



**គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ អាក់ទីវភីភល កីអិលស៊ី**  
**Active People's Microfinance Institution Plc.**



គ្រឹះស្ថានឯកជន / Private Company

របាយការណ៍ប្រចាំឆ្នាំ

**២០២០**

ANNUAL REPORT 2020

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## Foreword



The world is going through a health crisis that has plunged the economy into the worst crisis since the Great Depression of the 1930s. Since the beginning of 2020, Covid-19 has caused the whole world to experience a health crisis, leading to a more severe economic crisis than the global crisis of 2008-2009. The Covid-19 crisis changed the way of life, relationships and economic processes and led to new normalization, in which the use of technology gained popularity and became a source of new growth potential for the economy. Faced with this crisis, both developing and emerging countries have implemented fiscal and monetary policies, as well as supportive measures to maintain socio-economic stability. International trade, investment and tourism, as well as domestic economic activity, have been declining sharply due to the introduction of measures to prevent the spread of Covid-19, such as temporary demarcation, sanitation, protection and maintaining social gaps in accordance with the guidelines of the Ministry of Health.

In this situation, the Royal Government of Cambodia has taken effective measures to control the spread of Covid-19, which has had minimal impact on local public health. Outbreaks appear to be exacerbated during this time in Cambodia, which has been exposed to the effects of the crisis, especially on tourism, garment and footwear exports, and construction and real estate. However, due to the growth of the agricultural sector and the banking sector,

along with the increase in exports of some products, as a result of past diversification, the Cambodian economy is expected to decline by about 1.9% by 2020.

Along with good control over the spread of Covid-19, confidence in the Cambodian economy has also been supported by macroeconomic and financial stability. Monetary policy has been flexibly implemented to contribute to controlling inflationary pressures.

In line with the policy of the Royal Government and the National Bank of Cambodia, the institution has organized to provide preferential credit to the affected poor through the reorganization of credit to provide some relief to the people and Cambodia's people at this time as well.

At the same time, the institution has strengthened its fight against money laundering and terrorist financing to contribute to the development of Cambodia's financial and economic sector, especially during the epidemic phase Covid-19. The strengthening of these activities is reflected in the improvement of the legal framework to increase the effectiveness of implementation and expand the scope of cooperation with relevant authorities, both domestically and internationally.

Finally, the Company would like to express its deep gratitude to the Royal Government, Board of Directors of the National Bank of Cambodia for their continued support and the management of Active People's Microfinance Finance Institution and staff at all levels who always work hard with high responsibility to collectively referred to develop operation system of institutions. The institution would also like to thank the relevant ministries and institutions for their good cooperation in the past. The Company still believes that the Board of Directors and staff at all

levels continue to operate well, contributing to new achievements in the field of banking and microfinance, and contributing to people's benefit of Cambodia.

**CEO**



**TATSUHIRO KURIHARA**

## APMFI'S KEY MILESTONES

Active People's Microfinance Institution Plc (Called 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.

Active People's Microfinance institution is fully invested by a Japanese company, Business Partner Co., Ltd. Active People's Microfinance Institution has been striving to expand its operations, not only that, it has always strived to strengthen capacity to serve the Cambodian people with a strong will to contribute to the business and livelihood. Better as well as participate in the development of the country to grow together. In recent years, the institution has steadily increased capital to meet the requirement of the Cambodian people as a microfinance institution in microfinance features.

As of December 31, 2019, Active Microfinance Plc. APMFI Has approval from the National Bank of Cambodia for a request to increased capital from \$ 10,001,800 to \$ 20,000,000 through the approval letter ៣៧-០២០-១៦២ អតី dated 28 January 2020 of the National Bank of Cambodia, APMFI has continued to expand by holding more branches. The company has received licenses 20 branches, such as:



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

2011

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

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

2016

2017

- 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.

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.

2020

- Opened Kampong Chhnang Provincial Branch, Kratie Provincial Branch and Ratana Kiri Provincial 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.

## ANNUAL REPORT 2020 MESSAGE FROM THE CEO



APMFI got a business license from the Ministry of Commerce in March 2011 and a microfinance license from the National Bank of Cambodia in May 2011. Then, Business Partner Co., Ltd, a shareholder in Japan bought a 100% stake in Active Microfinance Plc. And started business as a Japanese MFI in December 2012. At that time, our cash balance was only \$ 180,000 and the

number of employees was only six. It's means that our company was very small in the past. But at the moment, the company has a balance of 102,739,148.08 US dollars and 590 employees. In addition, there are 20 branches and 113104 customers. We have continued to grow for 7 years due to customer support. We will not give up our business expansion and continue to work harder.

In 2020, the economic crisis caused by the spread of Covid-19, the establishment will continue to operate for the common good and as a good partner of the community, not only our most important role is to benefit Customers, employees and society whole in Cambodia. We provide clients with on-demand services and support their daily lives and businesses. We are making them in good standing, which is the stable management of our company, increasing in employment opportunities, stable taxation and providing stable services to customers due to our activities.

At the same time, the institution participates in all activities at a time when the country is experiencing a slowdown in the Cambodian economy, as well in favor of the people affected by the loss of jobs or the decline of the Cambodian business.

By easing repayments in various ways possible in accordance with the policy of the National Bank of Cambodia, including participation in sanitation and gap maintenance through the Ministry of Health's campaign to ensure safety from COVID-19 of these diseases.

In addition, the institution continues to move forward even Cambodian's economic is decreased and its role will not change. We will present a vision that our company has been made since its started to employees who are not just managers, not only senior but all members as well also a new employee. To become the "nearest MFI in Cambodia" that many clients need, we will continue our efforts to expand and strengthen our role is more focused adhere to business ethics and set up a good management to achieve the progress of growth.

APMFI would like to thank you for your continued support and encouragement.

**CEO**



**TATSUHIRO KURIHARA**

## GENERAL DESCRIPTION OF THE FINANCIAL SECTOR

By 2020, the world economy will be severely affected by the spread of covid-19, and the International Monetary Fund estimates that growth will down to 4.4%, with developed economies downing to 5.8%. And the economy of emerging and developing countries declined -3.3%. Meanwhile, ASEAN economic growth may down to 3.4%. Responding to this health and economic crisis.

Governments have put in place fiscal stimulus policies to boost economic activity and social protection policies, and most central banks have adopted austerity measures, lowering interest rates, injecting cash into markets, and easing restrictions. Tighten regulations in the banking sector to restore economic stability.

The Cambodian economy is also

estimate to contract -1.9% due to a decline in external demand-dependent sectors, including tourism, manufacturing, construction and real estate, while the agricultural sector continues to grow well. Cambodia's balance of payments is estimated to be in surplus due to rising exports and declining imports, combined with continued influx of foreign direct investment, despite lower import flows. The balance of payments contributed to the increase in international reserves to \$ 21.3 billion, which was more than 10 months of imports of goods and services for the next period, higher than the minimum for developing countries (3 months).

Inflation continued to be low at 2.9%, slightly higher than the same period last year (1.9%) due to higher food prices as

oil and commodity-related services fell. At the same time, the riel exchange rate against the US dollar continued to be stable, averaging around 4,090 riel per US dollar, higher than the same period last year (4,061 riel), lower inflation and exchange rate stability. Exchange Rate has contributed significantly to macroeconomic stability.

