,390,431
Other	-	1,402,868	-	5,716,686
	6,494,124	6,318,834	26,268,732	25,749,249
(g) By large exposure				
Non large exposure	6,494,124	6,318,834	26,268,732	25,749,249

	2020	2019
(h). By interest rate per annum		
- Loans to customers	9% to 18%	9% - 20.4%

8 OTHER ASSETS

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Interest receivable	51,150	49,170	206,902	200,368
Advances	50,668	38,513	204,952	156,940
Prepayments	1,128	5,424	4,563	22,103
	102,946	93,107	416,417	379,411

9 STATUTORY DEPOSIT WITH NBC

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Statutory deposit	125,000	125,000	505,625	509,375

The Company is required to maintain a statutory deposit of five percent of its capital to comply with the NBC's Prakas No. B7-00-06 dated 11 January 2000 and Prakas No. B7-06-209 dated 13 September 2006. The deposit is not available for the Company's daily operation and is refundable when the Company voluntarily liquidates its activities and has no deposit liabilities. This statutory deposit is interest bearing at 1/2 of the six month period refinancing rate set by the NBC for statutory deposit maintained in Khmer Riel and 3/8 of the six-month period SIBOR rate for statutory deposit maintained in US Dollar.

10 EQUIPMENT

	As at 01.01.2020 USD	Additions USD	Depreciation USD	As at 31.12.2020 USD
Net Book Value				
Leasehold improvement	2,845	1,547	(1,494)	2,898
Furniture and fixtures	1,515	902	(888)	1,529
Office equipment	1,628	1,432	(1,435)	1,625
Computer/IT equipment	6,223	3,282	(4,163)	5,342
Motor vehicles	21,490	-	(12,555)	8,935
	33,701	7,163	(20,535)	20,329

Net Book Value	As at 01.01.2019 USD	Additions USD	Transfer USD	Depreciation USD	As at 31.12.2019 USD
Leasehold improvement	2,524	1,400	-	(1,079)	2,845
Furniture and fixtures	883	398	1,330	(1,096)	1,515
Office equipment	3,613	1,452	(1,330)	(2,107)	1,628
Computer/IT equipment	8,442	2,910	-	(5,129)	6,223
Motor vehicles	28,776	6,150	-	(13,436)	21,490
	44,238	12,310	-	(22,847)	33,701

Net Book Value	At 01.01.2020 KHR'000	Additions KHR'000	Depreciation KHR'000	Translation Difference KHR'000	At 31.12.2020 KHR'000
Leasehold improvement	11,593	6,258	(6,043)	(86)	11,722
Furniture and fixtures	6,174	3,649	(3,592)	(46)	6,185
Office equipment	6,634	5,792	(5,805)	(48)	6,573
Computer/IT equipment	25,359	13,276	(16,839)	(188)	21,608
Motor vehicles	87,572	-	(50,784)	(645)	36,143
	137,332	28,975	(83,063)	(1,013)	82,231

Net Book Value	At 01.01.2019 KHR'000	Additions KHR'000	Transfer KHR'000	Depreciation KHR'000	Translation Difference KHR'000	At 31.12.2019 KHR'000
Leasehold improvement	10,141	5,705	-	(4,372)	119	11,593
Furniture and fixtures	3,548	1,622	5,420	(4,441)	25	6,174
Office equipment	14,517	5,917	(5,420)	(8,538)	158	6,634
Computer/IT equipment	33,920	11,858	-	(20,783)	364	25,359
Motor vehicles	115,622	25,061	-	(54,442)	1,331	87,572
	177,748	50,163	-	(92,576)	1,997	137,332

As at 31 December 2020	At Cost USD	Accumulate Depreciation USD	Net Book Value USD
Leasehold improvement	7,500	(4,602)	2,898
Furniture and fixtures	4,409	(2,880)	1,529
Office equipment	8,083	(6,458)	1,625
Computer/IT equipment	25,114	(19,772)	5,342
Motor vehicles	61,700	(52,765)	8,935
	106,806	(86,477)	20,329

As at 31 December 2019	At Cost USD	Accumulate Depreciation USD	Net Book Value USD
Leasehold improvement	5,953	(3,108)	2,845
Furniture and fixtures	3,507	(1,992)	1,515
Office equipment	6,651	(5,023)	1,628
Computer/IT equipment	21,832	(15,609)	6,223
Motor vehicles	61,700	(40,210)	21,490
	99,643	(65,942)	33,701

