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To IMPROVE Lives of Clients



Annual Report 2015



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VISION and MISSION

Maxima's vision is to be the leading microfinance institution offering micro-financial services with the highest quality of customer service.



Maxima's mission is to offer micro-financial services with an emphasis on lending to rural poor and low-income individuals, groups and small and medium enterprises to improve their living standards and realizing their business goals. The focus is to provide high quality of service to our customers with a dedicated and committed team and at the same time create value to satisfy all its stakeholders socially and economically.

OUR SLOGAN: to improve lives of clients



Improving lives of clients

Maxima commits to achieving the highest quality of customer services through:

- ✓ Providing appropriate and good financial services of clients
- ✓ Making sure the clients are not over-indebted through strict procedures of loan assessment.
- ✓ Providing trainings to clients to improve their literacy levels especially about financial matters.
- ✓ Developing long-term empathetic relationships with clients. Having ethical and respectable behavior towards clients.
- ✓ Diligently following the client protection principles



The above code of conduct and rules are internalized into Maxima's day-to-day functioning. Most of the above form part of Maxima's policy and are mentioned through Maxima's audit and operations department. Maxima is constantly strengthening its Social Performance Management. We work on our shortcomings to improve where we are lacking.



PERFORMANCE HIGHLIGHTS

INDICATORS

INDICATORS	YEAR	
	2014	2015
Operational Performance		
Number of Branches	2	2
Number of Service Offices	5	8
Number of Provinces Covered	2	4
Number of Districts Covered	21	23
Number of Communes Covered	117	139
Number of Villages Covered	568	725
Loan Outstanding (in USD)	4,334,938	8,016,117
Active Borrowers	3,573	4,729
Borrowers per Credit Officer	81	95
Average Loans Portfolio per Credit Officer (in USD)	98,521	160,322
Average Loan Size (in USD)	1,213	1,695
Amount of Loan Disbursed (in USD)	5,500,635	10,457,470
No. of Loan Disbursed	3,700	5,159
Average Loan Disbursed (in USD)	1,487	2,027
PAR >30	0.34%	0.67%
Total Staff	91	108
Financial Performance		
Total Income (in USD)	849,627	1,538,085
Total Expense (in USD)	740,772	1,260,656
Profit/Loss (in USD)	108,855	277,429
Total Borrowings (in USD)	2,955,615	3,973,869
Total Assets (in USD)	5,159,856	8,589,873
Total Equity (in USD)	1,793,593	4,385,330
Paid-up Capital (in USD)	1,315,000	3,075,000
Return on Equity	6.22%	8.98%
Return on Assets	2.50%	4.04%
Funding-expense Ratio	3.90%	4.60%
Operating-expense Ratio	14.30%	13.20%
Operational Self-Sufficiency	124.10%	135.10%
Social Performance		
Borrowers from Rural Areas	1,949	3,072
Average Loan Size Compared to GDP per Capita	107%	151%
Women Borrowers	2,792	3,951
Unsecured Borrowers (without Collaterals)	899	1,123
Client's Retention Rate	65.50%	66.24%

CAMBODIA KEY ECONOMIC INDICATORS 2015

Key Economic Indicators	2012	2013	2014	2015e	2016p
Output, Domestic Demand and Prices					
Real GDP (% change yoy)	7.3	7.4	7.1	7.0	6.9
Domestic Demand (% change yoy)	9.9	11.3	10.1	12.6	10.7
Consumer price index (% change yoy)	2.5	4.6	1.2	2.8	3.0
Trade & Investment					
Export (Million USD)	5,632.8	6,890.2	7,408.4	8,519.6	9,550.0
Import (Million USD)	8,088.5	9,488.6	10,621.4	11,736.7	12,851.7
Foreign Direct Investment (Million USD)	1,697.9	1,826.1	1,676.9	1,802.7	1,652.9
Public Sector					
Government Revenue (% of GDP)	15.3	15.1	18.0	17.5	17.5
Government Expenses (% of GDP)	21.0	21.5	21.5	20.5	22.3
Financial Market					
Domestic credit (% change yoy)	29.6	28.6	28.4	27.0	25.8
Short-term interest rate (% p.a)	11.6	11.3	11.5	11.7	12.0
Exchange Rate (KHR/USD)	3995	3995	4075	4054	4058

e = estimation

p= projection

Source:

- World Bank Update Report: “Improving Macroeconomic and Financial Resilience”: Cambodia Economics Update, April 2016.