Contributing to reduce the impact of COVID-19 on the economy of the National Bank of Cambodia. Implemented monetary policy, diversified and intervened in the foreign exchange market, increased the level of liquidity in the banking system and gained confidence in the banking sector and the riel. In fact, the reserve and currency reserve ratio has been lowered to 7%, while the interest rate on tradable securities (NCD) and liquefied securities (LPCO) has been lowered to reduce the cost of loans

in Riel. The NCD served to maintain the liquidity of banking and financial institutions, of which the NCD issued in US \$ 30.8 billion, an increase of 45.3% and 10.9 trillion riel. Riel with an increase of 4%. In addition, the National Bank of Cambodia provided liquidity in riel to banking and financial institutions in need of liquidity in riel through 23 LPCO transactions totaling 5.9 trillion riels, an increase of 24.5%. In the context of downing economic growth, the general monetary volume (M2) also declined by 14.7% (lower than the same period last year at 18.2%), but at a reasonable level to support monetary demand. In the economy. It should be reminded that the loan in KHR compared to the total portfolio kept at 12.8%. And the dollar level in globalization (currency deposits against common currencies) remains high at 83.8.

The banking sector continues to grow and stabilize, and has actively contributed to supporting economic activity. Banking assets increased 15.7% (to 217%). Which GDP increased by 14.8% (136% of GDP) and deposits increased by 15.4% (123% of GDP). The network of operations and financial services continues to be developed and expanded to all regions throughout the country, which has steadily improved the financial environment, with the number of customer deposit accounts reaching 3.2 million (up 3.9%). Also banking and financial institutions have provided preferential treatment to borrowers through the reorganization of 285,074 accounts, equivalent to approximately 4.2 billion US dollars, which has been declining steadily since August. . The National Bank of Cambodia has implemented a risk monitoring framework and prospects, as

well as a series of precautionary macro- and micro-precautionary measures to strengthen financial stability. In addition, the financial environment, financial literacy and consumer protection are also regularly promoted through financial education to the public, local microfinance outreach, Receiving and resolving customer complaints of banking and financial institutions, and the Deposit Protection Unit and the banking and financial institution settlement framework have also been established.

In line with global and regional trends, financial technology is allowed to be used with caution, especially in payment systems to make payments more efficient, secure and affordable. The National Bank of Cambodia has officially launched the Bakong system, a one-stop payment system that facilitates electronic transfers

and cross-institutional payments. Meanwhile, the Cambodia Swiss system and retaliation system are being pre-launched and are scheduled to be officially launched soon. The QR Code standard has also been developed for implementation in payment systems aimed at facilitating cross-border payments between payment service providers and implementing payment connectivity schemes with countries in the region. To support cross-border trade and investment between the two countries, as well as expand the use of the national currency, the National Bank of Cambodia and the Central Bank of Thailand have introduced QR codes for cross-border payments in Thai Riel and Thai Baht.

The National Bank of Cambodia has continued to manage cash flow effectively and safely to meet the needs of people across the country. The quality and

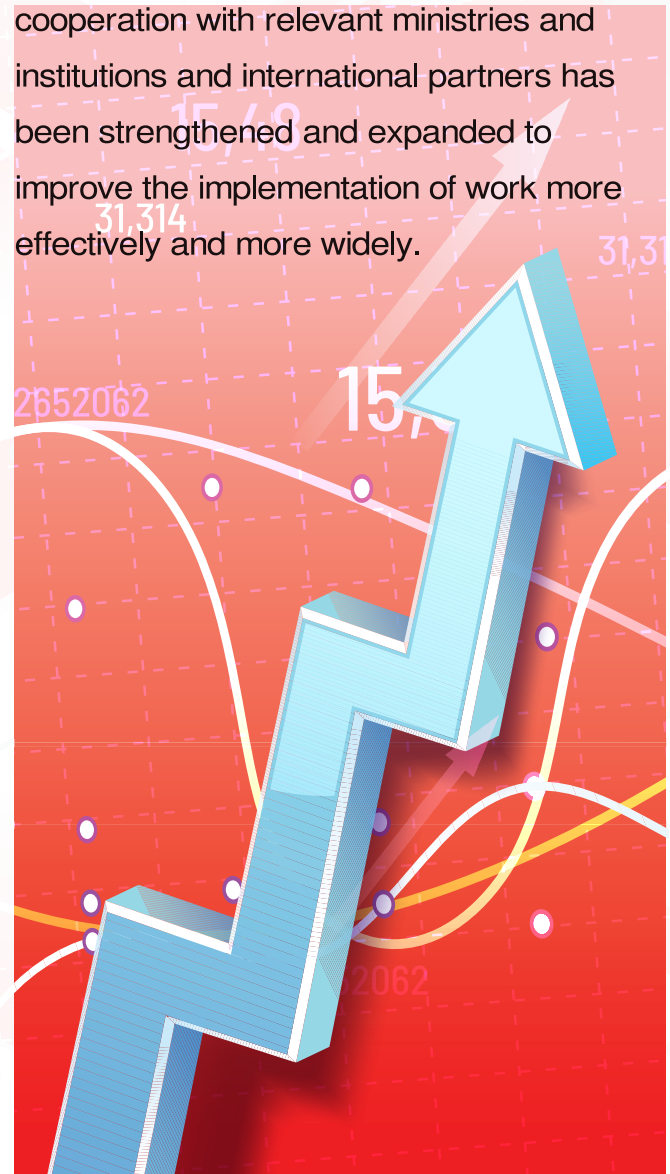
aesthetics of banknotes are enhanced in line with technological advances. In order to promote good governance and efficiency, auditing and inspection have focused on keeping pace with technological advances. To promote good governance and efficiency, audits and inspections focus on risk prevention and job sustainability. Human resources continue to be a priority.

In addition, international cooperation in both bilateral and multilateral frameworks has been steadily strengthened and expanded. The National Bank of Cambodia (NBC) has successfully strengthened the integration and security of the regional financial network through the successful amendment of multilateral agreements, Asian bond market initiatives, and the successful co-chairmanship of the ASEAN High Commission (SLC). The National Bank of Cambodia has also been elected

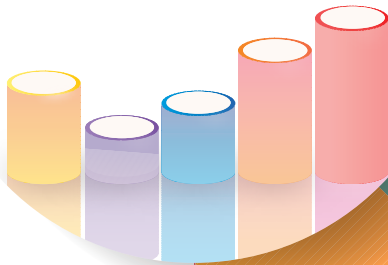
Co-Chair of the ASEAN Financial Environment Commission (WC-FINC) with the Central Bank of Indonesia for the 2020-2022 term.

In particular, despite the crisis of COVID-19, the process of drafting a law on anti-money laundering and terrorist financing continued until it was approved and promulgated on June 27, 2020. In order to disseminate the contents of this law widely, the Financial Intelligence Unit of Cambodia (CSF) organized a workshop with the participation of representatives from relevant ministries, institutions and reporting persons. The OCF has been steadily strengthening its efforts to monitor and prevent money laundering and terrorist financing activities, as well as assessing the qualifications and experience of compliance officers in the audit report. At the same time, cooperation with relevant ministries and

cooperation with relevant ministries and institutions and international partners has been strengthened and expanded to improve the implementation of work more effectively and more widely.