As at 31 December 2020	At Cost KHR'000	Accumulate Depreciation KHR'000	Net Book Value KHR'000
Leasehold improvement	30,338	(18,615)	11,723
Furniture and fixtures	17,834	(11,650)	6,184
Office equipment	32,696	(26,123)	6,573
Computer/IT equipment	101,586	(79,978)	21,608
Motor vehicles	249,577	(213,434)	36,143
	432,031	(349,800)	82,231

As at 31 December 2019	At Cost KHR'000	Accumulate Depreciation KHR'000	Net Book Value KHR'000
Leasehold improvement	24,258	(12,665)	11,593
Furniture and fixtures	14,291	(8,117)	6,174
Office equipment	27,103	(20,469)	6,634
Computer/IT equipment	88,965	(63,606)	25,359
Motor vehicles	251,428	(163,856)	87,572
	406,045	(268,713)	137,332

11. INTANGIBLE ASSET

Banking software	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Cost				
At 1 January	33,000	33,000	134,475	132,594
Addition	-	-		-
Translation difference	-	-	(990)	1,881
At 31 December	33,000	33,000	133,485	134,475
Less Accumulated amortization				
At 1 January	19,250	12,650	78,444	50,828
Addition	6,600	6,600	26,697	26,743
Translation difference	-	-	(578)	873
At 31 December	25,850	19,250	104,563	78,444
At 31 December	7,150	13,750	28,922	56,031

12. BORROWINGS

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Current	4,121,396	2,555,040	16,671,047	10,411,788
Non-current	-	1,471,314	-	5,995,605
	4,121,396	4,026,354	16,671,047	16,407,393

	Loan Amount USD	Payment Term	Payment Period
Term loan 1	3,708,368	12 months	From 2020 to 2021
Term loan 2	173,053	24 months	From 2020 to 2022
Term loan 3	239,975	24 months	From 2020 to 2022
Total	4,121,396		

Term loan 1 is from shareholder of the company, Mrs. Ngov Mok. This loan is unsecured, bore interest at a rate of 4% (2019: 4%) per annum and repayable within one year from the drawdown date.

Term loan 2 is from a licensed bank and bore interest at a rate of 8% (2019: 7.5%) per annum and is repayable in 24 monthly installments. It is guaranteed by a shareholder of the Company and secured by charge over land at Street #21, 7 village, Sangkat Tonle Bassac, Khan Chomka Mon, Phnom Penh and Areysath village, Areysat commune, Lvea Em District, Kandaln Province, and building at #338, Street #338, Sangkat Toul Svay Prey 2, Khan Chomka Mon, Phnom Penh and #4A, Street #75, Sangkat Srachork, Khan Doun Penh, Phnom Penh.

Term loan 3 is from a financial institution. This loan is unsecured and bore interest at a rate of 50% (2019 – 50%) of interest earned on loans to customers.

13. OTHER LIABILITIES

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Accruals	25,375	28,396	102,642	115,714
Interest payable	6,045	5,462	24,452	22,258
Others	49,255	52,070	199,236	212,185
	80,675	85,928	326,330	350,157

14. INCOME TAX PAYABLE

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Income tax payable	29,351	59,654	118,725	243,090

15. SHARE CAPITAL

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Registered and paid up capital				
At 1 January	2,500,000	1,500,000	10,000,000	6,027,500
Issuance of shares	-	1,000,000	-	4,000,000
Translation difference	-	-	-	(27,500)
At 31 December	2,500,000	2,500,000	10,000,000	10,000,000

16. INTEREST INCOME

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Loans and advances	973,523	942,139	3,937,901	3,817,547
Balances with banks	-	916	-	3,712
	973,523	943,055	3,937,901	3,821,259

17. OTHER INCOME

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Fees and commission	61,161	59,434	247,396	240,827
Penalty income	30,814	28,602	124,643	115,895
Other	102	110	412	446
	92,077	88,146	372,451	357,168

18. PERSONNEL COST

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Salaries and wages	238,533	229,214	1,061,995	928,775
Other benefits	45,954	21,463	88,634	86,968
	284,457	250,677	1,150,629	1,015,743

At the end of the financial year, the total number of employees of the Company is 32 (2019 – 30).

