

**AP** គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ អាក់ទីវភីភល ភីអិលស៊ី  
Active People's Microfinance Institution Plc.

របាយការណ៍ប្រចាំឆ្នាំ  
**២០១៩**

**2019**  
ANNUAL REPORT



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គ្រឹះស្ថានឯកជន / Private Company

# CONTENTS

➤ APMFI’s Key Mlestones, Vision, Mission, Slogan, Principle and Code of Practice.....	01
➤ Message from the CEO.....	05
➤ Overview of the Microfinance Sector.....	07
➤ Operational information.....	10
➤ Organizational Chart of Active People’s Microfinance Institution Plc.....	14
➤ Management Team.....	17
➤ Other Activities of APMFI in 2019.....	24
❑ Exhibitions and Dissemination .....	25
❑ Cleaning of the Environment in 2019.....	26
❑ Annual Sporting Ceremony of 2019.....	27
❑ Lucky Draw for the Customers and Vendors.....	28
❑ Vendor Gala Dinner.....	29
❑ Encouragement and Sponsor to the Board Racer.....	30
➤ Products and Services of Active People’s Microfinance Institution Plc.....	31
➤ Location of Active People’s Microfinance Institution Plc.....	35
➤ Financial Report 2019.....	40



## APMFI'S KEY MILESTONES

Active People's Microfinance Institution PLC.

(APMFI) is incorporated as a Public Limited Company in the Kingdom of Cambodia. The company is registered with the Ministry of Commerce under the registered number 00009429, dated March 21, 2011, and has obtained a permanent license from the National Bank of Cambodia (the Central Bank of Cambodia) to conduct business as a microfinance institution from August 18, 2011 onwards.

APMFI's capital is invested 100% of share by its Japanese parent company, Business Partner Co., Ltd. It has subsequently increased its capital to meet the demand of Cambodia people in form of providing small financial services. In 31<sup>st</sup> December 2019, APMFI got approval from the National Bank of Cambodia for its request for capital increase from 10,001,800 US dollars to 20,000,000 US dollars through approval letter no. B7-020-162<sup>២២៩</sup>, dated Jan 28<sup>th</sup>, 2020. There are 16 branches operating in Cambodia ☺



## 2011

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

## 2012

- 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.

## 2013

- 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.

## 2014

- Opened Sen Sok Branch.

## 2015

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

## 2016

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



## 2017

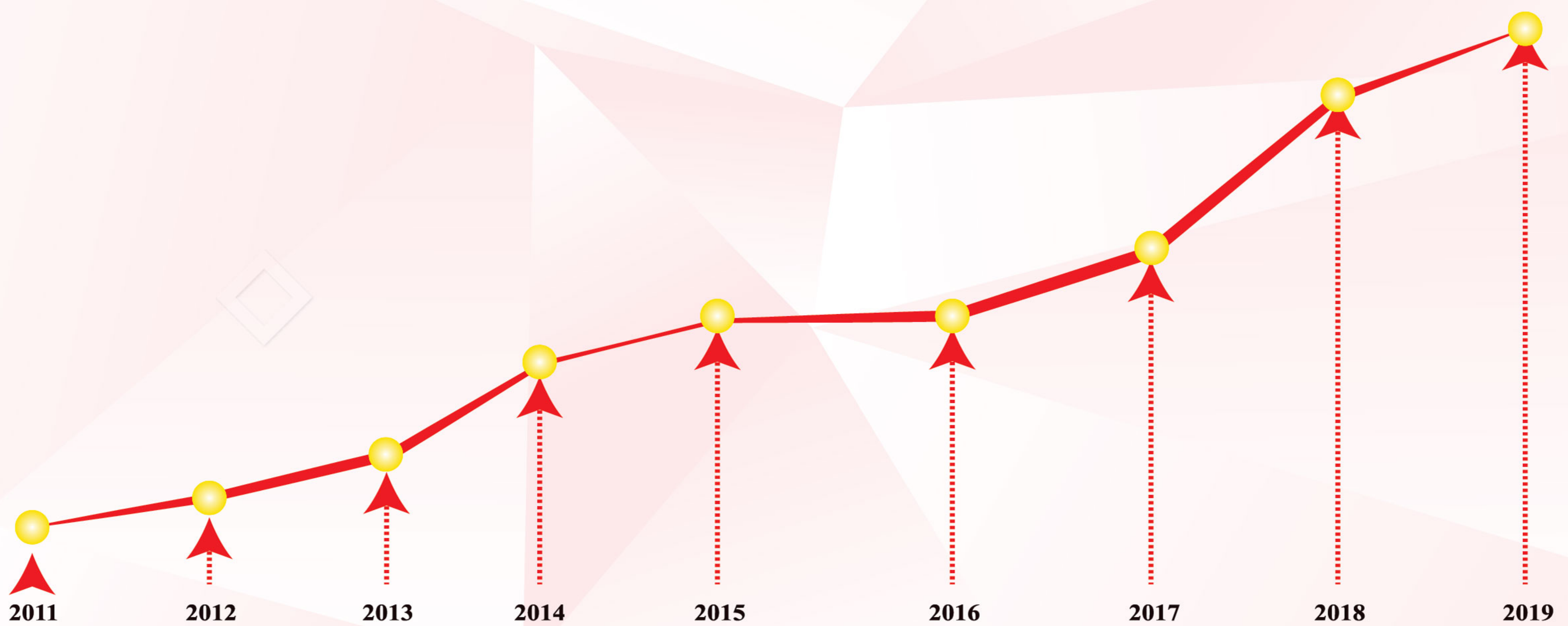
- New relocated address at Building 88, Street 214, Village 4, Sangkat Boeung Prolit, Khan 7 Makara, Phnom Penh.
- Opened Kandal Branch, Takeo Branch and Toul Kork Branch.

## 2018

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

## 2019

- Increased capital from \$ 10,001,800 to \$ 20,000,000.
- Opened Tboung Khmum Branch.
- Opened Preaek Phnov Branch.