OPERATIONAL  
INFORMATION



01. Gross Loan Porfolio  
( Dollar )

02. Number Of Branches

03. Active Borrowers

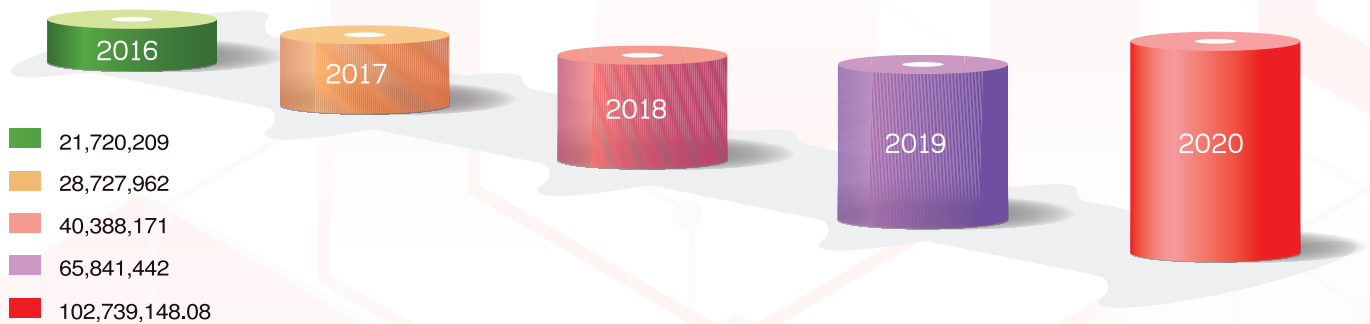
04. Operational Information

## OPERATIONAL INFORMATION

For the period ended December 31,2020

Year	Gross Loan Porfolio ( Dollar )	Number Of Branch	Active Borrowers
2016	21,720,209	4	19,181
2017	28,727,962	9	33,001
2018	40,388,171	14	52,431
2019	65,841,442	16	79,465
2020	102,739,148.08	20	113104

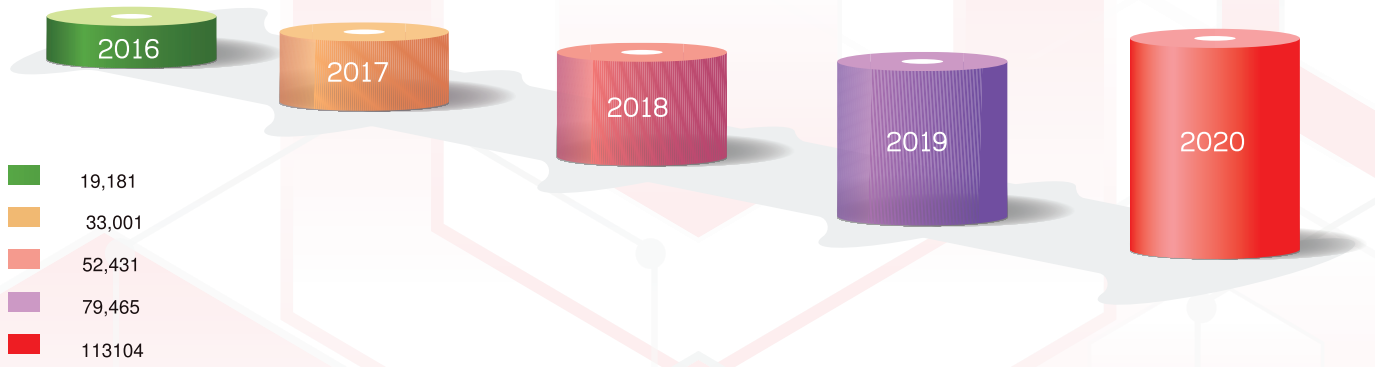
### 01. Gross Loan Porfolio ( Dollar )