MAXIMA OVERVIEW

Maxima Microfinance Plc. (formerly known as Maxima Mikroheranhvatho Plc.) was founded in March 2000 by a group of friends both skilled and experienced in financial services. They began their micro credit operations in Koh Dach commune, Kandal province. In December of 2001, MAXIMA registered with the Ministry of Interior as MAXIMA Organization for Household Economic Development as an NGO and also worked to expand its credit activities to many communes and districts within the Kandal province. Less than a year later in May 2002, MAXIMA registered with the National Bank of Cambodia as a microfinance institution (MFI) for rural credit operator. As a registered MFI, MAXIMA has attracted a number of key investors.

In August 2005, MAXIMA obtained a full license as an MFI from the National Bank of Cambodia with the official name Maxima Mikroheranhvatho Co., Ltd. Over the years we have partnered with various organizations such as Rural Development Bank (RDB) in Cambodia, Appui au Développement Autonome (ADA) in Luxembourg, Consorzio ETIMOS in Italy, and Kiva in the USA. In June 2008 the National Bank of Cambodia granted MAXIMA a permanent license to operate as an MFI in Cambodia thus making it the 13th permanent MFI operating in Cambodia.

In February 2012 Maxima had transformed from private limited company to public limited company with the official name Maxima Mikroheranhvatho Plc. In July 2015, Maxima transformed into corporation and renamed Maxima Microfinance Plc.

Milestones Maxima Microfinance Plc.

- 2000:** Maxima was founded in March 2000 and began its first micro credit operations on 1st June 2000 in Koh Dach Commune, Kandal province.
- 2001:** MAXIMA registered with the Ministry of Interior as an NGO with the official name **MAXIMA Organization for Household Economic Development.**
- 2002:** MAXIMA registered with the National Bank of Cambodia as an MFI for rural credit operator.
- 2005:** MAXIMA obtained a full license as an MFI from the National Bank of Cambodia with the official name **MAXIMA MIKROHERANHVATHO CO., LTD.**
- 2006:** MAXIMA Board increased MAXIMA benefits by adding a Staff Provident Fund and Health & Injury Insurance.
- 2007:** MAXIMA partnered with Kiva Microfund, an organization based in the USA.
- 2008:** In June 2008, National Bank of Cambodia granted MAXIMA a permanent license to operate as an MFI. In August, Maxima opened its second branch in Kien Svay district of Kandal Province.
- 2009:** Maxima was awarded a certificate of recognition for being a global pioneer in the microfinance industry by participating in the Cambodia transparent pricing initiative from Microfinance Transparency Organization. Maxima was awarded a certificate for reporting on social indicators from CGAP.
- 2012:** Maxima had transformed from private limited company to public limited company with official name **Maxima Mikroheranhvatho Plc.**
- 2014:** Gojo & Company Inc. joined as a shareholder.
- 2015:** Maxima had renamed to **MAXIMA MICROFINANCE Plc.**

MESSAGE FROM CHAIRMAN

According to experience in 2014, Microfinance sector grew remarkably. Maxima has grown vigorously and at the same time managed internal and external challenges. Challenges in management and staff have enforced us to issue new policy in order to manage all the tasks smoothly. On behalf of Board of Directors, I do admire this year's performance and achievement of Board of Directors, Management, and all the staff.