## 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 our 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.





**Mr. Tatsuhiro Kurihara**  
(Chief Executive Officer)



## ANNUAL REPORT 2019 MESSAGE FROM CEO

Active People's Microfinance Institution PLC got a business license from Ministry of Commerce in March, 2011, and got a microfinance license from National bank of Cambodia in May, 2011. Then, Business Partner Co., Ltd, which is a shareholder in Japan acquired all shares of Active People's Microfinance PLC 100%, and the institution restarted a business as a Japanese microfinance firm in December, 2012. In those days, the institution has an amount of balance was only 180,000 USD, the number of staffs were 6 people. It means that our company was so small in the beginning. But now, an amount of balance is 62990,000 USD, the number of staffs are 590 people. Besides, the number branches are 16, and the number of clients are 91,237. The Institution have kept growing for 7 years because of your support. We will never give up to expand our business, and continue to make efforts.

Our most important role is making benefits to clients, staffs, and societies in Cambodia. We give clients our service which is needed, and support their daily life and a business. We are aiming to make a good situation which are stable managements of our company, an increase of employment opportunities, stable tax payment, and stable providing our service for clients, because of our action.

The role will be not changed even if the society in Cambodia have been improving rapidly. We are going to inform the vision that we have been treasuring since our company established to staffs who are not only senior managements but also all of members like new staffs.

To be “the nearest microfinance in Cambodia”, to be needed by a lot of clients, we are going to try harder more than over and we focusing on abiding by the code of ethical in its Good business operation and preparing management system well to achieve even greater growth.. Thank you very much for continued support and encouragement.



**Mr. Tatsuhiro Kurihara**

(Chief Executive Officer)



## OVERVIEW OF THE MICROFINANCE SECTOR

The growth in all economic sector and political stability have been the main factors in promoting the public and foreign investors; confidence as well as maintaining the safety and soundness of Cambodia's banking system. Cambodia's microfinance sector has continued to grow remarkably and sustainably in terms of scope, operation and profitability. At the end of 2019, Cambodia's banking system consists of 47 commercial banks (17 local banks, 17 subsidiaries and 13 foreign branch banks) 15 specialized banks, 7 microfinance deposit-taking institutions, 76 microfinance non-deposit taking institutions, 245 rural credit institutions, 15 financial leasing companies, 4 third party processors 21 payment service institutions, 1 credit bureau company, 6 representative offices, and 2,913 money changers.

Microfinance sector has significantly developed and remained sustainable which reflected the public confidence and the use of formal finance services in rural areas. Total assets of microfinance institution increased by 32.8% to KHR 35.9 trillion (USD 8.8 billion) while the shareholders' equity rose by 27.8% to KHR 6.9% trillion (USD 1.7 billion).

Microfinance institution have presented their growth potential and sustainability through ROA 2.8%, ROE 14.8%, and NPL 0.8% which indicate their better asset quality management. In addition, microfinance institution have complied with the NBC's prudential regulations by maintaining solvency ratio and liquidity ratio at 18.9% and 178.1%, respectively.

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.

Microfinance institution have strengthened and expanded their services both in scope and scale to rural areas. In particular, their operational networks have extended to all 25 provinces and towns, with a number of 1,453 offices. The numbers of deposit and number borrowing accounts rose to 2,781,130 and 2,109,170, respectively. With the efforts of the NBC in promoting financial literacy, there are more rural resident turning from using informal to formal financial services. As such, microfinance institution have contributed to the improvement of living standard and reduction of poverty in Cambodia, especially through sourcing the funds for small and medium businesses.



Rural credit institution institution(RCI) is a type of institution that provides small and micro loans to customers. There are 245 RCIs with the total assets of KHR 437.4 billion (USD 107.3 million), total loan portfolios of KHR 353.7 billion (USD 86.8 million) and total customer accounts of 170,014. The loan portfolios were distributed to key economic sectors, such as agriculture 35.8%, traded and commerce 21.3%, households 16.3%, transportation 0.4%, construction 5.9% and others 6.8%. Non-performing loans of RCI stood up at 10.6% due to limited credit management function as well as off-site and on-site supervision on RCIs to ensure their compliance and ethical practices in offering financial service to customers. The NBC has had a clear plan in promoting finance literacy through different targeted groups. In 2019, the NBC conduct seven Microfinance seminars in Cambodia, of which the provincial level was held in Pailin and the rests were at district level. The main objectives of the seminar are:

- i. To share the history of microfinance development in Cambodia,
- ii. To explain relevant legal framework and regulations,
- iii. To promote awareness on available financial services provided by licensed banks and financial institutions,
- iv. To discuss the challenges of the microfinance sector in Cambodia, and
- v. To seek solutions and to respond the request of local residents and authorities concerning the issue of microfinance.

\* Microfinance institutions have maintained their interest rates relatively lower than the NBC's ceiling. The average interest rate of KHR was 17.9% and USD loan was 16.0%, whereas the average interest rates of KHR and USD deposits were offered at respective rate similar to last year of 7.9% and 7.7%. Moreover, the ceiling interest rate that require MFIs to provide loans at interest rates not exceeding 18% per year (affective from April 2017). The increase in market competition has led the microfinance institution to pay more attention on strengthening operational efficiency and reduction operational costs, which help lower the interest rates on both KHR and USD loans.