## 02. Number Of Branches



## 03. Active Borrowers

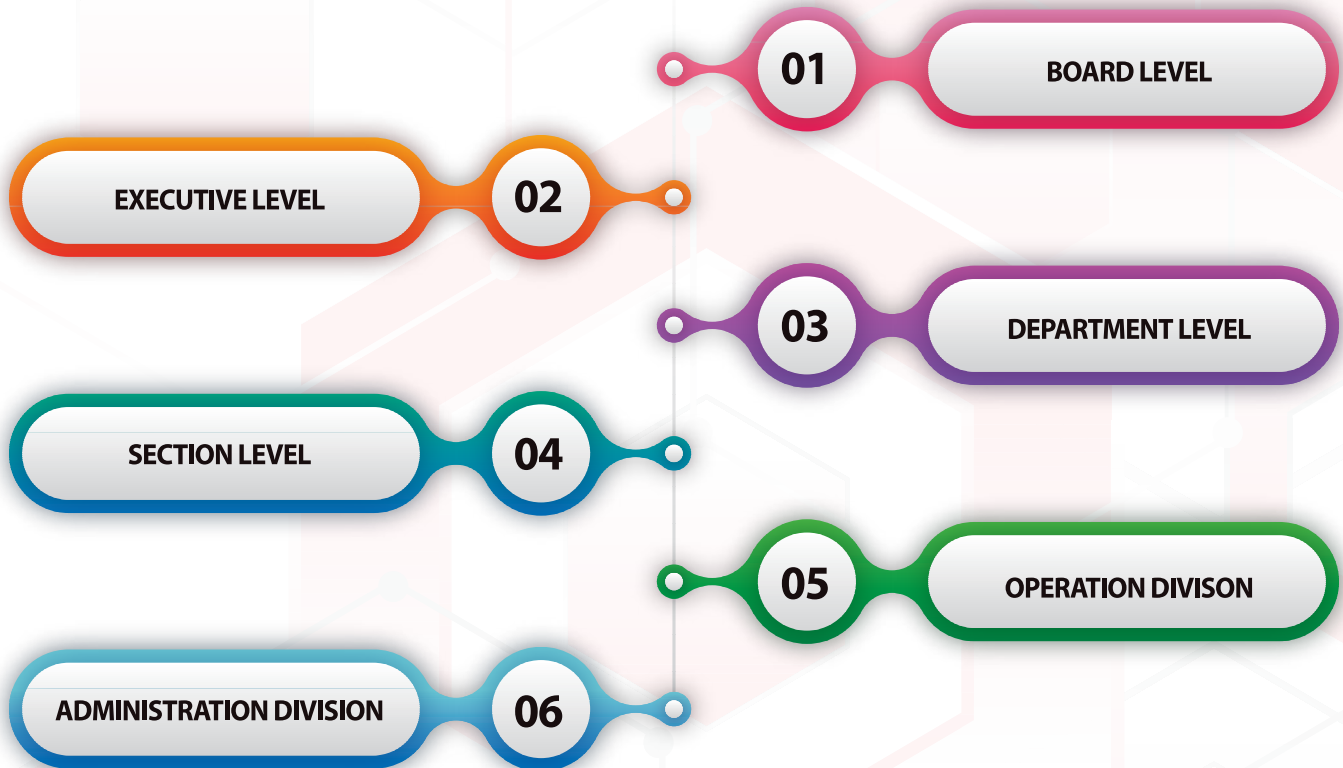


## 04. Operational Information

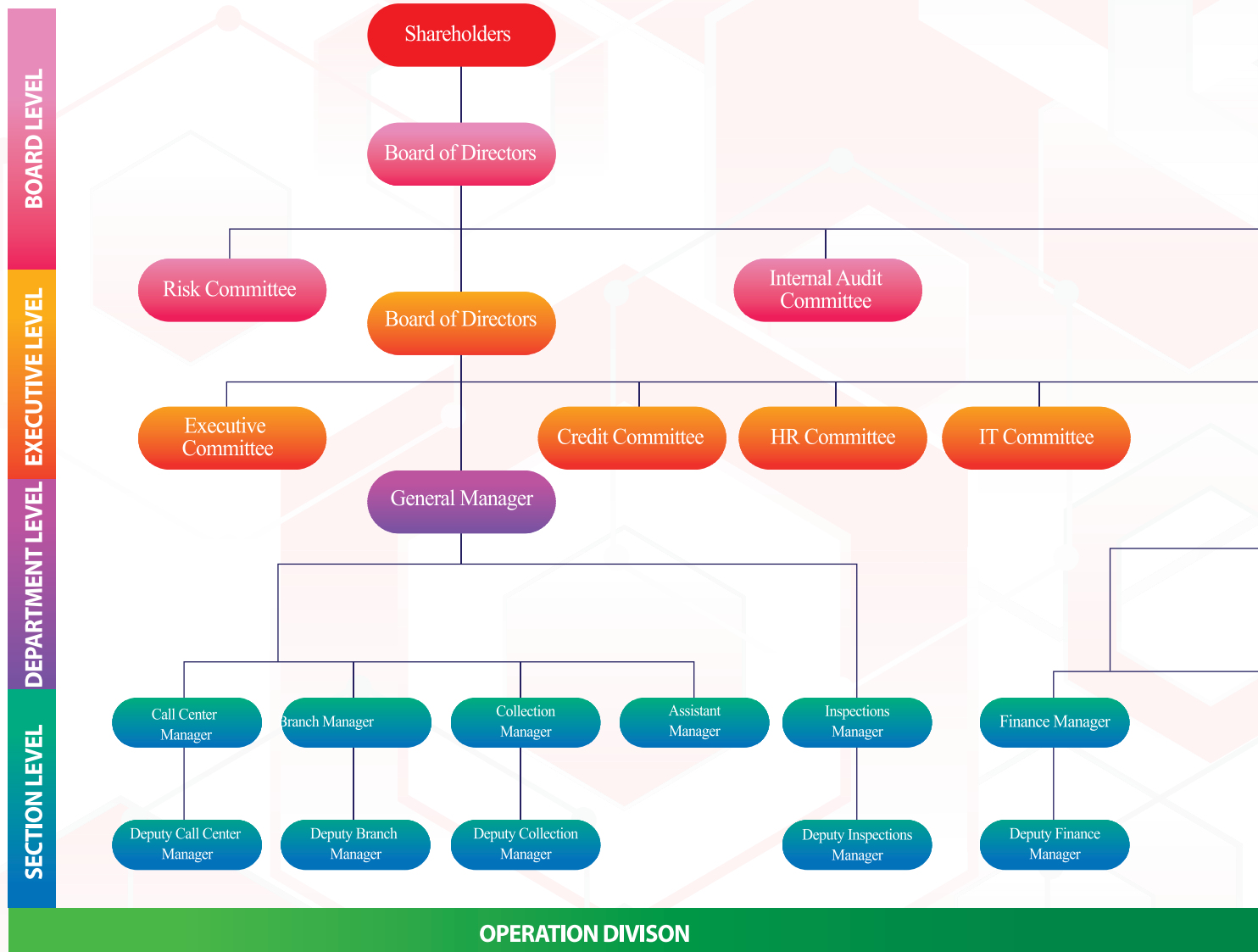
For the period ended December 31, 2020

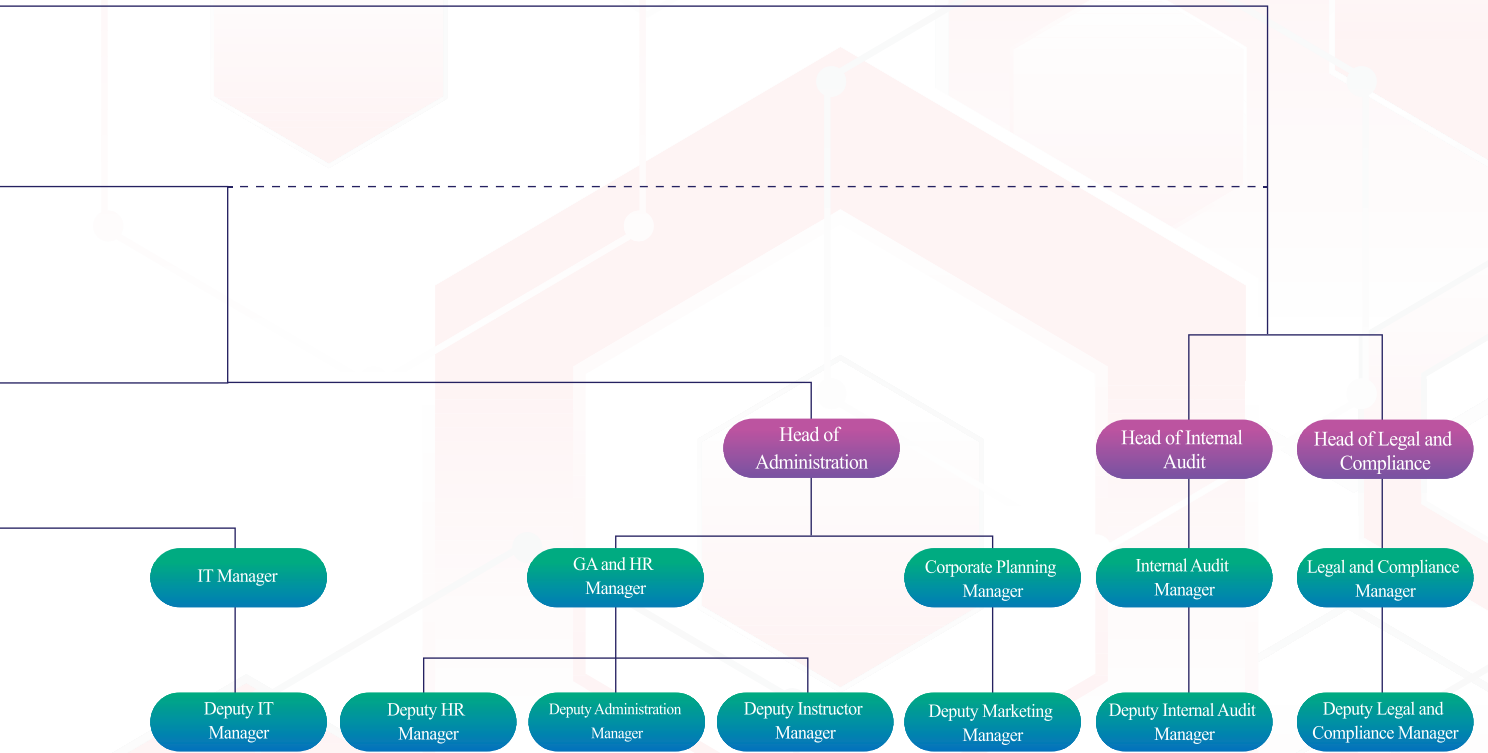
Loan Asset by Products	2019	2020
Agriculture	1,190,645	729,834
Car	5,207,855	7,956,873
Electronic	6,298,051	8,531,298
Land	871,657	738,426
Motor	24,338,455	55,752,301
Others	2,076,398	1,539,267
Quick Loan	25,858,381	27,491,150
<b>Grand Total</b>	<b>65,841,442</b>	<b>102,739,148</b>

## MAIN-ORGANIZATION CHART ON APRIL 2020



## MAIN-ORGANIZATION CHART ON APRIL 2020





**ADMINISTRATION DIVISION**

# MANAGEMENT TEAM




**Mr. Son Kimsa**  
General Manager



**Ms. Seng Chanda**  
Accounting and Finance Manager



**Mrs. Chea Thida**  
Head of Corporate Planning  
and Administrative



**Mrs. Lim Lida**  
Manager of General Affairs and  
Human Resources



**Mr. Vong Bunchhoeurn**  
Head of Internal Audit Manager



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



**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 University, in 2010. With a career of more than 5 years, he is now General Manager at Active People's Microfinance Institution Plc.