ACHIEVEMENT

Based on the report from National Bank of Cambodia (NBC), in 2015 Cambodia's banking system comprised of 36 commercial banks, 11 specialized banks, 8 foreign bank representative offices, 59 licensed microfinance institutions, which includes 8 microfinance deposit-taking institutions, and 51 microfinance institutions, and 9 financial lease companies operating in Cambodia. This year for microfinance sector, loan portfolio increased roughly by around 50 percent compared to 2014. Despite more competition, Maxima still gained success. For instance, Maxima has expanded 3 service offices: 1 office in Tramkork District, located near Angtasom Market, 1 office in Angsnoul District, located near Tnorl Tortoeung Market, and 1 more office in Akrey Ksat Commune which helped in increasing the loan portfolio by 84.92% from USD 3,334,938 in 2014 to USD 8,016,117 in 2015. Net profit after tax increased accordingly by 154.86% from USD 108,855 in 2014 to USD 277,429 in 2015. Return on equity increased from 6.22% to 8.98% and the net profit after tax per share is USD 0.9022. The sharing of dividend was made at 20% after deducting 5% for revenue reserve fund, and the remaining net profit was transferred to retained earnings for reinvestment. Loan portfolio increased rapidly. However, the resignation of experienced credit officer, and over indebtedness caused with some clients borrowing from many institutions at the same time, has resulted in non-performing loans increase from 0.34% to 0.67%.

GOVERNANCE

Following the Prakas from National Bank of Cambodia (NBC), Board of Directors has at least 2 independent directors, and having 2 committees responsible for internal audit and risk. Maxima fulfilled this requirement and the 2 committees lead by member of Board of Directors (independent directors). Member of Board of Directors was provided training on board-buy-in for mainstreaming of SPM to strengthen social performance management tasks. The training was supported by Gojo & Company Inc. with the assistance from Mrs. Praachi Gandhi. Furthermore, Board of Directors strengthened capacity by doing self-assessment on document on "Good Governance" prepared by Mr. Sanjay Gandhi.

GENERAL ASSEMBLY

Annual General Assembly of Shareholders was held on 25 April 2016 at the headquarters of Maxima Microfinance Plc. to review the results achieved in 2015 and to discuss the strategic plan for 2016. Notice of the General Assembly, Annual Report, Meeting Agenda, and

recommendations of the Board of Directors were given to shareholders in advance pursuant to the Memorandum and Articles of Association of Maxima and government regulations.

Key issues approved during the Annual General Assembly of Shareholders:

- Annual report 2015
- Financial reported audited for 2015
- Target strategic plan for 2016
- Announce sharing dividend 20% of net profit in 2015
- Announce the decision that Board of Directors and Senior Management to continue discussion with investors.

GOAL

Social performance is very crucial part for microfinance sector. According to experience in 2015, Social performance management tasks were implemented with no report, and there are some tasks we need to fulfill. Specifically, the communication between management and staff, staff and clients is the vital key for strengthen operation. Attention to fulfill strategic plan for 2016 is the necessary step for Board of Directors, Management, and all the staff.

Once again, I would like to express profound thanks for all clients, shareholders for on-going support in 2015, and thanks for the effort and loyalty of all staff in performing the job. I encourage everyone to keep on good culture for Maxima Family.

On behalf of the Board of Directors



Mr. An Bunhak
Chairman

MESSAGE FROM CEO

Political stability and economic growth are important factors for growth in microfinance sector in Cambodia. 2015 is the most significant improvement of Maxima in its 15 years in business. The result was interpreted through loyalty and utmost effort of Board of Directors, management, and all Maxima staff.

The significant achievement for 2015 includes:

Competitive Environment

In 2015, Cambodia's banking system comprised of 36 commercial banks, 11 specialized banks, 8 foreign bank representative offices, 51 microfinance institutions, 8 microfinance deposit-taking institutions, and 9 financial lease companies operating in Cambodia. This represents the tough competition in financial sector. Despite strong competition, Maxima still achieved success in operations and improved from rank 27 to rank 20 in term of portfolio for the overall Cambodian microfinance sector.

