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Active People's Microfinance Institution Plc.



ANNUAL REPORT
2018

Private Company



015 533 900 - 011 324 474



www.apmfi.com.kh



/ActivePeopleMFI

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APMFI'S KEY MILESTONES

- ♦ Registered at the Ministry of Commerce as A public Limited Company.
- ♦ Obtained of the main license from National Bank of Cambodia.

2011

- ♦ Increased capital from \$ 300,000 to \$ 791,800
- ♦ Boeng Keng Kang III Branch at House 149C, Street 143, Sangkat Boeung Keng Kang III, Khan Chamkar Morn, Phnom Penh.

2012

- ♦ Increased capital from \$ 791,800 to \$ 5,001,800.
- ♦ Opened Head Office at No. 35-37, Street 214, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh.
- ♦ Opened Siem Reap Branch.

2013

- ♦ Opened Sen Sok Branch.

2014

- ♦ Increased capital from \$ 5,001,800 to \$ 8,501,800

2015

- ♦ Increased capital from \$ 8,501,800 to \$ 10,001,800
- ♦ Opened Battambang Branch and Kampong Cham Branch.

2016

- ♦ New relocated address at Building 88, Street 214, Village 4, Sangkat Boeung Prohit, Khan 7 Makara, Phnom Penh.
- ♦ Opened Kandal Branch, Takeo Branch and Toul Kork Branch.

2017

- ♦ Opened Mean Chey Branch, Chbar Ampov Branch, Chhroy Changva Branch, Banteay Meanchey Branch and Kampong Speu Branch.

2018

VISION

We aim To Become a Leading Microfinance Institution By Providing a Better Service And Keep Growing In a Sustainable Manner.

MISSION

To Improve Living Condition Of Cambodian People By Being Engaged And Pronding Credit By Adhering To Partnership In Financial Business.

SLOGAN

We Listen To You And Think With You In Order To Create The Best Solution For Your Success.

PRINCIPLE

- ❖ APMFI provides financial service to all people regardless of their social status.
- ❖ APMFI provides most flexible and convenient financial service.
- ❖ APMFI is committed to respecting and valuing her clients as priority.
- ❖ APMFI is committed to ensuring good characteristics and working standards to ensure the reliability.
- ❖ APMFI is committed to providing the best services and communication with all stakeholders.
- ❖ APMFI is an academic institution that provides information exchange and sharing in order to develop and train her staff as well as to improve internal principles and systems.

CODE OF Practice

- ❖ Avoiding over-indebtedness: We will offer credit to our clients as per their solvency and try to find any way to avoid over-indebtedness as possible.
- ❖ Code of ethic: We provide additional education and adhere to ethical behavior. Our staff at all levels pays respect to all clients.
- ❖ Free choice: Clients are free to choose from our products and services that suit their business or needs.
- ❖ Comment response Mechanism: We accept all comments and offer response appropriately.

MESSAGE FROM THE CEO

Mr. TATSUHIRO Kurihara

In March 2011, Active People Microfinance PLC, Get a business license from Ministry of Commerce and get a microfinance license from the National Bank of Cambodia in May 2011. Then in December 2012, Shareholder in Japan Business Partner Co., Ltd acquired all shares of Active People Microfinance PLC 100% and the institution has started a microfinance business as a subsidiary of Business Partner Co., Ltd. In early December 2012, the establishment started as a small company with capital of only \$ 180,000, with one branch and six staffs. After six years of operation, the establishment has expanded to 14 branches, 420 staffs, total loan of US \$ 40.3 million and 56,000 clients. Compared to three years ago, we had an increase of : Account Increased 2.8 times, Capital Increased 2.2 times, Branch Increased 3.5 times and Staff Increased two times. Active People Microfinance PLC will continue to expand its efforts.



Vision of Active People Microfinance PLC is to become a microfinance institution nearest to you, can provide all kinds of financial services, easy for every customer, contribution to better living, business life, and education in a developing country such as Cambodia. In particular, the mission of Active People Microfinance PLC is to focus on providing financial service through customer needs and through use of right financial services. The establishment can support the growth and stability of the business and the livelihoods of the clients. Through this sustainable financial institution, we can deliver sustainable financial services, provide more job opportunities and generate tax revenue to the country, which contributes to the development of the society, include the growing consumers employees and society. In addition, the institution emphasizes the growth of employees through training to them by taking up the 2 slogans are "Creating a system that fosters sustainable development" and "learning environment and environment that urge learning".

As a microfinance institution, we focus on abiding by the code of ethic in its business operation and preparing management system well to achieve higher growth.

Mr. TATSUHIRO Kurihara
CEO

OVERVIEW OF THE MICROFINANCE SECTOR

Cambodia's microfinance sector has continued to grow remarkably and sustainably in terms of scope, operation and profitability. This year, there are 79 microfinance institutions which seven are Microfinance Deposit Taking Institution such as: Prasac, HKL, Amret, Kredit, AMK, LOLC and WB finance (Former Vision Fund).

This sector provided a total loan of 21.8 trillion Riels (5.4 billion US dollars) to 1.8 million customers and cumulative total deposits of 10.1 trillion Riel (2.5 billion US dollars) from 2.1 million Depositors. Along with the expanding the operation in the nationwide, microfinance sector has diversified new microfinance services and products and using modern financial technology that has helped microfinance customers, especially, rural people are more comfortable and secure to use official microfinance services.

At the same time, Cambodia's microfinance sector continues to sustain its financial performance through a 3.6% ratio of profit compare to assets (ROA) And profit margin compare to shareholders' equity (ROE) is 17.7% including the non-performing loan ratio is 1.3%.