### **Mrs. Chea Thida**

Head of Corporate Planning and Administrative

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 Head of Compliance of the institution. Before working for Active People's Microfinance Institution, Mrs. 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 Manager

Mr. Vong Bunchhoeurn is a Cambodian. He holds a Bachelor's Degree in Economics from Mekong University and is pursuing his 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 for more than 3 years at Analysis. He has been for more than 3 years at Mekong University in Administration. He also worked for more than 10 years in microfinance banks, specialized in internal audit, chief audit officer, chief audit officer and managing director Internal Audit.

He has been working for Active People's Microfinance Institution since 2019 by holding a position of the Head of the Internal Audit until now.



### **Ms. Seng Chanda**

Accounting and Finance Manager

Ms. Seng Chanda has been working for Active People's Microfinance Institution Plc since March 2015 by holding the position as an interpreter and secretary of CEO, and now she is holding the position as Accounting and Finance manager. Before working with Active People's Microfinance Institution Plc, she had worked with Business Partner Co., Ltd for 1 year.

Ms. Seng Chanda finished her Bachelor Degree of Education in English, from Royal University of Phnom Penh in 2005, and got her Master Degree in Education from Nihon University in Japan in 2011. She is now pursuing ACCA through CamEd Business School.



**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. Ek Sin Deng**

Manager of Information Technology

Mr. Ek Sin Deng has been working for Active People's Microfinance Institution Plc since June 2015 as IT Manager. Before working for Active 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.

## OTHER ACTIVITIES OF APMFI IN 2020

01

**APMFI Lucky Draw for the Customers**

02

**Donate/Provide/Contribute some funds to the Cambodian Red Cross to help people affected by the rapid floods in 2020**

03

**Donate/Provide/Contribute some funds to the Royal Government for the purchase of vaccines' Covid-19 disease**

### 01. APMFI Lucky Draw for the Customers

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



## 02. Donate/Provide/Contribute some funds to the Cambodian Red Cross to help people affected by the rapid floods in 2020

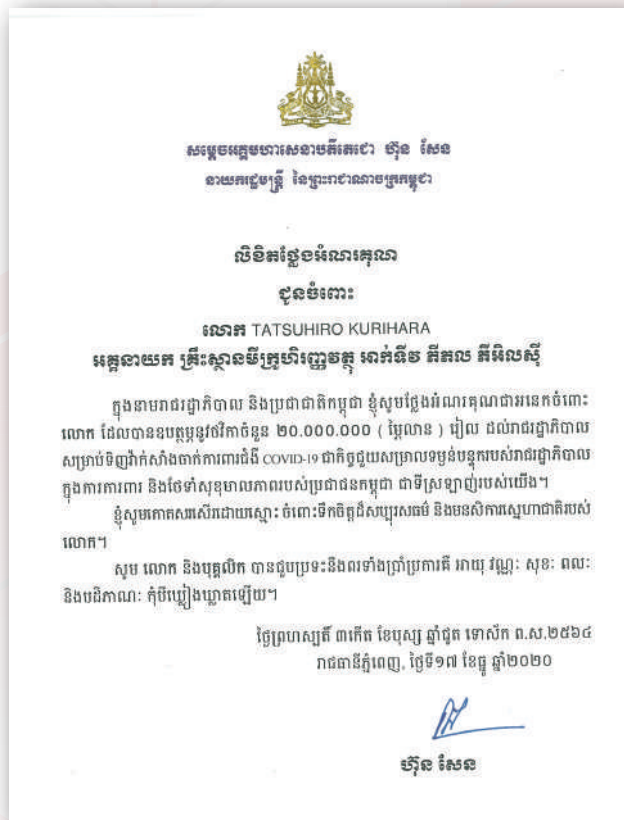
Which donated **10,000,000** riels to the Cambodian Red Cross to help to the people affected by the rapid floods in 2020.



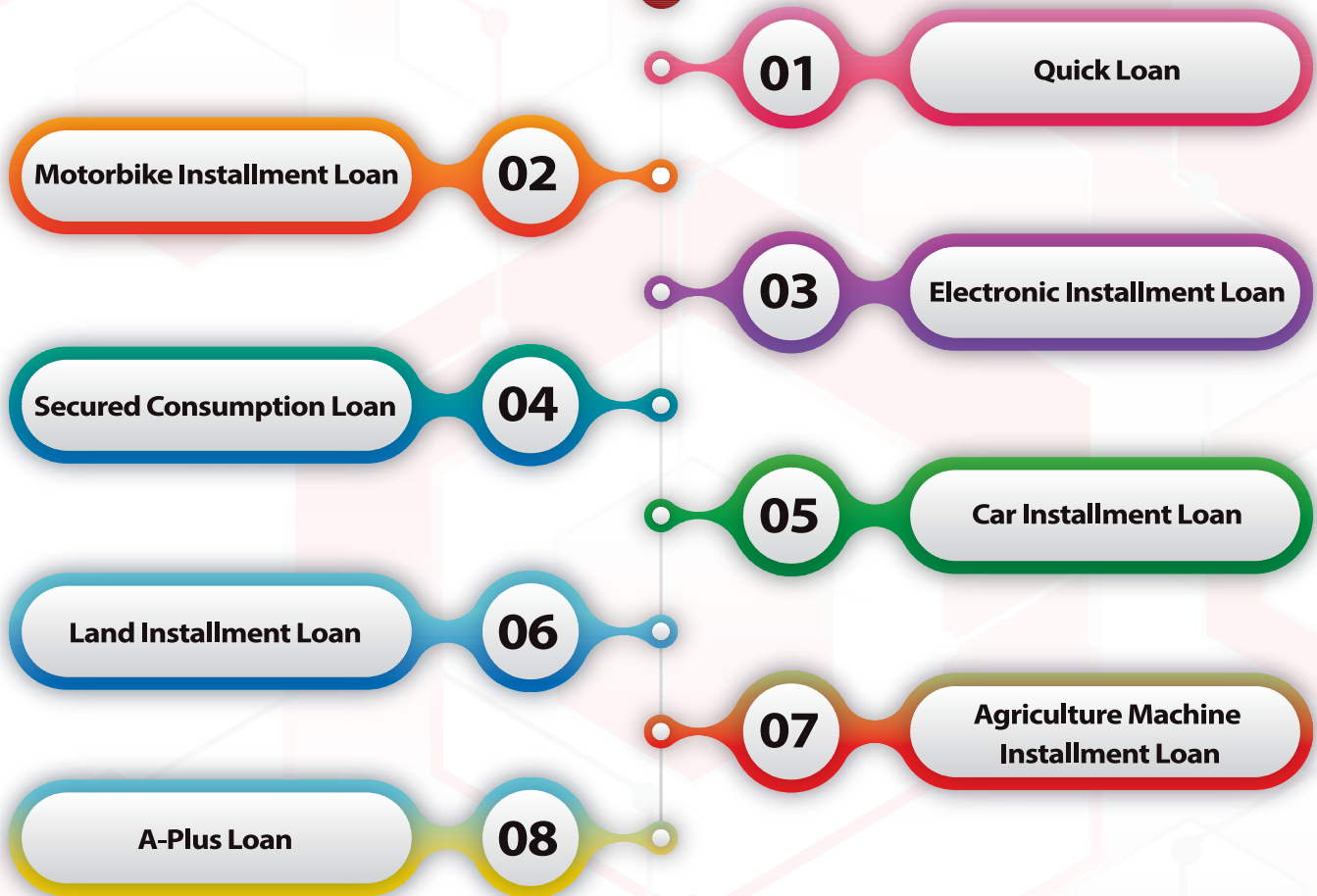
ការប្រគល់ទឹកប្រាក់

### 03. Donate/Provide/Contribute some funds to the Royal Government for the purchase of vaccines' Covid-19 disease

Which has donated some amount of **20,000,000** (twenty million) riels to the Royal Government for purchase of Covid-19 vaccine to alleviate the government's burden on prevention and caring for the well-being of the Cambodian people.