19. INCOME TAX EXPENSE

Under Cambodia's Law on Taxation, the Company's is obliged to pay corporate income tax either at the tax rate of 20% of taxable profit, or at the minimum tax rate of 1% of total revenue, whichever is the higher.

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective rate of the Company is as follows:

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Profit before tax	220,172	190,706	890,595	772,741
Income tax at Cambodian tax rate 20%	44,034	38,141	178,118	154,547
Effects of expenses not deductible for tax purposes	717	23,073	2,901	93,494
Under provision in respect of prior years	26,081	-	105,497	-
Others	(5,697)	169	(23,045)	683
	65,135	61,383	263,471	248,724

20. TAX CONTINGENCIES

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Often different interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities who are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Cambodia, substantially more compared to other countries. Management believes that tax liabilities have been adequately provided based on its interpretation of tax legislations.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the tax authority.

21. LEASE COMMITMENT

The Company leases several premises under operating lease. The lease periods are from 1 June 2016 to 31 May 2021 and from 1 March 2018 to 31 March 2021 with an option to renew after that date. The Company is restricted from sub-leasing the leased assets to third parties.

The future minimum lease payments under the operating leases are as follows:-

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Not more than 1 year	25,000	60,252	101,125	245,527
Later than 1 year but not later than 5 year	-	25,000	-	101,875
	25,000	85,252	101,125	347,402

22. FINANCIAL INSTRUMENTS

22.1 CATEGORIES OF FINANCIAL INSTRUMENTS

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Financial Assets				
Amortised Cost				
Cash on hand	1,577	2,665	6,379	10,860
Deposits and placement with banks	596,033	412,470	2,410,953	1,680,815
Loans and advances to customers	6,214,733	6,172,241	25,138,595	25,151,882
Other assets	102,946	93,107	416,417	379,411
Statutory deposit	125,000	125,000	505,625	509,375
	7,040,289	6,805,483	28,477,969	27,732,343
Financial Liabilities				
Amortised Cost				
Other liabilities	80,675	85,928	326,330	350,157
Borrowings	4,121,396	4,026,354	16,671,047	16,407,393
	4,202,071	4,112,282	16,997,377	16,757,550

The main risks arising from the Company's financial instruments in the normal course of business are operational risk, credit risk, market risk and liquidity risk.

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

These risks are limited by the Company's financial management policies and practices described below.

22.2 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 behaviour.

The operational risk losses 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 organisational 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.

22.3 CREDIT RISK

Credit risk is the potential loss of revenue and principal losses in the form of specific provisions as a result of defaults by the borrowers or counterparties through its lending and investing activities.

The primary exposure to credit risk arises through its loans to customers. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the statement of financial position. 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 loans portfolio is strong and healthy and credit risks are well diversified. The credit policy documents the lending policy, collateral policy and credit approval processes and procedures implemented to ensure compliance with NBC Guidelines.

The Company holds collateral against loans to customers in the form of mortgage interests over property and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as doubtful.

(a) Credit risk measurement

Procedures of risk limit setting, monitoring, usage, and control are governed by credit programs which set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured.

The Company assesses the probability of default of individual counterparties by focusing on borrowers' forecast profit and cash flows.

(b) Risk limit control and mitigation policies

The Company manages limits and controls concentration of credit risk whenever they are identified.

Exposure to credit risk is managed through regular analysis of the ability of the borrowers and potential borrowers to meet interest and capital repayment obligations and reviewing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral as well as by providing for loan losses. Limits on level of credit risk by product and industry sector are approved by the Directors.

In general, most of the Company's loans and advances to customers are secured from of collateral pledged to the Company, and according the Company normally assumes minimal risks.

(c) Impairment and provisioning policies

The Company is required to follow the mandatory credit classification and provisioning in accordance with the relevant Prakas issued by NBC, as stated in Note 4.6 to the financial statements.

Loans and advances past due 30 days but less than 90 days (15 days to 30 days for short-term loans and advances) are not considered impaired, unless other information available indicates otherwise. A minimum level of specific for impairment is depending on the classification concerned.