Although this sector continues to grow proudly, but it still faces with some key challenges such as:

1. Market is more competitive, in both legal and illegal institution
2. Strengthening human resource capacity in line with progress in financial technology
3. Fully comply to IFRS and
4. Finding more valuable asset sources.

As a regulatory authority, the National Bank of Cambodia continues to introduce regulatory in both offside visit and onsite visit to microfinance institutions and continue to promote financial

literacy and the use of the official financial services of Cambodian people.

There are currently 273 rural credit institutions with total loan portfolio of 442 billion riels (US \$ 109.1 billion US dollars), providing to 213,574 customers with a non-performing loan ratio of 11%. Although many rural credit institutions have applied for a license from the National Bank of Cambodia and some other institutions still continue to carry out financial transactions without the permission of the National Bank. In this context, the National Bank of Cambodia continues to work with relevant authorities to take action in order to prevent illegal business activities. In 2018, the National Bank of Cambodia held a seminar on microfinance in Cambodia, both at the provincial and district level, for four times with a total of 1,754 participants for the purpose of promoting local authorities, citizens, banking and financial institutions and rural credit institutions to know about:

- i. Importance and benefits of Microfinance
- ii. Role and responsibility of National Bank of Cambodia
- iii. Obligation and responsibility of local authorities
- iv. Understanding the use of financial services.

❖ **Celling rate of Microfinance Institution**
Interest rates of loan in USD and Riel are trending down while the rate for deposits increased slightly due to the implementation of monetary policy and regulations introduced by the National Bank of Cambodia. Banks and financial institutions can receive liquidity in riel with different maturities at low rates through a

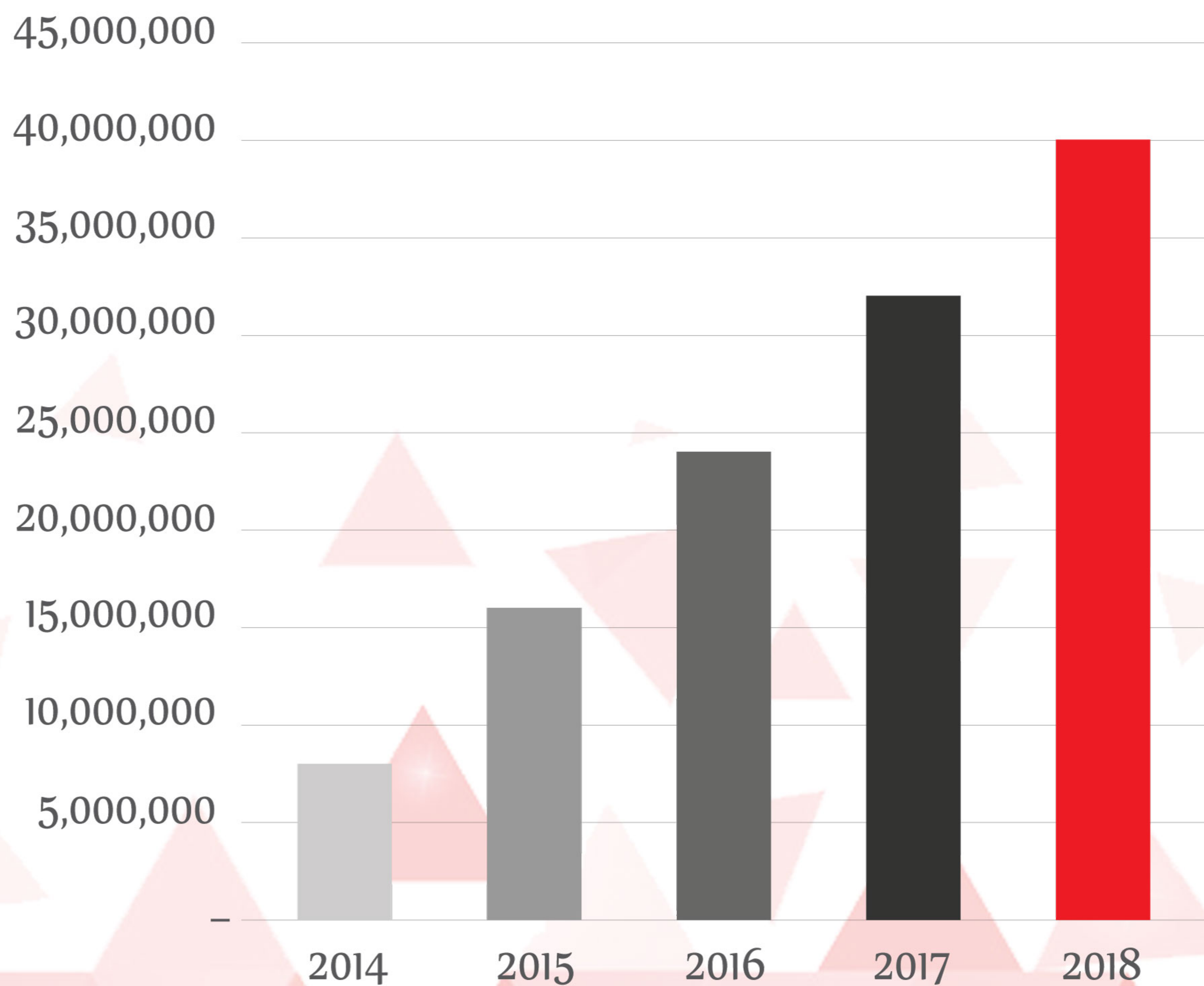
Reliable Liquidity Operation (LPCO). Through this operation, Banks and Finance Institutions can access low-cost liquidity, which helps lower costs for loan in Riel currency. Moreover, the ceiling interest rate that requires MFIs to provide loans at interest rates not exceeding 18% per year (effective from April 2017) is also a factor that decrease the interest rate. For US dollar interest rates, the downward trend is driven by competitiveness in the financial sector, and can relate to the cost of borrowing funds from overseas. Interest rates in Riel and US Dollar are at 17.58% and 15.92%, respectively, by 2018.