## 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	Rile	400,000- 20,000,000	13 - 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	Rile	400,000- 20,000,000	13 - 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	Rile	400,000- 80,000,000	06 - 60 months
	Dollar	100 - 20,000	

#### 4. Secured Consumption Loan

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

Product	Currency	Amount	Loan Term
Secured Consumption Loan	Rile	8004,000-120,000,000	13 - 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	Rile	20,000,000-200,000,000	24 - 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	Rile	4,000,000-120,000,000	13 - 60 months
	Dollar	1,000 - 30,000	

## 7. Agriculture Machine Loan

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

Product	Currency	Amount	Loan Term
Agricultuer Machine Loan	Rile	4,000,000-240,000,000	13 - 60 months
	Dollar	100 - 60,000	

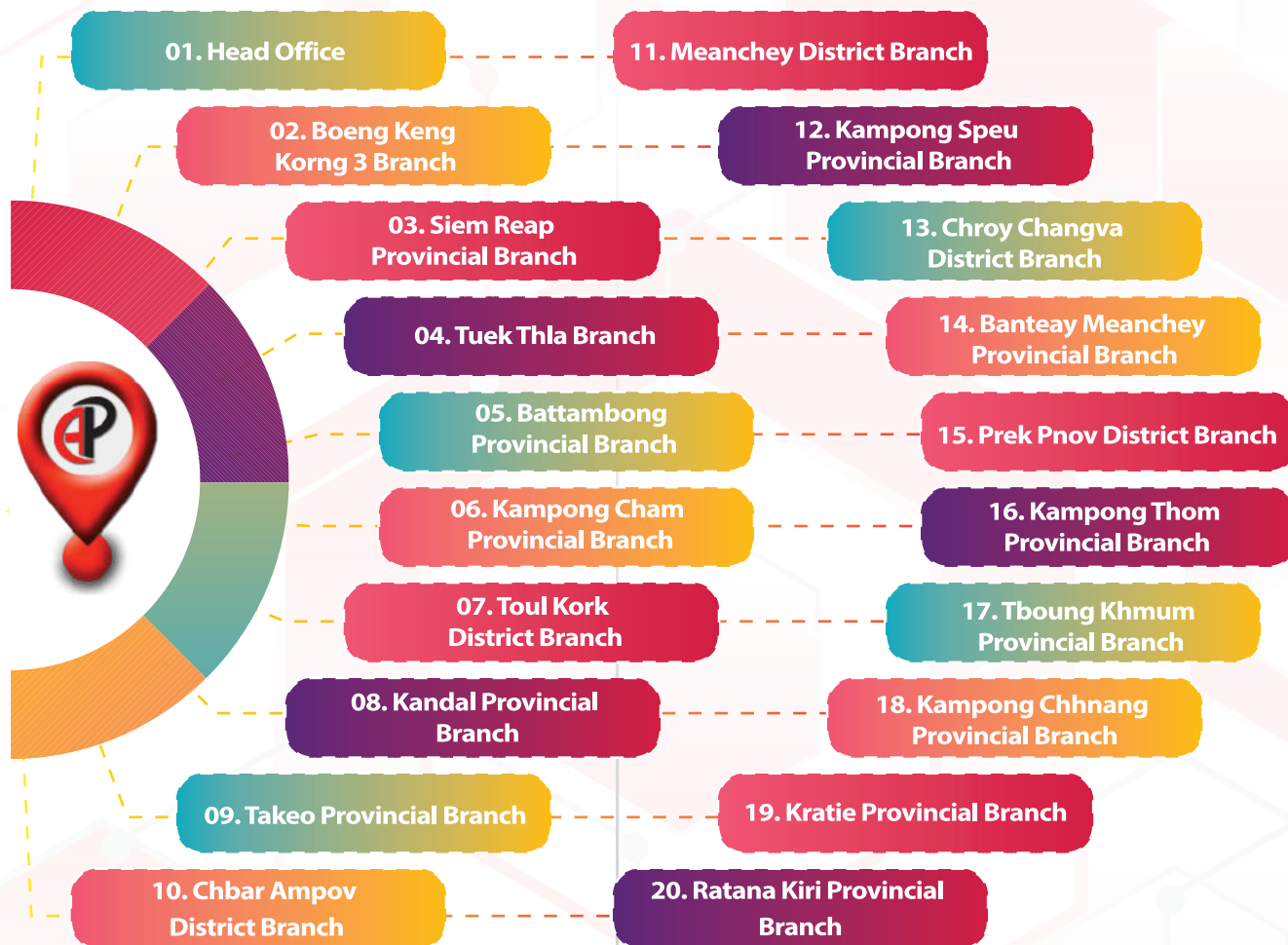
## 8. A-Plus Loan

Provided to client who is using or applying Agriculture Machine installment loan by providing money to facility agricultural works.

Product	Currency	Amount	Loan Term
A-Plus Loan	Rile	400,000- 4,000,000	13 - 36 months
	Dollar	100 - 10,000	



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





**01. Head Office (214 Olympic)**

Tel: +855 23 214 255

+855 78 777 340

Address: #88, St. 214 corner of  
St. 113, Boeng Prolit Commune,  
7Makara District, Phnom Penh

Tel: +855 23 224 156

+855 78 777 259

Address: #149C, St. 143, Boeng  
Keng Kang 3 Commune,  
Chamkamorn District,  
Phnom Penh

**02. Boeng Keng Korng 3 Branch**





**03. Siem Reap Provincial Branch**

Tel: +855 78 254 112  
+855 10 822 030

Address: #88, Sivutha Street,  
Mondule Village, Svay Dangum Commune,  
Siem Reap City, Siem Reap Province

Tel: +855 10 960 619  
+855 78 777 251

Address: #87-89, St. 1019  
(Northbridge Street), Tuek Thla  
Commune, Sen Sok District,  
Phnom Penh

**04. Tuek Thla Branch**





**05. Battambang Provincial Branch**

Tel: +855 53 732 600

+855 71 331 6777

Address: #23-25, Street Number 3,

Svay Por Commune, Battambang City,

Battambang Province

Tel: +855 42 210 887

+855 71 323 9777

Address: #64, Preah Monivong

Bulevard, Kampong Cham

Commune, Kampong Cham City,

Kampong Cham Province

**06. Kampong Cham  
Provincial Branch**





**07. Toul Kork District Branch**

Tel: +855 23 231 912  
+855 81 994 958  
+855 61 421 112

Address: #3A, St. 355, Phumi 1 Village,  
Boeung Kork Commune, Toul Kork District,  
Phnom Penh

Tel: +855 23 425 677  
+855 23 425 678  
+855 17 276 031

Address: #137D, National Road No. 2,  
Takhmao Commune, Takhmao City,  
Kandal Province

**08. Kandal Provincial Branch**





**09. Takeo Provincial Branch**

Tel: +855 61 204 445

+855 81 994 871

Address: #2, Rorka Knong District,  
Daun Keo City, Takeo Province

Tel: +855 23 231 413

+855 86 245 512

+855 92 765 570

Address: #15 DE0-E1, National Road  
No. 1, Chbar Ampov Commune,  
Chbar Ampov District, Phnom Penh

**10. Chbar Ampov District Branch**





### 11. Meanchey District Branch

Tel: +855 23 231 412  
+855 98 804 739  
+855 12 425 934

Address: #27, St. 217, Damnak Thom Ti 1  
Village, Steung Meanchey Commune,  
Meanchey District.