# OPERATIONAL INFORMATION

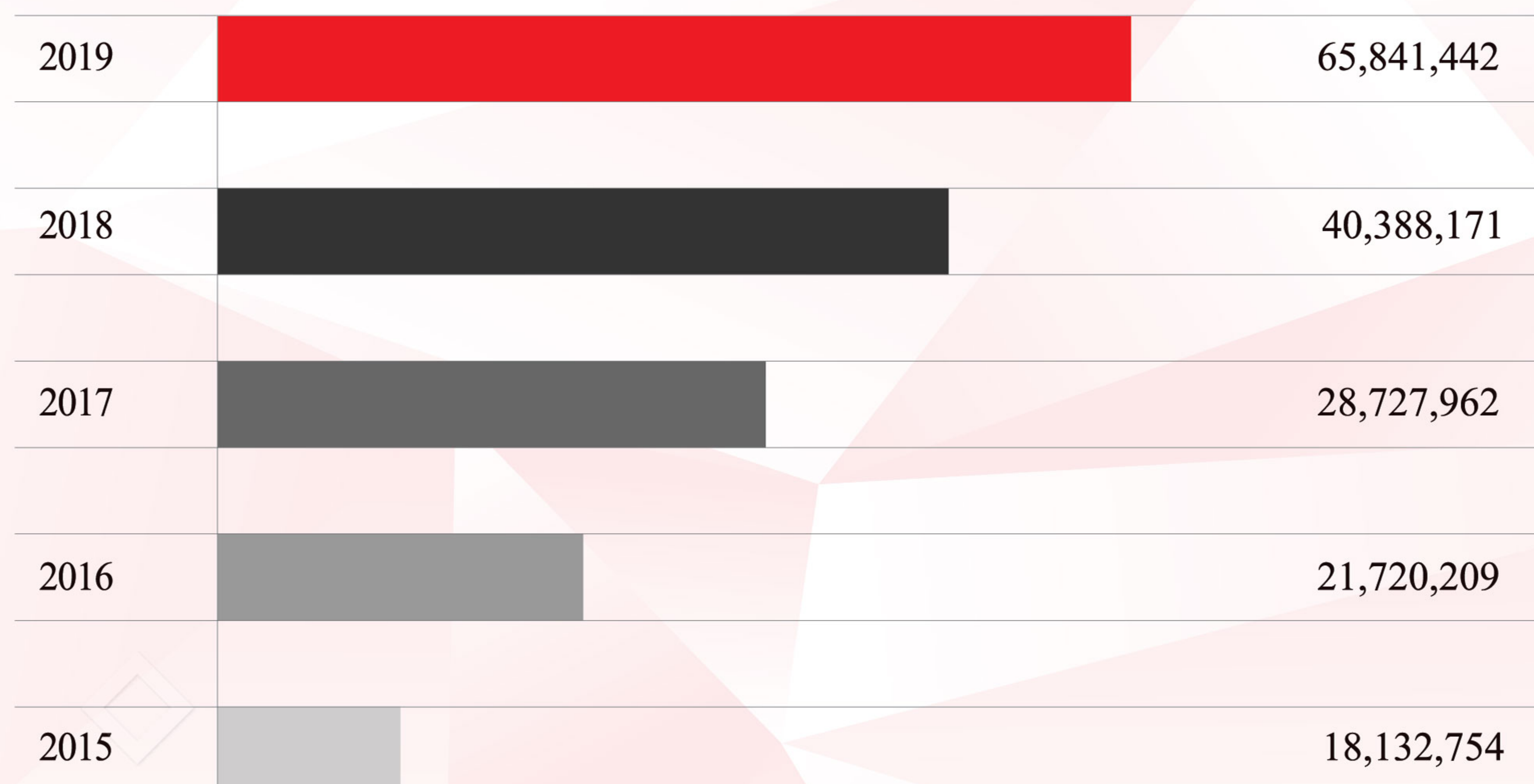


## OPERATIONAL INFORMATION

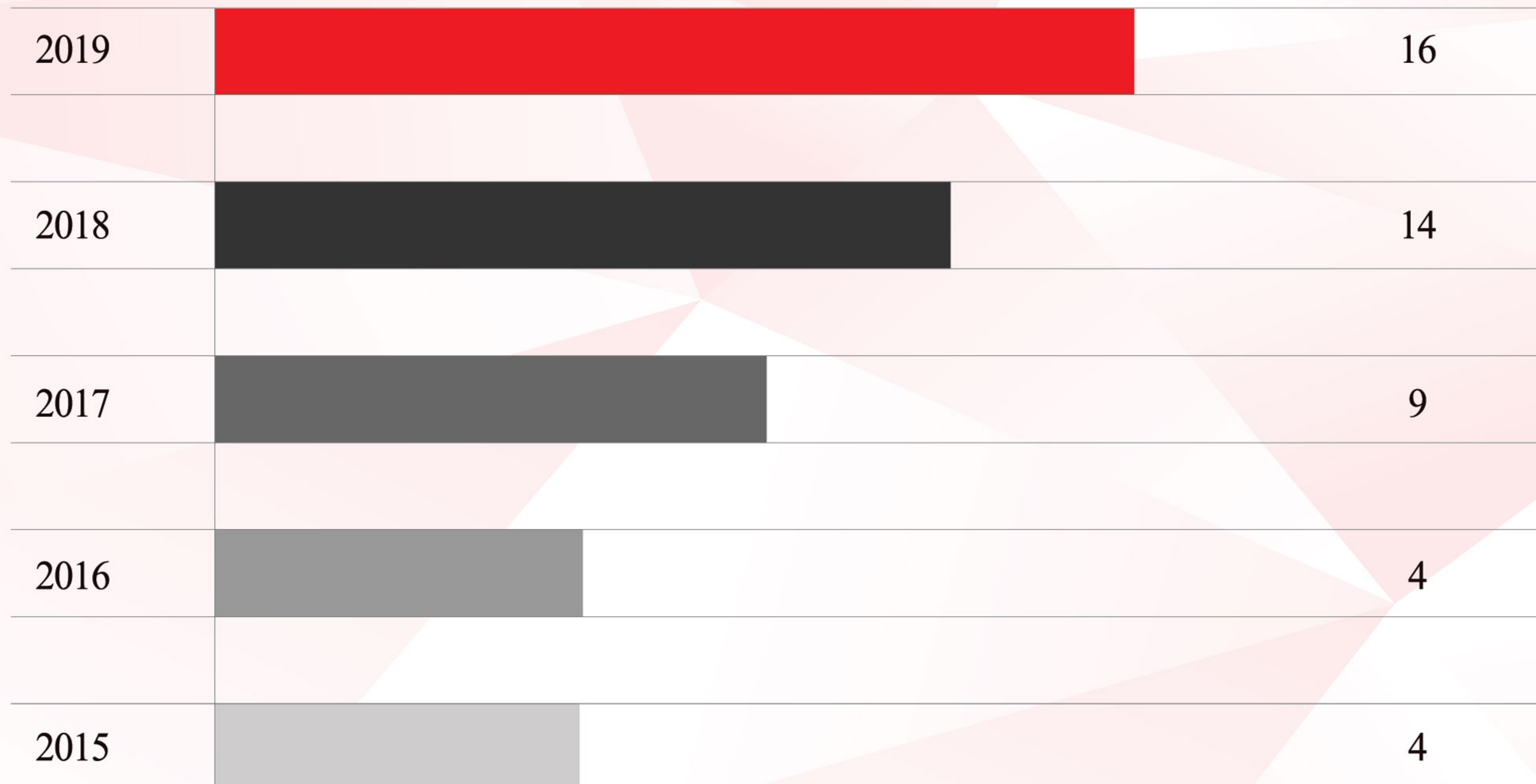
For the period ended December 31, 2019

	2015	2016	2017	2018	2019