Similarly, interest rate for deposits in Riel and US Dollars are at 17.58% and 15.92%, respectively, by 2018. Similarly, interest rate for deposits in Riel and US Dollar have the same rate of 7.92%, slightly up from last year, it means that the competition in the market is more active.

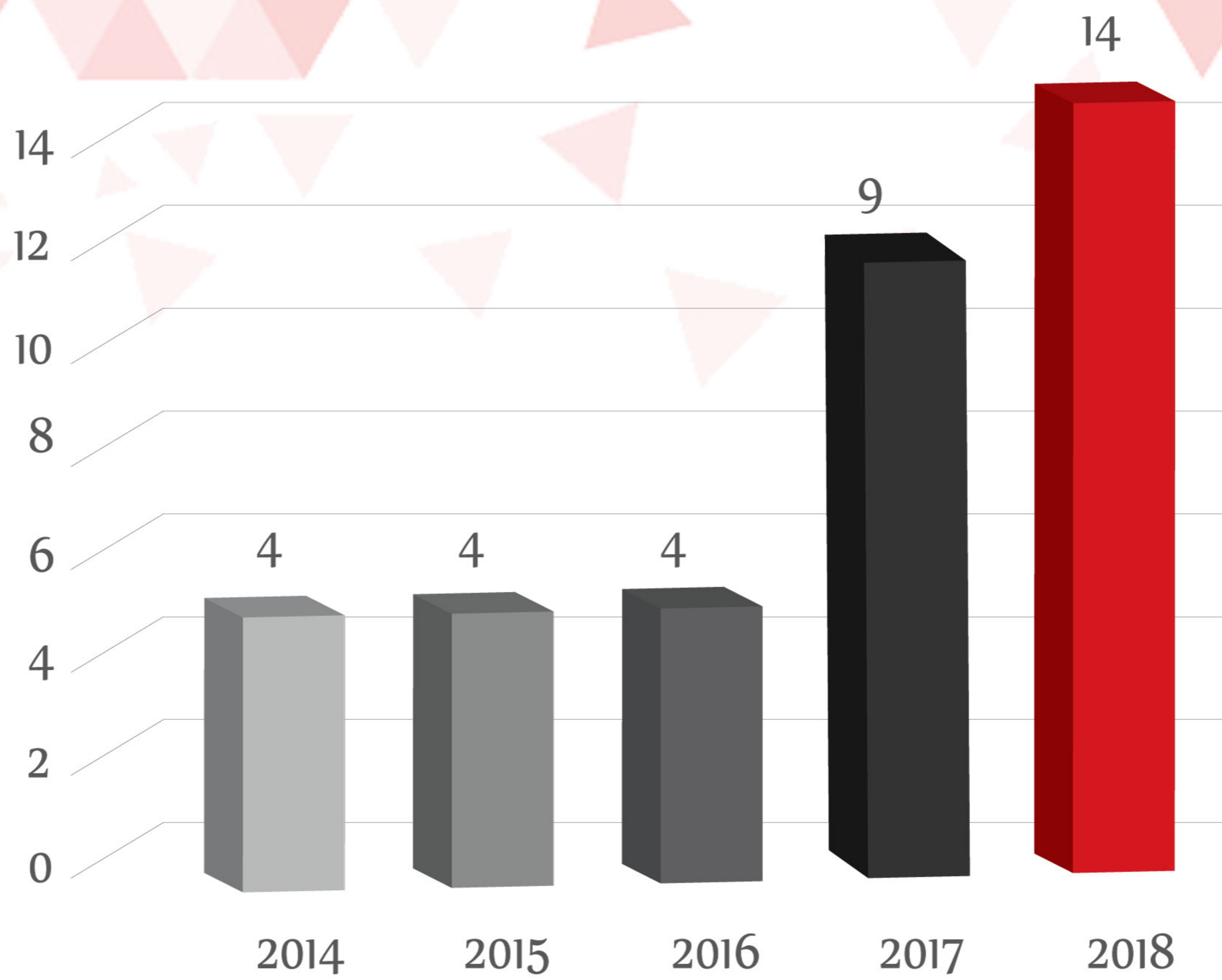
Operational information

	2014	2015	2016	2017	2018
Gross Loan Portfolio (Dollar)	14,421,398	18,132,754	21,721,064	28,727,962	40,388,171
Numbers of Branches	4	4	4	9	14
Active Borrowers	18,806	19,125	19,181	33,001	52,431