Tel: +855 25 210 236  
+855 17 522 026  
+855 70 523 783

Address: #296, National Road No. 4,  
Pea Nichakam Village, Rorka Thom  
Commune, Chbar Morn City,  
Kampong Speu Province

### 12. Kampong Speu Provincial Branch





**13. Chroy Changva  
District Branch**

Tel: +855 12 430 791  
+855 86 256 041  
+855 97 575 4777

Address: #10B (F10), National Road No. 6,  
Phumi 3 Village, Chroy Changva Commune,  
Chroy Changva District, Phnom Penh

Tel: +855 54 710 513  
+855 12 425 964  
+855 86 245 013

Address: #415, Phumi 3 Village,  
National Road No. 5, Preah Ponlea  
Commune, Serei Sophorn City,  
Banteay Meanchey Province

**14. Banteay Meanchey  
Provincial Branch**





**15. Prek Pnov District Branch**

Tel: +855 23 230 280  
+855 95 329 036  
+855 69 222 439

Address: National Road No. 5, Phumi  
Kandal Village, Prek Pnov Commune,  
Prek Pnov District, Phnom Penh

Tel: +855 62 210 212  
+855 95 443 882  
+855 70 222 586

Address: #547, National Road No. 6,  
Kampong Thom Village, Kampong  
Rotes Commune, Stueng Sen City,  
Kampong Thom Province

**16. Kampong Thom  
Provincial Branch**





**17. Tboung Khmum  
Provincial Branch**

Tel: +855 45 211 131  
+855 69 385 222  
+855 61 407 304

Address: Jerng Lorng Village, Suong  
Commune, Suong City, Tboung Khmom  
Province

Tel: +855 61 329 848  
+855 69 390 222  
+855 31 213 2777

Address: Thomayuth Village, Pa'e  
Commune, Kampong Chhnang  
City, Kampong Chhnang Province

**18. Kampong Chhnang  
Provincial Branch**





**19. Kratie Provincial Branch**

Tel: +855 69 638 222

+855 88 206 9777

Address: Phum Psar Veng Village,  
Sangkat Kratie, Krong Kratie, Kratie  
Province

Tel: +855 69 641 222

+855 71 271 6777

Address: Street 78, Chey Chumnas  
Village, Sangkat Laban Seak,  
Krong Ban Lung, Ratana Kiri  
Province

**20. Ratana Kiri Provincial Branch**



**ACTIVE PEOPLE'S  
MICROFINANCE INSTITUTION PLC.**  
( INCORPORATED IN CAMBODIA )  
**AUDITED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
31 DECEMBER 2020**

## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC. ("the Company") presents its report and the Company's financial statements for the year ended 31 December 2020.

### THE COMPANY

The Company is a public limited company incorporated in Cambodia under registration number No. 00009429 (former registration number Co. 0665E/2011) dated 21 March 2011, issued by Ministry of Commerce.

The Company obtained its license to operate as microfinance institution business from the National Bank of Cambodia ("NBC") on 18 August 2011.

The Company is wholly owned by Business Partner Co., Ltd., the immediate parent company, incorporated in Japan. The Company's ultimate parent is HIKARI TSUSHIN, INC. incorporated in Japan.

The principal activity of the Company is in microfinance operation, and there have been no significant changes in the nature of these activities during the financial year.

The registered office and principal place of business of the Company is located at No. 88, Street No. 214 Corner of Street 113, Phum 4 Village, Saangkat Boeng Proluet, Khan Prampir Meakakra, Phnom Penh, Kingdom of Cambodia. As at 31 December 2020, the Company has 20 operating branches including head office.

## **FINANCIAL RESULTS**

The financial performance of the Company is set out in the statement of comprehensive income.

## **PAID-UP CAPITAL**

The movements in share capital of the Company during the year was provided in the statement of changes in equity.

## **TDIVIDENDS**

No dividends were declared during the year.

## **RESERVES AND PROVISIONS**

There were no material movements to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

## **BAD AND DOUBTFUL LOANS AND ADVANCES TO CUSTOMERS**

Before the financial statements of the Company were drawn up, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and advances and the making of provisions for bad and doubtful loans and satisfied themselves that all known bad loans had been written off and that adequate provisions had been made for bad and doubtful loans.

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

## **ASSETS**

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ascertain that any current assets, other than loans, which were unlikely to be realized in the ordinary course of business at their value as shown in the accounting records of the Company, have been written down to an amount which they might be expected to realize.

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 in any material respect.

## **VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate in any material respect.

## **CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there is:

- No 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; and
- No contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of business.t.

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 have a material effect on the ability of the Company to meet its obligations as and when they become due.

### **SUBSEQUENT EVENTS**

No significant events occurred after the balance sheet date requiring disclosure or adjustment other than those already disclosed in the accompanying notes to the financial statements.

### **THE BOARD OF DIRECTORS**

The members of the Board of Directors during the year and at the date of this report are:

Name	Title
Mr. Tomotaka Inoue	Chairman
Mr. Tatsuhiro Kurihara	Director/Chief Executive Officer
Mr. Masao Sugita	Director
Mr. Yutaka Tanimoto	Director
Mr. Malai Khemsoly	Independent Director (appointed on 1 March 2020)

The Board of Directors' composition was approved by the National Bank of Cambodia on 30 December 2019. Memorandum and Articles of Association is in the process of obtaining approval from the Ministry of Commerce.

### **AUDITOR**

Ernst & Young (Cambodia) Ltd. is the auditor of the Company.

## **DIRECTORS' INTERESTS**

No members of the Board of Directors hold any interest in the equity of the Company.

## **DIRECTORS' BENEFITS**

During and at the end of the year, no arrangement existed, to which the Company was a party, whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

No director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or with a firm in which the director is a member, or with a company which the director has a material financial interest other than those disclosed in the financial statements.

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

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended. The Board of Directors oversees preparation of these financial statements by management who is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”), or if there has been any departure in the interest

of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;

- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- Set overall policies for the Company, ratify all decisions and actions that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applicable accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with these requirements in preparing the financial statements.

## APPROVAL OF THE FINANCIAL STATEMENTS

We 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 year then ended in accordance with CIFRS for SMEs.

**On behalf of the Board of Directors**



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**Tatsuhiko Kurihara**

**Director/Chief Executive Officer**

Phnom Penh, Kingdom of Cambodia

30 April 2021

## INDEPENDENT AUDITOR'S REPORT

**To: The Shareholders of ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.**

### **Opinion**

We have audited the financial statements of ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC. ("the Company"), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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 year then ended in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ("CIFRS for SMEs").

### **Basis for Opinion**

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Prakas on the Code of Ethics for Professional Accountants and Auditors issued by the Royal Government of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Correction of Errors**

We draw attention to Note 19 of the financial statements, which describes the effects of management's corrections of prior periods' errors. Our opinion is not modified in respect of this matter.

