

Maxima Mikroheranhvatho Co. Ltd – Cambodia

FINAL RATING	B+
OUTLOOK	STABLE
Date Rating Committee : 25 th January 2012	
Validity : 1 year if no relevant changes in operations or within the operational context occur.	
Previous Rating : M-Cril (2009): β+	

RATING SCORING BY AREA

Microfinance Sector and R&S	██████████
Governance and Strategy	██████████
Organization and Operations	██████████
Assets quality and structure	██████████
Financial structure and management	██████████
Financial and operational results	██████████

D C CC CCC B BB BBB A AA AAA

RATING RATIONALE
**FINANCIAL ANALYSIS
AND CAPITAL
ADEQUACY**

Maxima shows positive and good performance results, slightly decreasing from the previous year due to a downward pressure on the portfolio yield. Productivity and efficiency are below the local market benchmark, whereas provisioning costs are at their minimum thanks to very good portfolio quality. Although the equity to asset ratio is medium-high as at Sep-11, Maxima's solvency is adequate considering the capital injection approved by the shareholders and under final approval by the Central Bank.

**GOVERNANCE, RISK
MANAGEMENT AND
QUALITATIVE RISK
ANALYSIS**

The governance shows some gaps in terms of formalized policies and weak separation from management, partly justified by the ownership structure. Internal control systems are an area for improvement considering the still high number of cash transactions. Although formalization of policies is acceptable, procedures and audit need to be better structured. The institution is mainly exposed to a business risk, linked with high competition in its market niche and a slowly growing clients' base. The business risk is an area to be prioritized within a strategic and risk management framework.

Legal form	Limited Liability Company
Client typology	Micro-entrepreneur, SME
Year of inception	2000 (founded) - 2005 (licensed)
Regulator / Supervisor	National Bank of Cambodia (NBC)
Networks of reference	Cambodia Microfinance Association
Area of intervention	Urban, per-urban and rural
Credit methodology	Individual and Group

Indicators	Dec09	Dec10	Sep11
Active borrowers (#)	2,467	2,594	2,548
Active loans (#)	2,467	2,594	2,548
Branches (#)	2	2	2
Satellites (#)	0	2	2
Total staff (#)	50	53	59
Loan officers (#)	23	20	25
Gross outstanding portfolio (\$)	1,717,806	2,049,366	2,269,689
Total savings (\$)	0	0	0
Total assets (\$)	1,818,626	2,195,078	2,851,603

Financial Indicators	Dec09	Dec10	Sep11
PAR 30	2.0%	0.2%	0.2%
PAR 90	0.7%	0.2%	0.1%
Write-off ratio	0.0%	0.8%	0.1%
Restructured loans	0.0%	0.0%	0.0%
ROE	12.8%	17.2%	15.9%
ROA	3.3%	4.7%	3.6%
AROE	10.8%	12.1%	10.8%
Oper. Self-sufficiency (OSS)	118.7%	131.3%	124.8%
Fin. Self-sufficiency (FSS)	118.1%	124.6%	118.6%
Staff productivity (borrow.)	49	49	43
LO productivity (borrow.)	107	130	102
Operating expense ratio	20.3%	17.7%	17.9%
Operat. expense ratio (over assets)	18.4%	16.0%	15.6%
Funding expense ratio	3.6%	4.5%	4.4%
Provision expense ratio	2.3%	-0.3%	-0.1%
Portfolio yield	31.0%	28.7%	27.5%
Risk coverage ratio	100.0%	100.0%	100.0%
Cost of funds ratio	4.8%	5.9%	5.9%
Debt/Equity ratio	2.6	2.9	4.7
Capital adequacy ratio	27.8%	25.6%	17.6%

As of September 2011 data are annual

Are you interested in receiving the full report?

The full report includes in-depth analysis on :

1. External context
2. Governance and Strategy
3. Organization and Operations
4. Assets Structure and Quality
5. Financial Structure and Assets Liabilities Management
6. Financial and Operational Results

Annex 1 – Financial Statements

Annex 2 – Financial Statements' Adjustments

Annex 3 – Financial Ratios

Annex 4 – Definitions

Annex 5 – Main Guidelines on Reporting and Accounting

Annex 6 – BoD profile

Annex 7 – Financial Products

Annex 8 – Rating Scale

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The information used in the current rating has been partly provided by the institution subject to the evaluation process and partly collected during the meetings with the head executives. The analysis is based on audited financial statements and other official sources. MicroFinanza Rating cannot guarantee the reliability and integrity of the information, as it does not conduct auditing exercises, and therefore does not bear responsibility for any mistake or omission coming from the use of such information. The rating has to be considered as an external and independent opinion and it has not to be considered as a recommendation to realize investments in a specific institution.



This document certifies that MicroFinanza Rating has assigned to

Maxima - Cambodia

the Microfinance Rating grade: B+

Outlook: Stable

rating field visit: October 11
cut-off period for the financial and operational data analysis: September 11

Grade	Definition
B+	Sufficient operations and performance. The institution is exposed to some risks and they are sufficiently monitored and managed. Not completely stable and vulnerable to internal or external events.

This rating remains valid until: October 12

Aldo Moauro

A handwritten signature in black ink, appearing to read "Aldo Moauro".

Executive Director - MicroFinanza Rating

Milan, January 12