Social Performance Management

In respects of attention from Board of Directors and assistance from our partner Gojo & Company Inc. especially Mrs. Praachi Gandhi, Mr. Sanjay Gandhi, and Mr. Taejun Shin, Maxima's Social Performance Management tasks have undergone gradual development. Our achievement includes:

- 1) Arranging cleanliness and promotion projects at 3 operation areas by explaining to kids on how to wash their hands properly and thus maintain hygiene.
- 2) Incentive scheme was added into social activities like creating new jobs for villagers, number of new clients and dropout rate to calculate incentive for COs.
- 3) SPM action plan for 2015 and 2016 has a total of 45 tools. 16 tools were implemented in 2015, 22 tools will be rescheduled to 1st quarter 2016 and 7 tools will be completed in 2016.
- 4) Maxima has defined its Social goal as improving client's life.
- 5) Maxima formalized Board-buy-in for mainstreaming of SPM at Maxima and SPM awareness was provided to all Maxima staff.

Operational Performance

Maxima launched 3 new service offices in 2015 to expand its operation area. By 31 December 2015, Maxima has 2 branch offices and 8 services offices operating in 4 provinces and city, at 23 districts, 139 communes, 725 villages, with the portfolio balance of USD 8,016,117. Portfolio balance increased by USD 3,681,179 compared to 2014 and active client of 4,729 increased by 1,156 compared to 2014. Resignation of experienced credit officers, and some instances of clients borrowing from many MFIs or private lenders caused non-performing loan to increase from 0.34% to 0.67%.

Financial Performance

In this year, net profit after tax is USD 277,429, an increase of USD 168,574 compared to 2014. Total assets are USD 8,589,873, an increase of USD 3,430,017 and total equity equals to USD 4,385,330, an increase of USD 2,591,737, compared to 2014.

Information Technology

Technology improved significantly. Maxima improved its information technology system in response to development of information technology. For instance, Maxima applied online system for all branch and service offices and equipped with strong security system. In order to facilitate the tasks, we have installed network local loop and virtual private network (VPN) for all branch and service offices except for Angtasom Service Office. Moreover, Maxima has its own mail server to manager e-mail transactions.

With these achievements, we will strive to strengthen ourselves for the upcoming year of 2015. With guidance support from Board of Directors and commitment from Management and all levels of staff, the following are the strategies for Maxima's business growth.

Action Plan

- 1) To achieve portfolio balance of USD 13,209,278 at end of year 2016
- 2) To increase active clients to 7,951
- 3) To expand operation by launching 2 other service offices
- 4) To pay attention to raise salary for staff
- 5) To exercise in fund raising from local and international funders