Gross Loan Portfolio(Dollar)	18,132,754	21,720,209	28,727,962	40,388,171	65,841,442
Number Of Branches	4	4	9	14	16
Active Borrowers	19,125	19,181	33,001	52,431	79,465

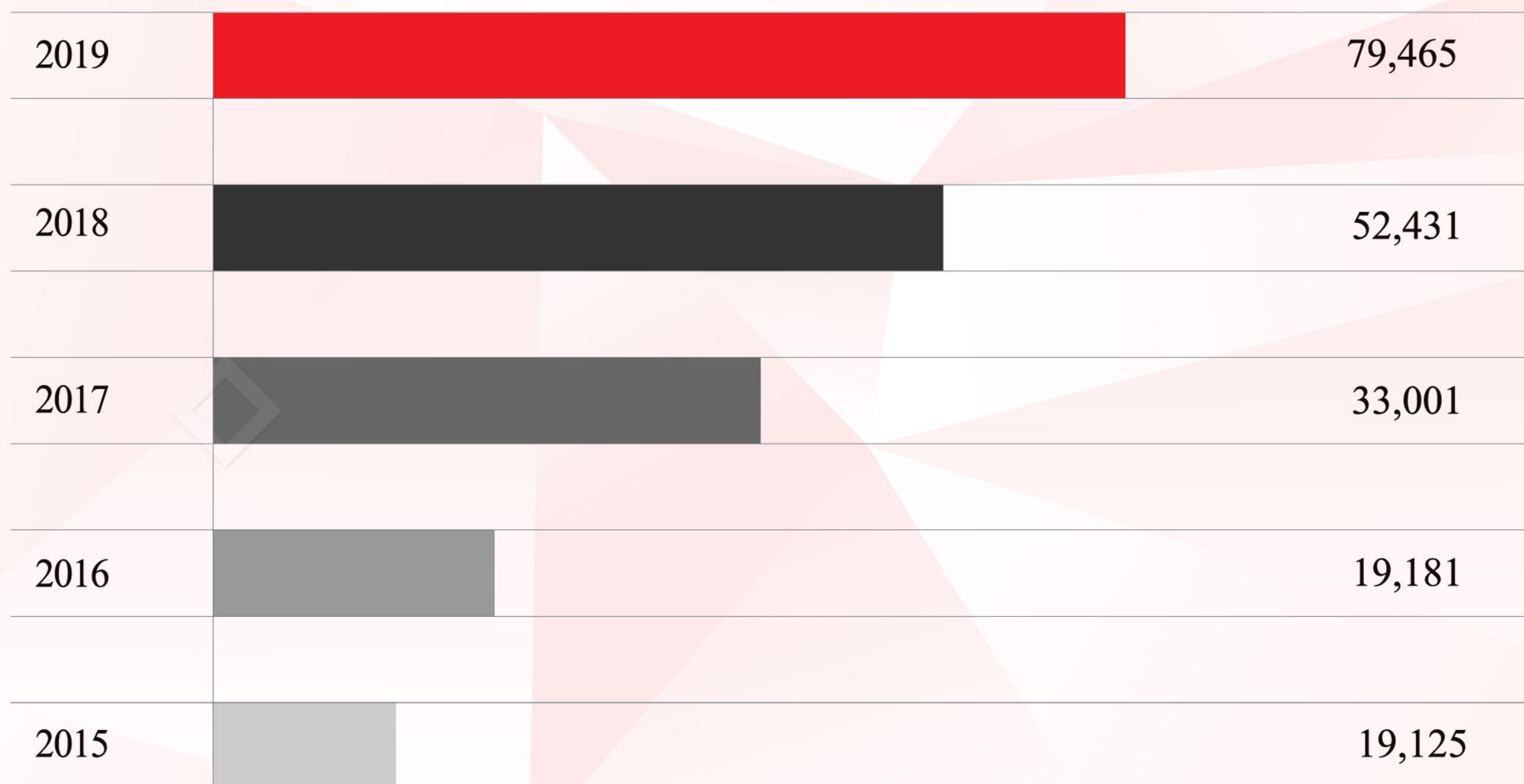
### GROSS LOAN PORFOLOI (dollar)