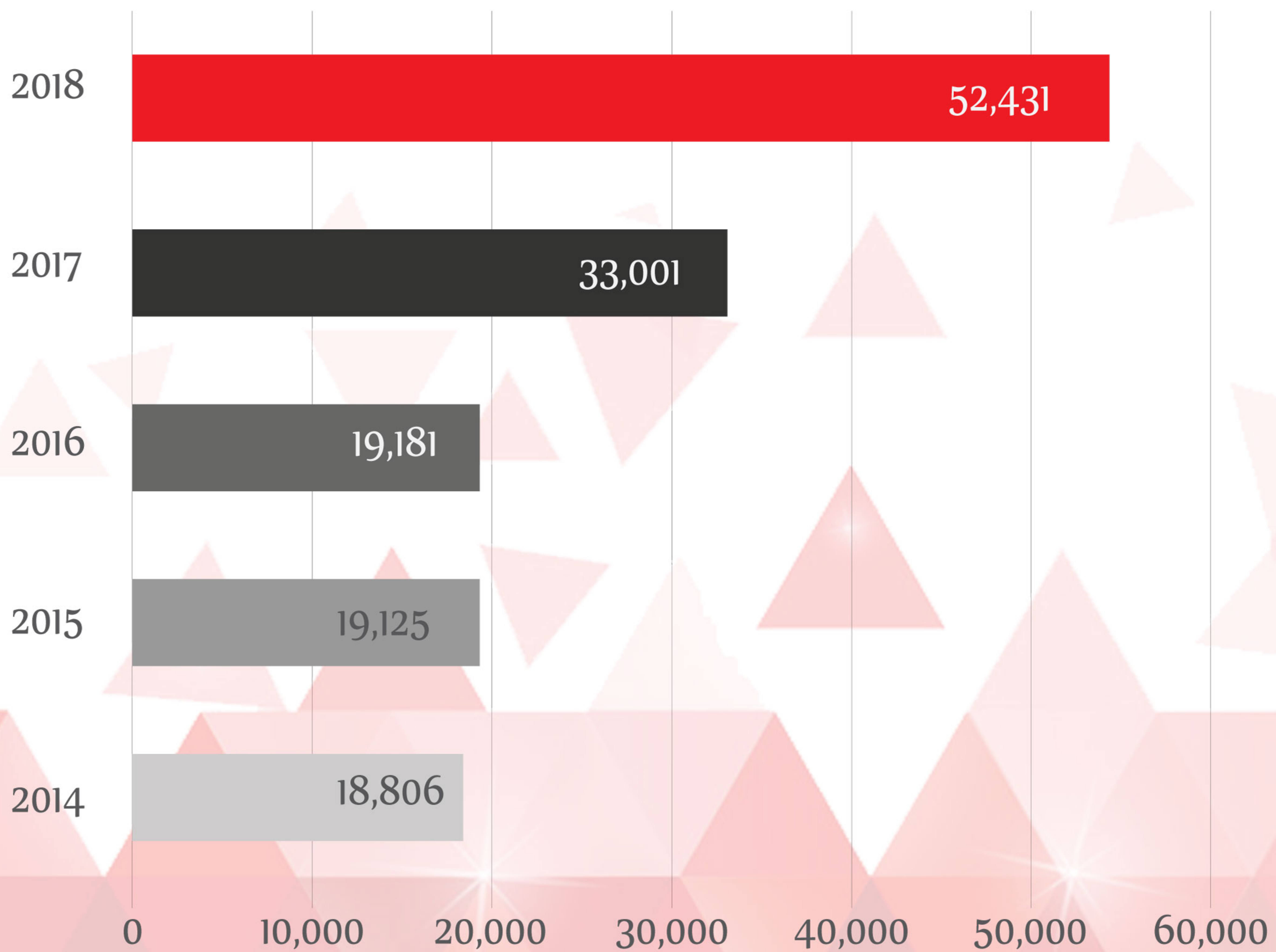
Gross Loan Portfolio Million Dollar



Branch

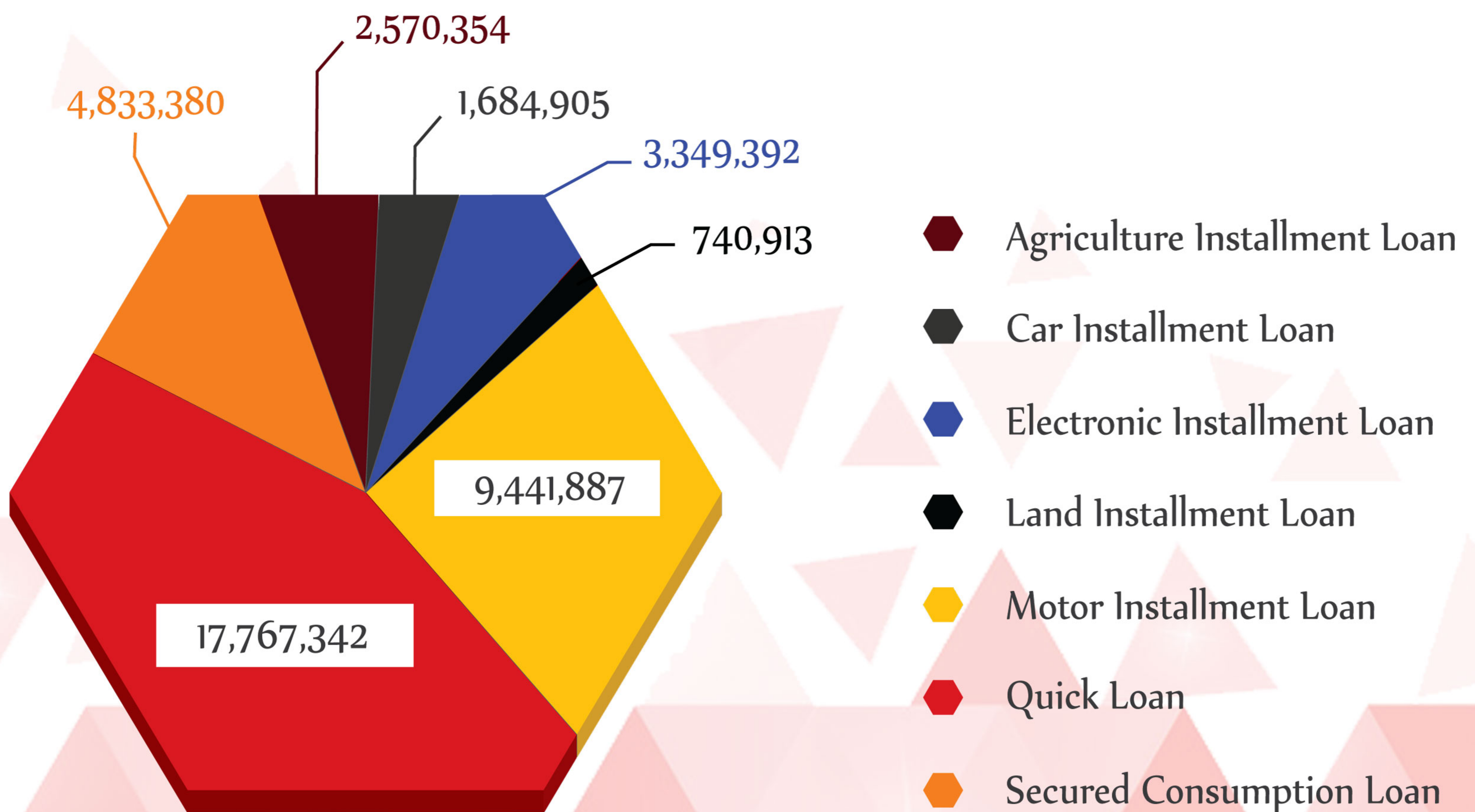


Borrower

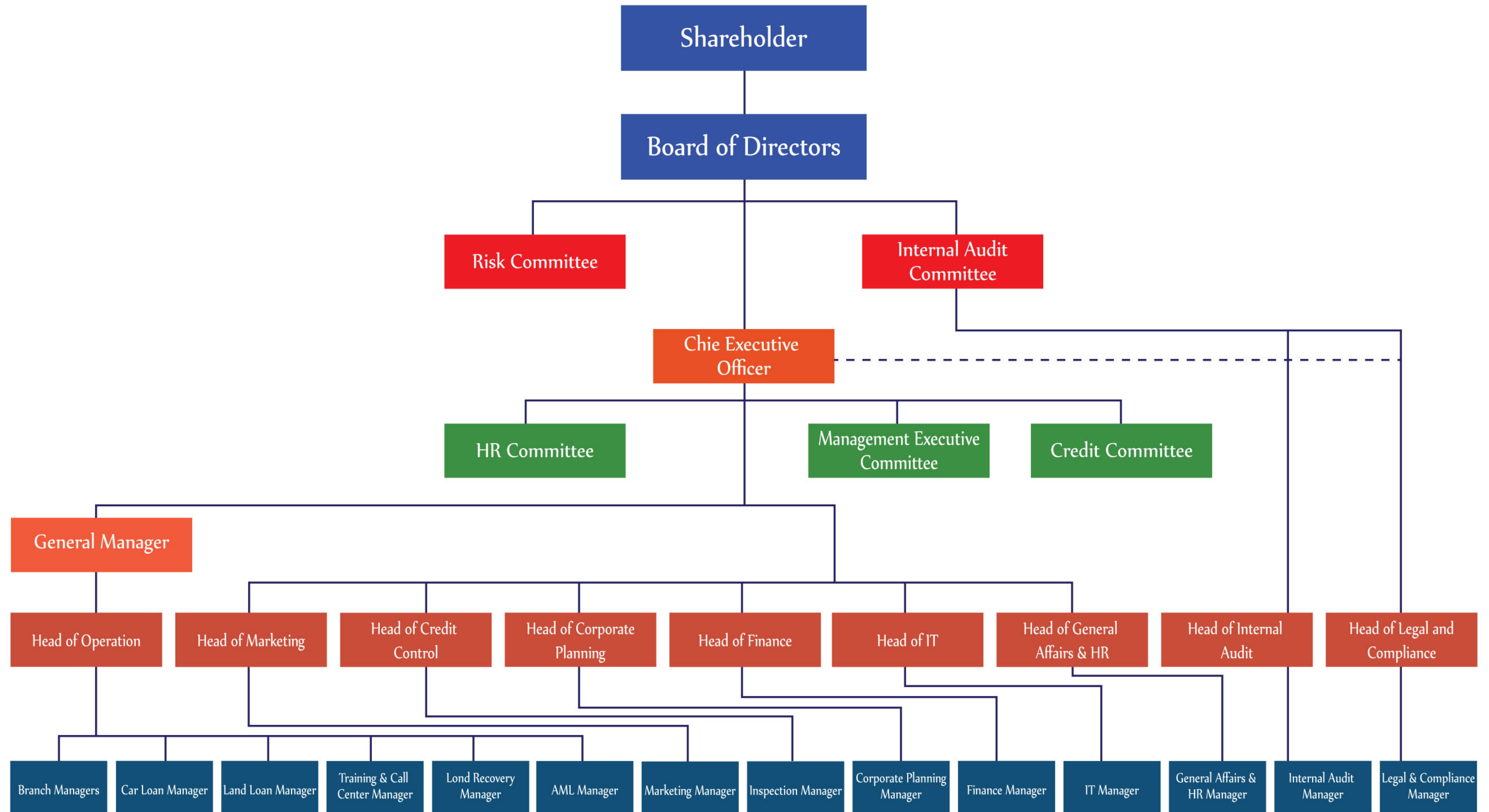


Products	Loan Balance
Agriculture Installment Loan	2,570,354
Car Installment Loan	1,684,905
Electronic Installment Loan	3,349,392
Land Installment Loan	740,913
Motor Installment Loan	9,441,887
Quick Loan	17,767,342
Secured Consumption Loan	4,833,380
Grand Total	40,388,171

Loan Asset by Product



Organizational Chart of Active People's Microfinance Institution Plc.