The information about the exposure to credit risk and the loss allowances calculated under CIFRS for SMEs for loans and advances are summarised below:-

	Gross Amount USD	Individual Impairment USD	Collective Impairment USD	Carrying Amount USD
2020				
Not past due	6,274,094	-	(62,732)	6,211,362
Past due:				
- less than 3 months	3,495		(98)	3,397
- 3 to 6 months	99,620	(99,620)	(116)	(116)
- more than 6 months	-			
- more than 1 year	116,915	(116,915)	(221)	(221)
	6,494,124	(216,535)	(63,167)	6,214,422
2019				
Not past due	6,200,528	-	(62,005)	6,138,523
Past due:				
- less than 3 months	33,327	-	(1,000)	32,327
- 3 to 6 months	51,125	(49,734)	-	1,391
- more than 6 months	33,854	(33,854)	-	-
- more than 1 year	-	-	-	-
	6,318,834	(83,588)	(63,005)	6,172,241

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

	2020 USD	2019 USD	2020 KHR'000	2019 KHR'000
Credit Risk exposures relating to on-balance sheet assets				
Loans and advances	6,214,733	6,172,241	25,138,595	25,151,882
Other assets	102,946	93,107	416,417	379,411
Deposits and placement with banks	596,033	412,470	2,410,953	1,680,815
Statutory deposit	125,000	125,000	505,625	509,375
	7,038,712	6,802,818	28,471,590	27,721,483

The table above represents the maximum credit risk exposure to the Company as at 31 December 2019, without taking into account any collateral held or other credit enhancements. 98% (2018: 98%) of the total maximum credit exposure is derived from loans and advances to customers in Cambodia.

(e) Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Company after deducting any allowance for impairment losses (where applicable).

Write-off policy

In compliance with NBC Guidelines, the Company shall remove a loan/advance or a portion of a loan from its balance sheet when the Company loses control of the contractual rights over the loan or when all or part of a loan is deemed uncollectible; or there is no realistic prospect of recovery.

Collateral

The Company holds collateral against loans and advances in the form of mortgage interests over property and/or guarantees. Estimates of fair value are based on the value of collateral assessed on an annual basis. There were no non-financial assets obtained by the Company during the year by taking possession of collateral held as security against loans and advances. The repossessed properties have to be sold within one year as the required by the NBC Guidelines and are classified in the statement of financial position as foreclosed property.

Concentration of credit risk

The credit exposure of the Company as at 31 December 2020 is wholly derived from Cambodia based on the country of domicile of the counterparties. The analyses of concentrations of credit risk from loans and advances at the balance sheet date are shown in Note 7.

22.4 MARKET RISK

Market risk is the risk of loss arising from adverse movement in the level of market prices or rates, the two key components being foreign currency exchange risk and interest rate risk. Market risk arising from the trading activities is controlled by marking to market the trading positions against their predetermined market risk limits.

(a) Foreign currency exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchanges rates.

The Company has no material exposures to currency risk as it transacts essentially in US Dollar. Therefore, no sensitivity for foreign currency exchange risk was presented.

(b) Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through close monitoring of returns on investment, market pricing, cost of funds and through interest rate sensitivity gap analysis. The potential reduction in net interest income from an unfavorable interest rate movement is monitored against the risk tolerance limits set.

The table below summarise the Company's exposure to interest rate risk which include assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Up to 1 month	1 - 3 months	4 - 6 months	7 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total	Interest rates
	USD	USD	USD	USD	USD	USD	USD	USD	%
Financial Assets									
Cash on hand	-	-	-	-	-	-	1,577	1,577	-
Deposit and placement with banks	-	-	-	-	-	-	596,033	596,033	-
Loan and advance to customers:									
- Loan principle	100	2,551	21,319	687,086	2,952,031	2,831,037	-	6,494,124	9-18
- Allowance for impairment losses	-	-	-	-	-	-	(279,702)	(279,702)	-
Statutory deposit	-	-	-	-	-	125,000	-	125,000	0.2
Other assets	-	-	-	-	-	-	102,946	102,946	-
Total financial assets	100	2,551	21,319	687,086	2,952,031	2,956,037	420,854	7,039,978	
Financial liabilities									
Other liabilities	-	-	-	-	-	-	80,675	80,675	
Borrowings	-	-	-	3,708,368	413,028	-	-	4,121,396	4-8
Total financial liabilities	-	-	-	3,708,368	413,028	-	80,675	4,202,071	
Interest sensitivity gap 2020	100	2,551	21,319	(3,021,282)	2,539,003	2,956,037	340,179	2,837,907	