## **BRANCHES**



## **BORROWER**



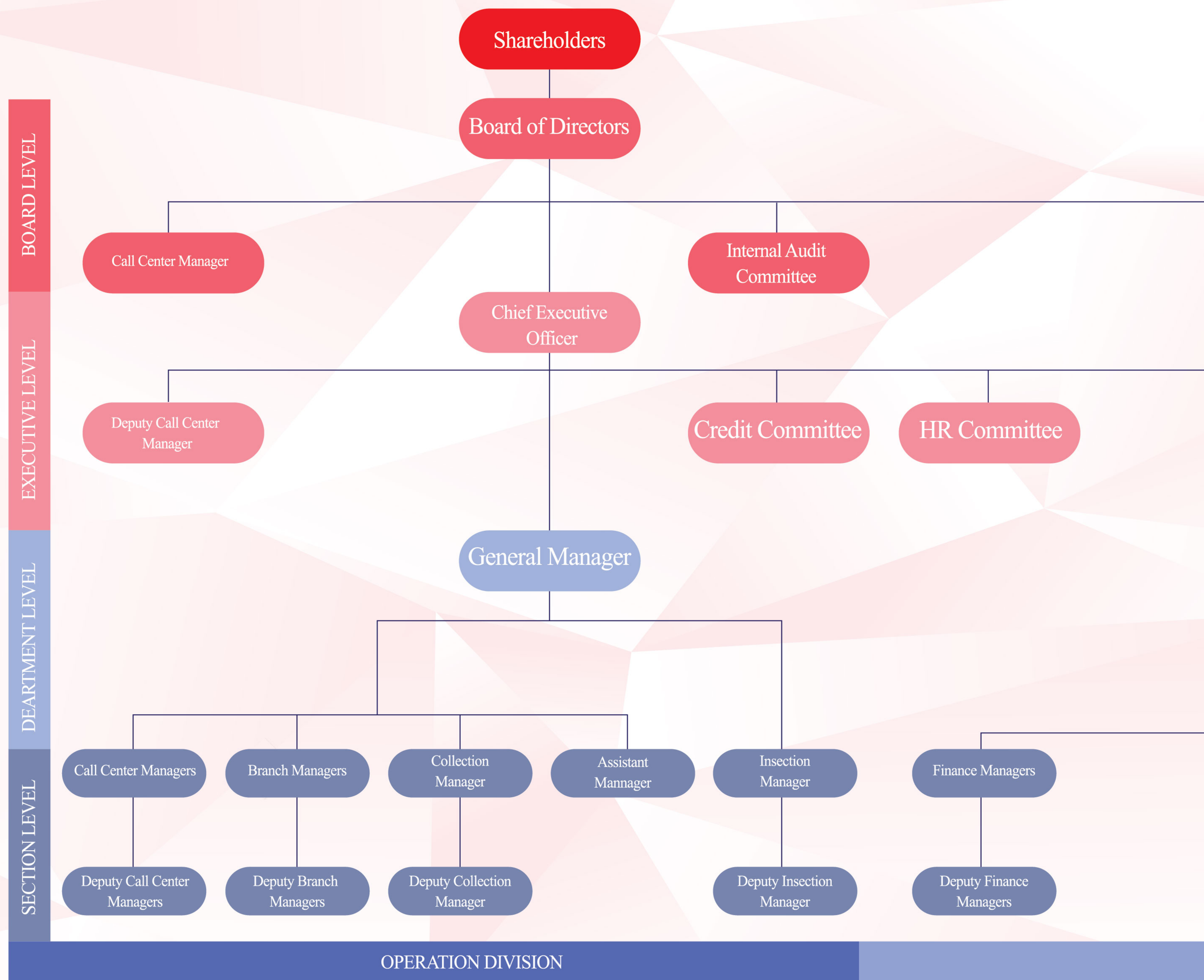
## OPERATIONAL INFORMATION

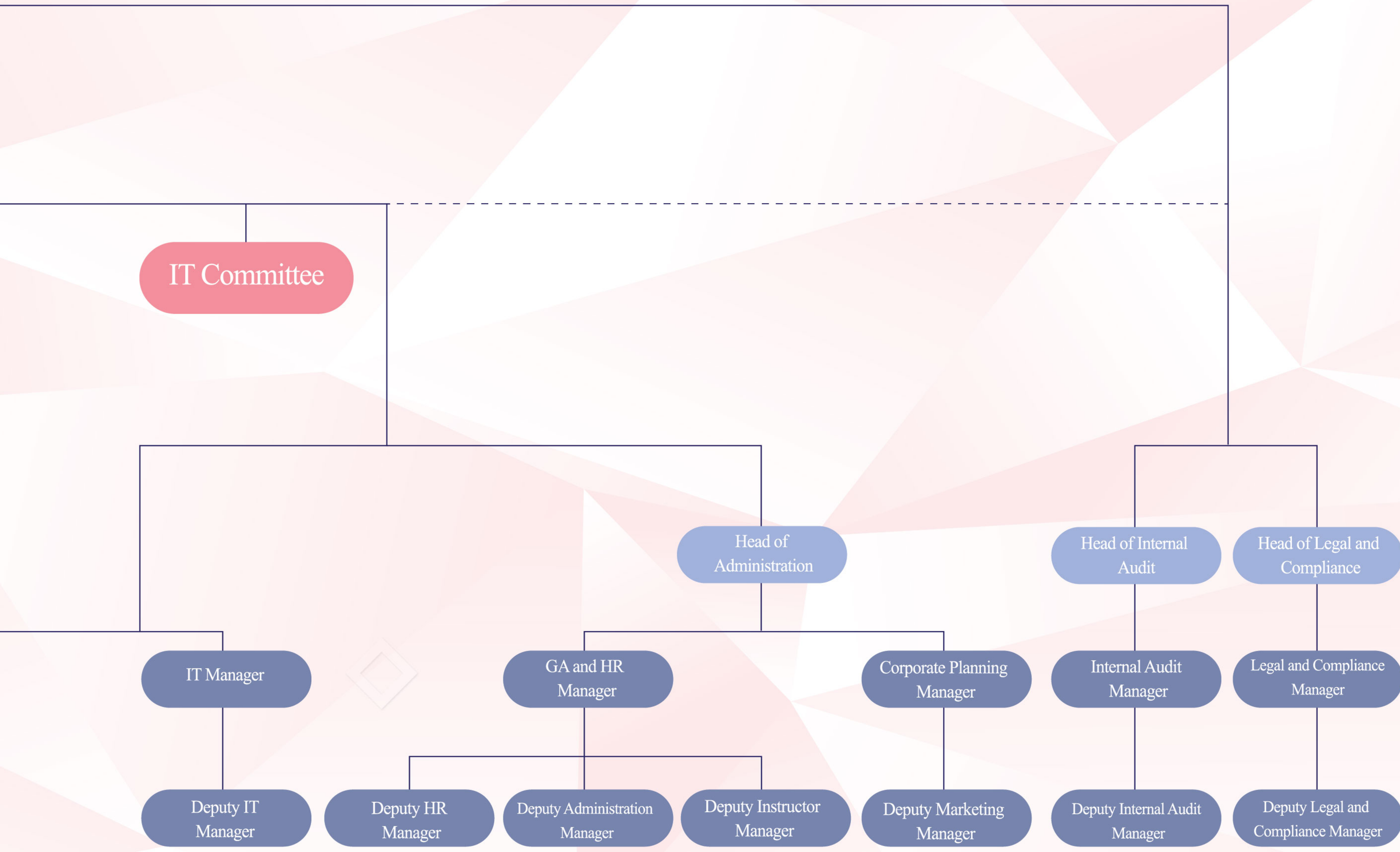
For the period ended December 31, 2019

Loan Asset by Products	Balance in 2018	Balance in 2019
Agriculture	2,570,354	1,190,645
Car	1,684,905	5,207,855
Electronic	3,349,392	6,298,051
Land	740,913	871,657
Motor	9,441,887	24,338,455
Others	4,833,380	2,076,398
Quick Loan	17,767,342	25,858,381
Grand Total	40,388,171	65,841,442



# Main-Organization chat on April 2019





ADMINISTRATION DIVISION



ビジネスパートナーグループ  
第二十期 全体会議・表彰式



# MANAGEMENT TEAM





**Mr. SON Kimsa**  
General Manager

Mr. Son Kimsa has been working with Active People's Microfinance Institution Plc since October 2014 as General Staff. Before working with Active People's Microfinance Institution 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 Univerisity, in 2010. With a career of more than 5 years, he is now General Manager at Active People's Microfinance Institution Plc.





**Mr. EK Sin Deng**  
Manager of Information Technology

Mr. EK Sin Deng has been working for ctive People’s Microfinance Institution Plc since June 2015 as IT Manager. Before working for ctive People’s Microfinance Institution 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 Institution 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. Vong Bunchhoeurn**

Head of Internal Audit

Mr. Vong Bunchhoeurn is a Cambodian. He holds a Bachelor's Degree in Economics from Cambodian Mekong University and is pursuing Master's Degree in Banking and Finance at Western University. He attended courses on risk assessment and internal control, internal fraud audit, planning and time management, microfinance risk management and tax base. He also attended other courses: leadership and success and corporate finance analysis.

He has been worked for more than 3 years at Cambodian Mekong University in administration. He also worked for more than 10 years in microfinance, specialized bank in internal audit officer, internal audit supervisor, head of internal audit.

He has been working for Active People's Microfinance Institution since 2019 by holding a position of the head of internal audit until now.



A professional portrait of Mrs. Lim Lida, a woman with dark hair pulled back, wearing a black blazer with red accents and a white scarf. She is standing in an office environment with a blurred background of desks and plants.

### **Mrs: Lim Lida**

Manager of General Affairs and Human Resources

Mrs. Lim Lida has been working for Active People's Microfinance Institution since September 2013 by holding a position of the Sales Officer, Instructor Leader, Senior Customer Relations Officer and Instructor Manager. By January 2019, Mrs. Lida has performed her position as the Manager of General Affairs and Human Resources of the institution. Before working for Active People's Microfinance Institution, Mrs. Lida had experiences in working with other microfinance institutions and companies for more than ten years in total by holding