MANAGEMENT TEAM



Mr. SON Kimsa
General Manager

Mr. Son Kimsa has been working with Active People's Microfinance Plc since October 2014 as General Staff. Before working with Active People's Microfinance Plc, he had been working with Business Partner Co. Ltd for 1 year and has passed Qualification Test for Manager Position organized by the company.

Mr. Son Kimsa finished his Bachelor Degree in Finance and Banking, Nagoya University, in 2010. With a career of more than 5 years, he is now General Manager at Active People's Microfinance Plc.



Mr. EK Sin Deng
Manager of Information Technology

Mr. EK Sin Deng has been working for ctive People's Microfinance Plc since June 2015 as IT Manager. Before working for ctive People's Microfinance Plc, he had IT job experience with Bank for five years as the IT Senior Officer and more experience with system analysis, design, programming and business flow analysis. He graduated Bachelor's Degree of Computer Science and Engineer from Royal University of Phnom Penh (RUPP) in 2009 and graduated Master of Business Administration (MBA) from National University of Management (NUM) in 2012.



Ms. CHEA Thida

Cooperate Planning Manager

Ms. CHEA Thida has been working for Active People's Microfinance Plc since 2015 by holding a position of the Accounting Manager. By December 2017, Ms. Chea Thida has performed her position as the Manager of Corporate Planning of the institution. Before working for Active People's Microfinance Institution, Ms. Chea Thida had experiences in working with other microfinance institutions for more than ten years in total by holding positions of Accounting Manager, Finance and Administration Manager. Ms. Chea Thida graduated Bachelor's Degree of Accounting and Finance from Build Bright University in 2009. Currently, she graduated a Master's Degree of Finance and Banking. She has also participated in various professional courses such as Quick Books, Access, Excel, and so on.



Mr. YORK Sareoun

Internal Audit Manager

Mr. York Sareoun has been working for Active People's Microfinance Plc since November 2017 by holding a position of the Internal Audit Manager. Before working for Active People's Microfinance Institution, he had more than 10 years of experience as Accounting Officer, Accounting Manager and Internal Audit in charge of Accounting. Mr. York Sareoun graduated Bachelor's Degree of Economic Science, Specialized in Finance and Banking, in 2006 and graduated Master of Financial Management in 2013 from Royal University of Law and Economic(RULE). In addition, he has attended in various training courses such as internal management, risk management, audit skills, and many other courses.



Mr. YUSUKE Koizumi
Finance Manager

Mr. Yusuke Koizumi has been working for Active People's Microfinance Plc since February 2018 by holding a position of the Finance Manager. Before working for Active People's Microfinance Institution, Mr. Yusuke Koizumi had been working as Finance Manager at Hikari Tsushin. In for more than 3 years and had been working as Cooperate Planning Manager at Business Partner for nearly 7 years. He finished Master Degree of Business Management(MBA) in 2018 from Business Break Through University in Japan.

In addition, he has attended in various training courses related to Business Management and Accounting.



Mr. ISHII Yuichiro
Loan Control Manager

Mr. Ishii Yuichiro has been working for Active People's Microfinance Plc since April 2017 to December 2018 by holding a position of the Loan Collection Manager. Before working for Active People's Microfinance Institution, Mr. Ishii Yuichiro had been working more than 5 years for Business Partner Co, Ltd as Branch Manager at Sendai and Osaka, Japan. He finished Master Degree of Business Management (MBA) in 2018 from Business Break Through University in Japan.

APMFI'S SUCCESSFUL CLIENT PROFILES



Name of Client: Thon Thean,
client of Quick Loan;

Sex: Male, Age: 39 years old,

Occupation: Farmer

Address: Sangkat Russey Keo, Khan Russey Keo,
Phnom Penh.

Interest: Active People's Microfinance Institution Plc. provides fast service without delay, affordable, easy and time-consuming. I can use that loan to grow and earn good result from that plant and made my family had better financial condition. Moreover, if I have a financial need, I will choose the Active People's Microfinance Institution Plc.



Name of Client: Ung Sereyroth Sarady,
client of Moto Installment Loan

Sex: Female Age: 24 years old

Occupation: Worker

Address: Sangkat Sras Chork, Khan Daun Penh,
Phnom Penh.

Interest: When I apply loan at APMFI, the staff was very friendly, provide detail information, convenient, fast, affordable, reliable and motorcycle plate has been provided free. When I got loan from the institution, I can going to work timely. If I am aiming for a loan in the future, I will apply for a loan at Active People's Microfinance Institution Plc.



Name of Client: Sorn Rou, client of Agriculture Machine Installment Loan (AML)

Sex: Male, Age: 49 years

Occupation: Farmer

Address: Dub Krasang Village, Prey Toch Commune, Moung Russey district, Battambang province.

Interest: I saw most people bought rehearsal machine to use in harvesting, so I would like to buy one for my farm. Then I was heard about the Agriculture Marchine Installment Loan of APMFI with low interest rate, so I try to contact to its staff. After receiving the rehearsal machine, I used to improve my livelihood, because I not only have access to own rice for personal harvesting, but also can earn from the rental of harvesting machine to other. I will use the services of APMFI because it had good service and conditions for me.



Name of Client: Ngon Chhet, Chent of Car Loan Installment

Sex: Male Age: 38 years old

Occupation: Clothes Seller

Adress: Phum Oknha Phang, Sangkat Phnom Penh Thmey, Khan Sensok, Pnhom Penh

Interest: I am satisfied with the services of Active People's Microfinance Institution Plc because it is not complicated, easy and fast. After using the loan service from the establishment, my family had good financial condition. I saved a lot of money because I didn't expense on car rental, saved time and easy to travel. I will use services from Active People's Microfinance Institution Plc to further expand my business.