	Up to 1 month	1 - 3 months	4 - 6 months	7 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total	Interest rates
	USD	USD	USD	USD	USD	USD	USD	USD	%
Financial Assets									
Cash on hand	-	-	-	-	-	-	2,665	2,665	-
Deposit and placement with banks	-	-	-	-	-	-	412,470	412,470	-
Loan and advance to customers:									
- Loan principle	1,100	4,311	219,095	1,180,819	2,853,386	2,060,123	-	6,318,834	9-20.4
- Allowance for impairment losses	-	-	-	-	-	-	(146,593)	(146,593)	-
Statutory deposit	-	-	-	-	-	125,000	-	125,000	0.2
Other assets	-	-	-	-	-	-	93,107	93,107	-
Total financial assets	1,100	4,311	219,095	1,180,819	2,853,386	2,185,123	361,649	6,805,483	
Financial liabilities									
Other liabilities	-	-	-	-	-	-	85,928	85,928	-
Borrowings	-	-	-	2,555,040	1,471,314	-	-	4,026,354	4-7.5
Total financial liabilities	-	-	-	2,555,040	1,471,314	-	85,928	4,112,282	
Interest sensitivity gap 2019	1,100	4,311	219,095	(1,374,221)	1,382,072	2,185,123	275,721	2,693,201	

	Up to 1 month	1 - 3 months	4 - 6 months	7 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total	Interest rates
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
Financial Assets									
Cash on hand		-	-	-	-	-	6,379	6,379	
Deposit and placement with banks		-	-	-	-	-	2,410,953	2,410,953	
Loan and advance to customers:									
- Loan principle	405	10,319	86,235	2,779,263	11,940,965	11,451,545	-	26,268,732	9-18
- Allowance for impairment losses	-	-	-	-	-	-	(1,131,395)	(1,131,395)	
Statutory deposit	-	-	-	-	-	505,625		505,625	0-2
Other assets	-	-	-	-	-	-	416,417	416,417	
Total financial assets	405	10,319	86,235	2,779,263	11,940,965	11,957,170	1,702,354	28,476,711	
Financial liabilities									
Other liabilities	-	-	-	-	-	-	326,330	326,330	
Borrowings	-	-	-	15,000,349	1,670,698	-	-	16,671,047	4-8
Total financial liabilities	-	-	-	15,000,349	1,670,698	-	326,330	16,997,377	
Interest sensitivity gap 2020	405	10,319	86,235	(12,221,086)	10,270,267	11,957,170	1,376,024	11,479,334	

	Up to 1 month	1 - 3 months	4 - 6 months	7 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total	Interest rates
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
Financial Assets									
Cash on hand	-	-	-	-	-	-	10,860	10,860	-
Deposit and placement with banks	-	-	-	-	-	-	1,680,815	1,680,815	-
Loan and advance to customers:									
- Loan principle	4,483	17,567	892,812	4,811,837	11,627,548	8,395,001	-	25,749,248	9-20.4
- Allowance for impairment losses	-	-	-	-	-	-	(597,366)	(597,366)	
Statutory deposit	-	-	-	-	-	509,375	-	509,375	
Other assets	-	-	-	-	-	-	379,411	379,411	-
Total financial assets	4,483	17,567	892,812	4,811,837	11,627,548	8,904,376	1,473,720	27,732,343	
Financial liabilities									
Other liabilities	-	-	-	-	-	-	350,157	350,157	-
Borrowings	-	-	-	10,411,788	5,995,605	-	-	16,407,393	4-7.5
Total financial liabilities	-	-	-	10,411,788	5,995,605	-	350,157	16,757,550	
Interest sensitivity gap 2020	4,483	17,567	892,812	(5,599,951)	5,631,943	8,904,376	1,123,563	10,974,793	

22.5 LIQUIDITY RISK

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

In addition to full compliance of all liquidity requirements, the management of the Company closely monitors all inflows and outflows and the maturity gaps through periodical reporting. Movements in loans and customers" deposits are monitored and liquidity requirements adjusted to ensure sufficient liquid assets to meet its financial commitments and obligations as and when they fall due.