positions of Accounting Manager, Finance and Administration Manager. Mrs. Lida graduated with a Bachelor's Degree of Bank from Build Bright University in 2009. Currently, She also goes through a variety of skills courses such as Labor Law, Leadership, Trainer Training and courses such as Quick Books, Access, Excel, and so on.





**Mr. YUSUKE Koizumi**  
Finance Manager

Mr. Yusuke Koizumi has been working for Active People's Microfinance Institution 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.



# **OTHER ACTIVITIES Of APMFI IN 2019**



# 1. Exhibitions and Dissemination

In 2019, APMFI has organized an exhibition and dissemination of its credit products and has attracted significant attention from its customers and the public.



## 2. Cleaning of the Environment in 2019

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.



### 3. Annual Sporting Ceremony of 2019

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



# 4. Lucky Draw for the Customers and Vendors

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



## 5. 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.



## 6. 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.



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



## 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 - 36 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	Riel	400,000 - 20,000,000	12 - 60 months
	Dollar	100 - 5,000	



### 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	Riel	400,000 - 80,000,000	12 - 60 months
	Dollar	100 - 20,000	

### 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	Riel	8004,000 - 120,000,000	12 - 60 months
	Dollar	2001 - 30,000	

### 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	Riel	20,000,000 - 200,000,000	12 - 84 months
	Dollar	5,000 - 50,000	



## 6. Land Installment Loan

Provided to client who wishes to buy a plot of land.

Product	Currency	Amount	Loan Term
Land installment Loan	Riel	4,000,000 - 120,000,000	12 - 60 months
	Dollar	1,000 - 30,000	

## 7. Agriculture Machine Installment Loan

Provided to client who lacks of capital for establishing a new business or for expanding the existing business.

Product	Currency	Amount	Loan Term
Agriculture Machine Installment Loan	Riel	400,000 - 240,000,000	12 - 60 months
	Dollar	100 - 60,000	

## 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	Riel	400,000 - 4,000,000	12 - 36 months
	Dollar	100 - 10,000	



**LOCATION OF ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**



## LOCATION OF ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.

### **HEAD OFFICE:**

No. 88, Str. 214-113, Sangkat Boung Pralih, Khan 7 Makara, Phnom Penh, Cambodia

Phone Number:

(855) 23 214 255

(855) 78 777 340

E-mail: [info@apmfi.com.kh](mailto:info@apmfi.com.kh),

website: [www.apmfi.com.kh](http://www.apmfi.com.kh) ,

Facebook page : ActivePeopleMFI , Google Play /App Store : AP Mobile

### **TOUL TOMPOUNG Branch:**

No. 149c, St. 143, Sankat Boeng Keng Kang3, Khan Chamkarmon, Phnom Penh, Cambodia.