OTHER ACTIVITIES OF APMFI IN 2018

1. Staff training activities

Referring to the need and to strengthen the capability of the staff, Active People's Microfinance Institution Plc has created a Training Department for Continuous Capacity Building Training.



2. Exhibitions and Dissemination

In 2018, APMFI has organized an exhibition and dissemination of its credit products and has attracted significant attention from its customers and the public.



3. Cleaning of the Environment in 2018

APMFI has created a cleaning city event aims to contribute to the cleanliness of the clean city environment and also follow to the slogan on “Clean City and Good services” of the Royal Government.



4. Annual Sporting Ceremony of 2018

APMFI has created an annual sporting event of 2018 for all staff for sharing experiences and demonstrate the meaning of teamwork to be successful.



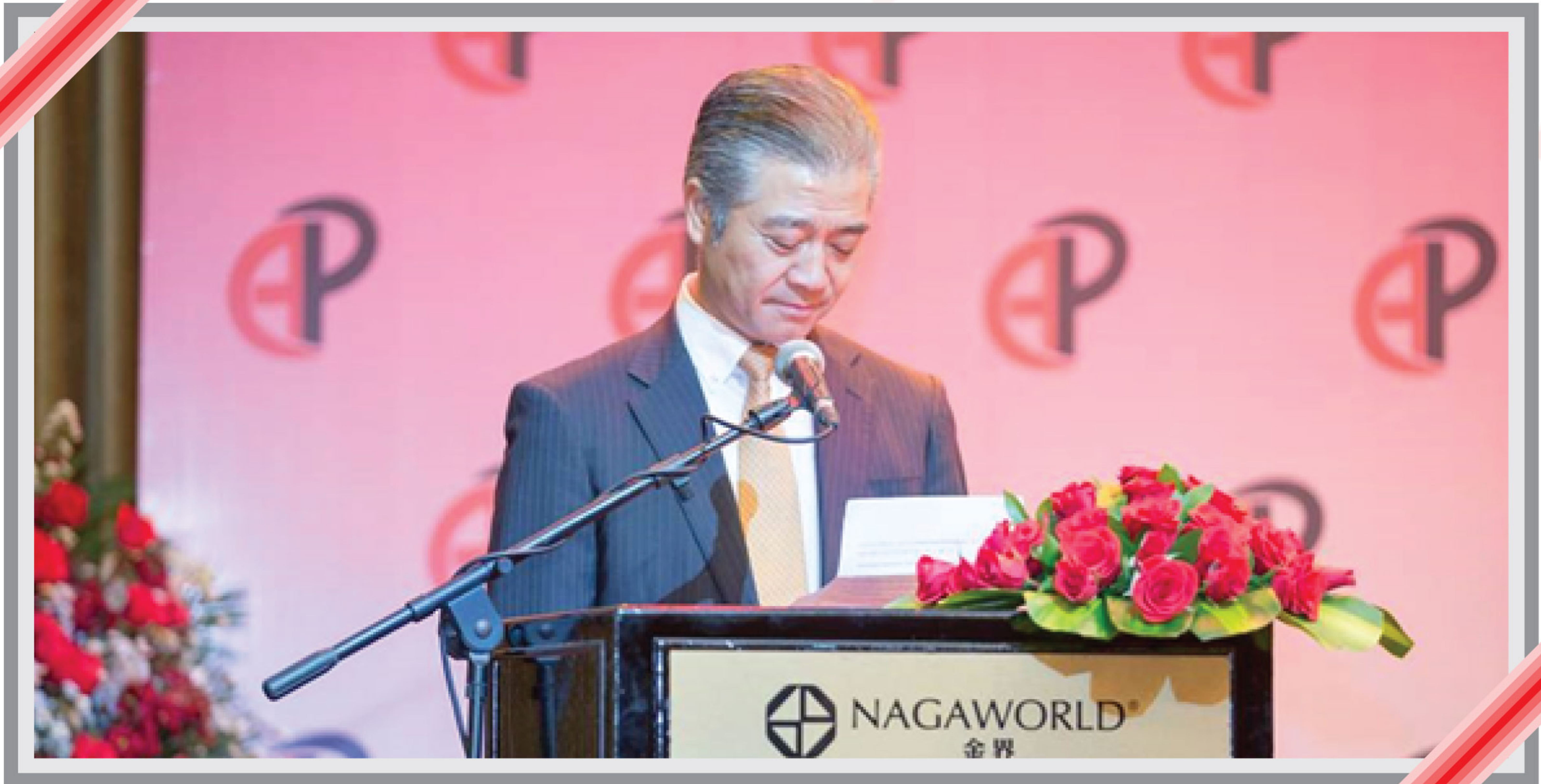
5. Lucky Draw for the Customers and Vendors

APMFI has created a lucky draw event to provide the gifts to the customers and vendors.



6. Vendor Gala Dinner

APMFI has created a special dinner at nagaworld with all vendors in order to pay gratitude and continue cooperation to advance to future prosperity.



7. Encouragement and Sponsor to the Boat Racer

APMFI Has sponsored to the boat racer in order to appreciation and support for the Water Festival of the Kingdom of Cambodia.



8. Annual Trip for the Winner Branch of APMFI

APMFI has created an annual trip event for outstanding staff and motivated staff who have made great efforts to succeed.



PRODUCTS AND SERVICES OF ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.

SERVICES:

- 👍 . Appropriate low interest rate
- 👍 . Convenient condition
- 👍 . Quick service
- 👍 . Seek the best solution for you, and
- 👍 . Put every effort in making your dream comes true.