(a) Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate %	Carrying Amount USD	<-------Contractual undiscounted cash flows-------> Total USD	Within 1 Year USD	1 - 5 Years USD	Over 5 Years USD
2020						
Non-derivative Financial Liabilities						
Other liabilities	n/a	80,675	80,675	80,675	-	-
Borrowings	4%-8%	4,121,396	4,363,284	4,356,176	7,108	
		4,202,071	4,443,959	4,436,851	7,108	-
2019						
Non-derivative Financial Liabilities						
Long term borrowings	7.5%	1,471,314	1,683,127	211,813	1,471,314	-
Other liabilities	n/a	85,928	85,928	85,928	-	-
Borrowings	5.75%	2,555,040	2,662,597	2,555,040	107,557	-
		4,112,282	4,431,652	2,852,781	1,578,871	-

	Weighted Average Effective Interest Rate %	Carrying Amount KHR'000	<-------Contractual undiscounted cash flows-------> Total KHR'000	Within 1 Year KHR'000	1 - 5 Years KHR'000	5 Years KHR'000
2020						
Non-derivative Financial Liabilities						
Other liabilities	n/a	326,330	326,330	326,330	-	-
Borrowings	4%-8%	16,671,047	17,649,484	17,620,732	28,752	-
		16,997,377	17,975,814	17,947,062	28,752	-
2019						
Non-derivative Financial Liabilities						
Long term borrowings	7.5%	5,995,605	6,858,743	863,138	5,995,605	-
Other liabilities	n/a	350,157	350,157	350,157	-	-
Borrowings	5.75%	10,411,788	10,850,083	10,411,788	438,295	-
		16,757,550	18,058,983	11,625,083	6,433,900	-

22.6 CAPITAL RISK MANAGEMENT

(a) Regulatory Capital

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:-

- To comply with the capital requirements set by the NBC;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of the business.

The NBC requires all the Company to (i) fulfill the minimum capital requirements, and (ii) comply with solvency, liquidity and other requirements.

(b) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital.

There was no change in the Company's approach to capital management during the financial year.

22.7 FAIR VALUE INFORMATION

The methods used in determining the fair values of financial instruments recognised on the statements of financial position are disclosed in their respective notes to the financial statements.

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APPENDIX: SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER NOTES ON COMPLIANCE WITH THE NBC'S PRAKAS FOR THE YEAR ENDED 31 DECEMBER 2019
(this does not form part of the audited financial statements)

NET WORTH

In accordance with the NBC's Prakas No. B7-00-47 dated 16 February 2000 and amended by Prakas No. B7-07-132 dated 27 August 2007; the Company should maintain a permanent net worth value to at least equal to its paid-up share capital. The Company's net worth as at 31 December 2020 is computed as follows:

	2020 USD	2020 KHR'000
CATEGORY A ITEM: ITEMS TO BE ADDED		
Capital or endowment	2,500,000	10,000,000
Reserves, other than re-evaluation reserves	-	-
Share premiums	-	-
Provision for general banking risks, with the prior agreement of the NBC	-	-
Retained earnings	336,035	1,359,262
Audited profit of the latest financial year	-	-
Dividend	-	-
Other items approved by NBC	-	-
SUBTOTAL A	2,836,035	11,359,262
CATEGORY B ITEM: ITEM TO BE DEDUCTED		
for shareholders, directors, managers and their next of kind	-	-
• unpaid portion of capital		
• advances, loans, security and the agreement of the persons concerned as defined above		
Holding of own shares at their book value	-	-
Accumulated losses	-	-
Formation expenses	-	-
Loss determined on dates other than year End	-	-
SUBTOTAL B	-	-
C. BASE NET WORTH (A – B)	2,836,035	11,359,262
CATEGORY D ITEMS: ITEMS TO BE ADDED		
Revaluation reserves with the prior agreement of the NBC	-	-
Subordinated debts, with the prior agreement of the NBC, up to 100% of based net worth	-	-
Other items approved by the NBC	-	-
SUBTOTAL D	-	-
CATEGORY E ITEMS: ITEMS TO BE DEDUCTED		
Equity participation in banking or financial institutions	-	-
Other items : Deferred charges	-	-
SUBTOTAL E	-	-
F. TOTAL NET WORTH (C+D-E)	2,836,035	11,359,262

SOLVENCY RATIO

In accordance with the NBC's Prakas No. B7-00-06 dated 11 January 2000 and amended by Prakas No. B7-07-133 dated 27 August 2007; all micro-finance institutions shall observe a solvency ratio which is the ratio of their net worth to their aggregate credit risk exposure. The result found shall not be less than 15 percent. As at 31 December 2020, the solvency ratio of the Company is 40.50%.