Phone Number:

(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.

Phone Number:

(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.

Phone Number:

(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.

Phone Number

(855) 42 210 887

(855) 71 3239 777



 **TAKEO Branch:**

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

Phone Number:

(855) 32 210 860

(855) 322 210 861

 **BATTAMBANG Branch:**

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

Phone Number:

(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.

Phone Number:

(855) 63 766 007

(855) 78 777 252

 **TAKHMAU Branch:**

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

Phone Number:

(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.

Phone Number:

(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.

Phone Number:

(855) 23 230 518

(855) 23 230 519

 **MEAN CHEY Branch:**

No 20, St Preah Monireth, Sangkat Steung Meanchey, Khan Meanchey, Phnom Penh, Cambodia.

Phone Number:

(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.

Phone Number:

(855) 23 210 236

(855) 23 210 237

 **BANTEAY MEANCHEY Branch:**

Sangkat Ponhea, Krom Serey Sophorn, Banteay Meanchey Province, Cambodia.

Phone Number:

(855) 64 710 513

(855) 54 710 518

 **PREAEK PHNOV Branch**

National Road No 5, Kandal Village Sangkat Preaek Phnov Khan Preaek Phnov, Phnom Penh, Cambodia

Phone Number:

(855) 26 77 51 52



 **TBOUNG KHMUM Branch:**

National Road No 7, Cheung Lang Village Sangkat Suong, Krong Suong, Tboung Khmum Province, Cambodia

Phone Number:  
(855) 45 21 11 31

**Operating Areas of Active People's Microfinance Institution Plc.**



Registration No:  
Co. 00009429

**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
**(INCORPORATED IN CAMBODIA)**

**AUDITED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
31 DECEMBER 2019**



Registration No:  
Co. 00009429

**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**CORPORATE INFORMATION**

**DIRECTORS:**

Tomotaka Inoue

Tatsuhiko Kurihara

Masao Sugita

Yutaka Tanimoto

**REGISTERED OFFICE:**

88, 214 Corner of Street 113, Phum 4 ,Sangkat Boeng Prohit ,Khan Prampi Makra ,Phnom Penh  
Kingdom of Cambodia

**PRINCIPAL BANKERS:**

Aceda Bank Plc. , Cambodia Public Bank , Canadia Bank Plc. , National Bank of Cambodia  
Phnom Penh Commercial Bank , Wing (Cambodia) Limited Specialised Bank

**AUDITORS:**

BDO (Cambodia) Limited



**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

<b>CONTENTS</b>	<b>PAGE</b>
DIRECTORS' REPORT.....	1 - 6
INDEPENDENT AUDITORS' REPORT.....	7 - 10
STATEMENT OF FINANCIAL POSITION .....	11 - 12
STATEMENT OF COMPREHENSIVE INCOME.....	13
STATEMENT OF CASH FLOWS .....	14 - 16



## ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.

(Incorporated in Cambodia)

### DIRECTORS' REPORT

The Directors have pleasure the report and the audited financial statements of Active People's Microfinance Institution Plc. ("the Company") for the financial year ended 31 December 2019.

#### Principal activity

The principal activity of the Company is in microfinance operation. There have been no significant changes in the nature of this activity during the financial year.

#### Results of operations

	US\$	KHR'000
Profit for the financial year	<u>5,401,818</u>	<u>22,012,410</u>

#### Dividends

The Directors do not recommend the payment of any dividend for the current financial year.

#### Reserves and provisions

There were no material transfers to or from reserves or provisions during the current financial year.

#### Bad and doubtful loans

Before the statement of comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and the making of allowance for doubtful loans, and satisfied themselves that all known bad loans had been written off and that adequate allowance had been made for doubtful loans.

At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off for bad loans or the amount of the allowance for doubtful loans in the financial statements of the Company inadequate to any material extent.



## **Current assets**

Before the statement of comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount expected if realised.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading.

## **Valuation methods**

At the date of this report, the Directors are not aware of any circumstances, which have arisen and which may render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.



**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**DIRECTORS' REPORT (continued)**

**Contingent and other liabilities**

At the date of this report, there does not exist:

- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the year of 12 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.

**Change of circumstances**

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Company, which would render any amount stated in the financial statements as misleading.

**Items of an unusual nature**

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.

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 for which this report is made.

**Share capital**

The Company did not issue any shares during the current financial year.

No option to take up unissued shares in the Company was granted during the financial year and there were no shares under options at the end of the financial year in respect of shares in the Company.



**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**DIRECTORS' REPORT (continued)**

**Directors**

The Directors who have held for office since the date of last report are:

**Tomotaka Inoue**

**Tatsuhiko Kurihara**

**Masao Sugita**

**Yutaka Tanimoto**

**Directors' benefits**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of previous financial year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclose in Note 27 to the financial statements.

**Directors' responsibility in respect of the financial statements**

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and cash flows for the financial year then ended. In preparing these financial statements, the Directors are required to:

- (a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;



- (b)** comply with the disclosure requirements of the Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRSs for SMEs”) and the guidelines issued by the National Bank of Cambodia relating to the preparation and presentation of financial statements or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements
- (c)** maintain adequate accounting records and an effective system of internal controls;
- (d)** prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- (e)** 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 in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.



**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**DIRECTORS' REPORT (continued)**

**Significant event subsequent to the end of the reporting period**

The significant event subsequent to the end of the reporting period is disclosed in Note 31 to the financial statements.

**Statement by the Directors**

In the opinion of the Directors, the financial statements set out on pages 8 to 38 have been drawn up in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities and the guidelines issued by the National Bank of Cambodia so as to give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board,

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**Tomotaka Inoue**

Phnom Penh, Cambodia

Date: 30 April 2020



## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**

(Incorporated in Cambodia)  
(Registration No: Co. 00009429)

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the financial statements of Active People's Microfinance Institution Plc. ("the Company"), which comprise statement of financial position as at 31 December 2019, and statement of comprehensive income, statement of change in equity and statement of cash flow for the financial year ended 31 December 2019, and a summary of significant accounting policies, as set out on pages 8 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and cash flows for the financial year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities and the guidelines issued by the National Bank of Cambodia.