PRODUCTS:

1. Quick Loan: provided to client with immediate need

Product	Currency	Amount	Loan Term
Quick Loan	Riel	400.000 – 20.000.000	12 – 60 months
	Dollar	100 - 5.000	

2. Motorbike Installment Loan: provided to client who wishes to buy a motorbike for his/her daily need.

Product	Currency	Amount	Loan Term
Motorbike Installment Loan	Dollar	100 - 50.000	12 – 60 months

3. Electronic Installment Loan: provided to client who wishes to use electronic appliances, such as telephone, television, computer, and so on.

Product	Currency	Amount	Loan Term
Electronic Installment loan	Dollar	100 - 20.000	12 – 60 months

4. Secured Consumption Loan: provided to client who lacks of capital for establishing a new business or for expanding the existing business.

Product	Currency	Amount	Loan Term
Secured Consumption Loan	Dollar	2001 - 30.000	12 – 60 months

5. Car Installment Loan: provided to client who wishes to buy a car for use to meet daily need.

Product	Currency	Amount	Loan Term
Car Installment loan	Dollar	5,000 - 50.000	12 – 84 months

6. Land Installment Loan: provided to client who wishes to buy a plot of land.

Product	Currency	Amount	Loan Term
Land Installment loan	Dollar	1.000 - 30.000	12 – 60 months

7. Agriculture Machine Installment Loan: provided to client who is in need of agricultural machinery, especially provide facilitation to client who does farming.

Product	Currency	Amount	Loan Term
Agriculture Machine Installment Loan	Dollar	100 - 60.000	12 – 60 months

8. A-Plus Loan: provided to client who is using or are applying Agriculture Machine Installment Loan by providing money to facility agricultural works.

Product	Currency	Amount	Loan Term
A-Plus loan	Dollar	100 - 10.000	12 – 36 months

Location of Active People's Microfinance Institution Plc.



Phnom Penh Branches

- ❖ 214 Olympic Branch
- ❖ Tuol Tompoung Branch
- ❖ Sensok Branch
- ❖ Toul Kouk Branch
- ❖ Chbar Ampov Branch
- ❖ Chrouy Changva Branch
- ❖ Mean Chey Branch(Stueng Mean Chey)



Siem Reap Branch



Kampong Cham Branch



Battambang Branch



Banteay Meanchey Branch



Kampong Spue Branch



Takeo Branch



Kandal Branch



HEAD OFFICE: No. 88, Str. 214-113, Sangkat Boung Pralih, Khan 7 Makara, Phnom Penh, Cambodia
 (855) 23 214 255 / (855) 78 777 340
 E-mail: info@apmfi.com.kh,
 website: www.apmfi.com.kh ,
 Facebook page :/ActivePeopleMFI



TOUL TOMPOUNG Branch:
 No. 149c, St. 143, Sankat Boeng Keng Kang3, Khan Chamkarmon, Phnom Penh, Cambodia.
 Tell: (855) 23 224 165
 (855) 23 777 259



SEN SOK Branch:
 No. 87-89, St. 1019, Sangkat Tuek Thla, Khan Sen Sok, Phnom Penh (infront of SEATV) Cambodia.
 Tell : (855) 23 883 270
 (855) 17 498 405



TUOL KOUK Branch :
 No. 3A, St. 355, Phum 1, Sangkat Boeung Kak Ti 1, Khan Tuol Kouk, Phnom Penh, Cambodia.
 Tell: (855) 23 231 912
 (855) 81 994 831



KAMPONG CHAM Branch:

No. 64, Preah Monivong Blvd. (222),
Sangkat Kampong Cham, Krong
Kampong Cham, Kampong
Cham Province, Cambodia.

Tell : (855) 42 210 887

(855) 71 3239 777



TAKEO Branch:

No .2, St. 2, Phum Lory, Sangkat
Roka Khnong, Krong DounKaev,
Takeo province, Cambodia.

Tell: (855) 32 210 860

(855) 322 210 861



BATTAMBANG Branch:

No. 23-25, St. 3, Sangkat Svay Por,
Krong Battambang, Battambang
province, Cambodia.

Tell: (855) 53 732 600

(855) 71 3316 777



SIEM REAP Branch:

No. 88, St. Sivutha, Phum Mondol 1,
Sangkat Svay Dangcum, Krong Siem
Reap, Sem Reap province, Cambodia.

Tell: (855) 63 766 007

(855) 78 777 252



TAKHMAU Branch:

No. 137D, St.2, Phumi Takhmau,
Sangkat Takhmau, Krong
Takkhmau, Kandal province,
Cambodia

Tell: (855) 23 425 678

(855) 17 276 031



CHBAR AMPOV Branch:

No. 15, National Raod No 1, Sangkat
Chbar Ampov Ti 2, khan Chbar
Ampov, Phnom Penh, Cambodia.

Tell: (855) 23 231 413

(855) 23 231 418



CHROY CHANGVAR Branch:
 No 10B (F10) , National Road
 No 6, Phum 3 , Sangkat Chroy
 Changvar , Khan Chroy Changvar,
 Phnom penh, Cambodia.

Tell:an : (855) 23 230 518
 (855) 23 230 519 ,



MEAN CHEY Branch:
 No 20, St Preah Monireth,
 Sangkat Steung Meanchey,
 Khan Meanchey, Phnom Penh,
 Cambodia.

Tell : (855) 23 231 412
 (855) 23 231 417



KAMPONG SPEU Branch:
 No 296, National Road No 4, Phum
 Peanichkam, Sangkat Rokar Thom,
 Chbar Morn City, Kampong Speu
 Province , Cambodia.

Tell: (855) 23 210 236
 (855) 23 210 237



BANTEAY MEANCHEY Branch:
 Sangkat Ponhea, Krom Serey
 Sophorn, Banteay Meanchey
 province, Cambodia.

Tell: (855) 64 710 513
 (855) 54 710 518