	Weighting	USD	KHR'000
NUMERATOR			
A. Net worth as at 31 December 2020		2,836,035	11,359,262
DENOMINATOR			
Cash in hand	0%	-	-
Gold	0%	-	-
Deposits with the NBC	0%	-	-
Assets collateralized by deposits lodged with the bank	0%	-	-
Claims on sovereign rated AAA to AA-	0%	-	-
Claims on sovereign rated A+ to A-	20%	-	-
Claims on bank rated AAA to AA-	20%	-	-
Claims on bank rated BBB+ to BBB-	50%	-	-
Claims on bank rated A+ to A-	50%	-	-
Other assets	100%	6,913,401	27,964,707
Off-balance sheet items	0%	-	-
B TOTAL RISK WEIGHTED ASSETS		6,913,401	27,964,707
SOLVENCY RATIO (A/B)		41.02%	41.02%

LIQUIDITY RATIO

In accordance with NBC's Prakas B7-00-148 dated 25 February 2002, a licensed microfinance institution shall at all times maintain a liquidity ratio of at least 100%. As at 31 December 2020, the liquidity ratio of the Company was not applicable as there was no voluntary saving balance.

	2020 USD	2020 KHR'000
I. NUMERATOR: LIQUID ASSET(A)		
1. Treasury balance		
- Debit items		
Cash in hand	-	-
Deposits with the NBC (excluding statutory deposit and reserve)	-	-
Deposits with banks	-	-
Balance with wallet agents	-	-
Portion of lending to bank and FI with maturity up to one month	-	-
Portion of lending to customers up to one month to run	-	-
	-	-
Less:		
- Credit items		
Credit balance on site accounts maintained with the NBC, bank Or financial institution	-	-
Borrowings from the NBC and bank with more than one month to run	-	-
Net balance – Lender position	-	-
2. Lending with not more than one month to run (exclude loans with no maturity).	-	-
3. Treasury bills with not more than on month to run	-	-
TOTAL NUMERATOR (A)	-	-
II. DENOMINATOR: ADJUSTED AMOUNT OF DEPOSIT (B)		
Voluntary saving at 25%	-	-
III. LIQUIDITY RATIO (A/B)	NOT APPLICABLE	

CLASSIFICATION OF AND ALLOWANCE FOR IMPAIRMENT LOSS ON LOANS AND ADVANCES LOANS
AS AT 31 DECEMBER 2020

		OUTSTANDING PRINCIPAL LOAN USD	RATE	ALLOWANCE FOR IMPAIRMENT LOSS ON LOANS AND ADVANCES AS REQUIRED BY NATIONAL BANK OF CAMBODIA USD
AS AT 31 DECEMBER 2020				
1. Loan of one year or less				
Standard		709,093	1%	7,091
Special mention		869	3%	26
Sub-standard		579	20%	116
Doubtful		515	50%	258
Loss		-	100%	-
	A	711,056		7,491
2. Loan of more than one year				
Standard		5,564,132	1%	55,641
Special mention		2,401	3%	72
Sub-standard		-	20%	-
Doubtful		-	50%	-
Loss		216,535	100%	216,535
	B	5,783,068		272,248
TOTAL	**C = A+B**	6,494,124		279,739

FOREIGN CURRENCY NET OPEN POSITION

In accordance with the NBC's Prakas B7-07-134 dated 27 August 2007, the Company is required to maintain foreign currency net open position not exceeding 20% of the Company's net worth:

Currency	**Balance sheet**		**Net open position**	**Net open position/Net worth %**	**Limit %**	**Excess %**
	1	**2**	**3**			
	Assets	**Liabilities and capital**	**+(long) or – (short)**			
	+	**-**	**(1+2)**			
USD	6,541,906	7,067,457	(525,551)	18.53%	**20%**	**No**
KHR	525,551	-	525,551	18.53%	**20%**	**No**
Grand total	7,067,457	7,067,457	-			

Net worth: 2,836,035

MIA® PLC

មីយ៉ា ម.ក
គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ

+855(0) 23 989 262
www.miaplc.com
info@miaplc.com
miaplc

អគារលេខ៩៣ មហាវិថីព្រះនរោត្តម សង្កាត់បឹងរាំង ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ ព្រះរាជាណាចក្រកម្ពុជា
Building 93, Norodom Blvd, Khan Daun Penh, Phnom Penh, Kingdom of Cambidai