### **Other Matter**

The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 April 2020

### **Other Information**

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sinratana Lan

Partner

**Ernst & Young (Cambodia) Ltd.**

Certified Public Accountants

Registered Auditors



Phnom Penh, Kingdom of Cambodia

30 April 2021

# ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Notes	2020		2019	
		US\$	KHR000 equivalent (Note2)	US\$	KHR000 equivalent (Note2)
(As restated – Note 19)					
<b>ASSETS</b>					
Cash on hand	4	23,676	95,769	16,415	66,891
Balances with NBC	5	1,012,823	4,096,869	511,264	2,083,401
Deposits and placements with other banks	6	24,572,906	99,397,405	23,754,942	96,801,389
Loans and advances to customers	7	96,219,357	389,207,299	63,394,845	258,333,993
Investments	8	3,724,807	15,066,844	4,217,608	17,186,753
Property and equipment	9	1,189,730	4,812,458	1,139,572	4,643,756
Intangible assets	10	30,277	122,470	43,080	175,551
Deferred tax asset - net	12.3	197,484	798,823	186,802	761,218
Other assets	11	485,458	1,963,678	453,459	1,847,845
<b>TOTAL ASSETS</b>		<b>127,456,518</b>	<b>515,561,615</b>	<b>93,717,987</b>	<b>381,900,797</b>

**LIABILITIES AND EQUITY****LIABILITIES**

Income tax payable	12.2	1,509,841	6,107,307	1,259,344	5,131,827
Other liabilities	13	2,737,795	11,074,380	2,035,034	8,292,764
Borrowing	14	88,000,000	355,960,000	62,000,000	252,650,000
<b>Total liabilities</b>		<b>92,247,636</b>	<b>373,141,687</b>	<b>65,294,378</b>	<b>266,074,591</b>

**EQUITY**

Share capital	15.1	20,000,000	80,000,000	10,001,800	40,007,200
Deposit for future share capital subscription	15.2	-	-	9,998,200	39,992,800
Regulatory reserve	15.3	633,389	2,562,059	457,805	1,865,555
Retained earnings		14,575,493	59,119,566	7,965,804	32,171,863
Cumulative exchange translation differences		-	738,303	-	1,788,788
<b>Total equity</b>		<b>35,208,882</b>	<b>142,419,928</b>	<b>28,423,609</b>	<b>115,826,206</b>

**TOTAL LIABILITIES AND EQUITY**

		<b>127,456,518</b>	<b>515,561,615</b>	<b>93,717,987</b>	<b>381,900,797</b>
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The attached notes 1 to 22 form part of these financial statements

# ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Notes	2020		2019	
		US\$	KHR000 equivalent (Note2)	US\$	KHR000 equivalent (Note2)
(As restated – Note 19)					
Interest income	16	27,135,400	110,631,026	17,079,920	69,207,836
Interest expense	14	(3,900,932)	(15,904,100)	(2,512,069)	(10,178,904)
<b>Net interest income</b>		<b>23,234,468</b>	<b>94,726,926</b>	<b>14,567,851</b>	<b>59,028,932</b>
Provision for impairment losses on loans and advances to customers	7	(6,817,414)	(27,794,597)	(2,279,643)	(9,237,113)
Other operating income	17	488,914	1,993,302	249,416	1,010,634
<b>Net operating income</b>		<b>16,905,968</b>	<b>68,925,631</b>	<b>12,537,624</b>	<b>50,802,453</b>
General and administrative expenses	18	(8,379,494)	(34,163,197)	(5,813,997)	(23,558,316)
<b>Profit before income tax</b>		<b>8,526,474</b>	<b>34,762,434</b>	<b>6,723,627</b>	<b>27,244,137</b>
Income tax expense	12	(1,741,201)	(7,098,876)	(1,405,173)	(5,693,761)
<b>Net profit for the year</b>		<b>6,785,273</b>	<b>27,663,558</b>	<b>5,318,454</b>	<b>21,550,376</b>
Currency translation difference		-	(1,050,484)	-	1,608,756
<b>Total comprehensive income</b>		<b>6,785,273</b>	<b>26,613,074</b>	<b>5,318,454</b>	<b>23,159,132</b>

The attached notes 1 to 22 form part of these financial statements

## ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.

### STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

Notes	2020		2019	
	US\$	KHR000 equivalent (Note2)	US\$	KHR000 equivalent (Note2)
				(As restated – Note 19)
<b>OPERATING ACTIVITIES</b>				
<b>Profit before income tax</b>				
Adjustments for:	<b>8,526,474</b>	<b>34,762,434</b>	<b>6,723,627</b>	<b>27,244,137</b>
Provision for impairment on loans and advances to customers	7 6,817,414	27,794,597	2,279,643	9,237,113
Loss on change in fair value of investment	8 492,801	2,009,150	112,819	457,143
Depreciation of property and equipment	9 508,167	2,071,797	255,853	1,036,716
Amortization of intangible assets	10 12,803	52,198	12,438	50,399
	<b>16,357,659</b>	<b>66,690,176</b>	<b>9,384,380</b>	<b>38,025,508</b>

The attached notes 1 to 22 form part of these financial statements

Movements in operating assets and liabilities:

Balances with the NBC		(499,910)	(2,038,133)	-	-
Loans and advances to customers		(39,641,926)	(161,620,132)	(28,805,585)	(116,720,230)
Other assets		(31,999)	(130,460)	(15,647)	(63,402)
Other liabilities		702,761	2,865,157	745,365	3,020,219
		<b>(23,113,415)</b>	<b>(94,233,392)</b>	<b>(18,691,487)</b>	<b>(75,737,905)</b>
Income tax paid	12.2	(1,501,386)	(6,121,151)	(885,229)	(3,586,948)
<b>Net cash used in operating activities</b>		<b>(24,614,801)</b>	<b>(100,354,544)</b>	<b>(19,576,716)</b>	<b>(79,324,853)</b>

**INVESTING ACTIVITIES**

Acquisition of:

Property and equipment	9	(558,325)	(2,276,291)	(729,018)	(2,953,981)
Intangible assets		-	-	(5,517)	(22,355)
Placement with other banks		(10,054,310)	(40,991,422)	-	-
<b>Net cash used in investing activities</b>		<b>(10,612,635)</b>	<b>(43,267,713)</b>	<b>(734,535)</b>	<b>(2,976,336)</b>

## ACTIVE PEOPLE'S MICROFINANCE INSTITUTION PLC.

### STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020		2019	
		US\$	KHR000 equivalent (Note2)	US\$	KHR000 equivalent (Note2)
(As restated – Note 19)					
<b>FINANCING ACTIVITIES</b>					
Proceeds from borrowings	14	26,000,000	106,002,000	25,000,000	101,300,000
Proceed from deposit for future share capital subscription	15.2	-	-	9,998,200	40,512,706
<b>Net cash generated from financing activities</b>		<b>26,000,000</b>	<b>106,002,000</b>	<b>34,998,200</b>	<b>141,812,706</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	4	<b>(9,227,436)</b>	<b>(37,620,258)</b>	<b>14,686,949</b>	<b>59,511,517</b>
Cash and cash equivalents as at 1 January		23,782,531	96,913,814	9,095,582	37,064,496
Translation exchange difference	4	-	(418,197)	-	337,801
<b>Cash and cash equivalents as at 31 December</b>	4	<b>14,555,095</b>	<b>58,875,359</b>	<b>23,782,531</b>	<b>96,913,814</b>

The attached notes 1 to 22 form part of these financial statements