#### **Basis for Opinion**

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 Code of Ethics for Professional Accountants and Auditors of the Kampuchea Institute of Certified Public Accountants and Auditors ("Code of Ethics") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the IESBA Code.



## **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 auditor's 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.



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 Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Directors 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**

This report is made solely to the shareholder of the Company, as a body. We do not assume responsibility to any other person for the content of this report.

### **BDO (Cambodia) Limited**

Phnom Penh, Cambodia

Date: 30 April 2020



**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2019

	Note	2019 US\$	- KHR'000	2018 US\$ (restated)
<b>ASSETS</b>				
Cash on hand	6	16,415	66,891	33,111
Balances with National Bank of Cambodia	7	511,264	2,083,401	508,138
Balances with other banks	8	23,754,942	96,801,389	9,054,423
Loans to customers	9	62,997,087	256,713,130	36,628,234
Other receivables	10	1,726,622	7,035,985	1,230,686
Investments	11	4,217,608	17,186,753	4,330,427
Property, plant and equipment	12	1,139,572	4,643,756	666,407
Intangible assets	13	43,080	175,551	50,001
<b>TOTAL ASSETS</b>		<b>94,406,590</b>	<b>384,706,856</b>	<b>52,501,427</b>

The accompanying notes form an integral part of the financial statements.



## LIABILITIES AND EQUITY

### LIABILITIES

Borrowing	14	62,000,000	252,650,000	37,000,000
Other payables	15	2,542,245	10,359,648	1,565,450
Current tax liabilities		1,259,344	5,131,827	730,994
<b>TOTAL LIABILITIES</b>		<b>65,801,589</b>	<b>268,141,475</b>	<b>39,296,444</b>

### EQUITY

Share capital	16	10,001,800	40,757,335	10,001,800
Subordinated debt	17	9,998,200	40,742,666	-
Regulatory reserve	18	488,559	1,990,878	-
Retained earnings		8,116,442	33,074,502	3,203,183
<b>TOTAL EQUITY</b>		<b>28,605,001</b>	<b>116,565,381</b>	<b>13,204,983</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>94,406,590</b>	<b>384,706,856</b>	<b>52,501,427</b>

The accompanying notes form an integral part of the financial statements.

**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 US\$	- KHR'000	2018 US\$ (restated)
Interest income	19	8,288,172	33,774,301	4,829,872
Interest expense	20	(2,512,069)	(10,236,681)	(1,433,511)
Net interest income		5,776,103	23,537,620	3,396,361
Allowance for doubtful loans	9	(2,187,873)	(8,915,582)	(1,350,466)
Other operating income	21	9,109,696	37,122,012	5,367,537
Personnel expenses	22	(3,184,799)	(12,978,056)	(1,752,343)
Depreciation and amortisation expenses	23	(268,290)	(1,093,282)	(164,058)
Other operating expenses	24	(2,429,440)	(9,899,968)	(1,649,665)
Profit before tax		6,815,397	27,772,744	3,847,366
Tax expense	25	(1,413,579)	(5,760,334)	(827,712)
Profit for the financial year		5,401,818	22,012,410	3,019,654
Other comprehensive income, net of tax		-	-	-
Total comprehensive income for the financial year		5,401,818	22,012,410	3,019,654

The accompanying notes form an integral part of the financial statements.



**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 US\$	- KHR'000	2018 US\$ (restated)
<b>Cash flows from operating activities</b>				
Profit before tax		6,815,397		3,847,367
Adjustments for:				
Allowance for doubtful loans	9(a)	2,187,873		1,350,466
Amortisation of intangible assets	13	12,437		8,515
Depreciation of property, plant and equipment	12	255,853		155,542
Dividend income		(11,729)		(15,772)
Fair value loss/(gain) on investment		112,819		(28,254)
Interest expense	20	2,512,069		1,433,511
Operating profit before working capital changes		11,884,719		6,751,375
Changes in working capital				
Loans to customers		(28,556,726)		(11,191,723)
Other receivables		(495,936)		411,614
Other payables		976,795		(77,367)
Cash used in operations		(16,191,148)		(4,106,101)
Income tax paid		(885,229)		(268,762)
Net cash used in operating activities		(722,805)		(3,633,038)

The accompanying notes form an integral part of the financial statements.

### Cash flows from operating activities

Dividend received		11,729	47,796	15,772
Purchase of plant and equipment	12	(729,018)	(2,970,748)	(314,498)
Purchase of intangible assets	13	(5,516)	(22,478)	(34,312)
Purchase of investments	11	-	-	(3,300,000)
Net cash used in operating activities		(722,805)	(2,945,430)	(3,633,038)

### Cash flows from operating activities

Proceeds from subordinated debt	17	9,998,200	40,742,664	-
Proceeds from borrowing		25,000,000	101,875,000	13,950,000
Interest paid		(2,512,069)	(10,236,681)	(1,433,511)
Net cash used in operating activities		32,486,131	132,380,983	12,516,489

**Net increase in cash and cash equivalents** 14,686,949 59,849,318 4,508,588

**Cash and cash equivalents at beginning of financial year** 9,095,582 37,064,496 4,586,994

**Cash and cash equivalents at end of financial year** 23,782,531 96,913,814 9,095,582

The accompanying notes form an integral part of the financial statements.



**ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**  
(Incorporated in Cambodia)

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (continued)

**Cash flows from operating activities**

	Note	2019 US\$	- KHR'000	2018 US\$ (restated)
Cash on hand	6	16,415	66,891	33,111
Balances with National Bank of Cambodia (excluding statutory deposit)	7	11,174	45,534	8,048
Balances with other banks	8	23,754,942	96,801,389	9,054,423
		<u>23,782,531</u>	<u>96,913,814</u>	<u>9,095,582</u>

The accompanying notes form an integral part of the financial statements.