Strategies

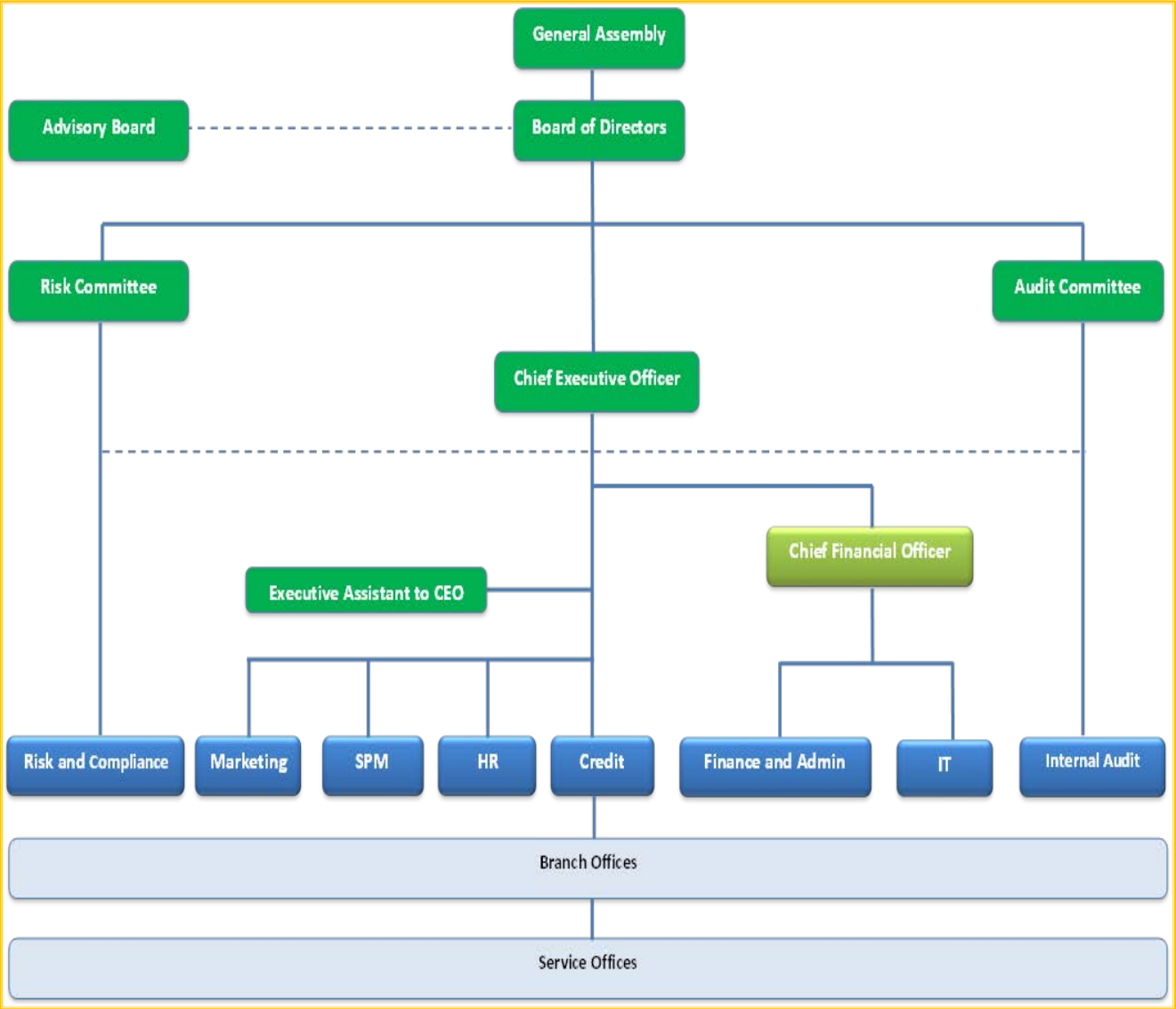
- 1) To increase loan for business and reduce consumption loan
- 2) To fulfill all indicators requirements by 7 clients protection principles
- 3) To strengthen loan quality by enhancing loan assessment to all CO
- 4) To recruit female CO at 10 percent of all CO

On behalf of Maxima Management, I would like to express sincere appreciation to shareholders, Board of Directors for their on-going support and leadership until Maxima achieve its fruitful result. Also I would like to thanks to all funders, government, local authority, donors, and non-government organization for their on-going confidence and trust in Maxima. Finally, great thanks to all the staff at Maxima for their hard work which contributed to Maxima's success.



Mr. Pa Ponnak Rithy
Chief Executive Officer

ORGANIZATIONAL CHART



SHAREHOLDERS

The shareholders of Maxima Microfinance Plc. are as follows:

- Gojo & Company Inc., Represented by Mr. Taejun Shin
- Mr. AN Bunhak
- Ms. SRENG Sivechheng
- Ms. SARUN Vithourat
- Mr. CHET Chanprasoeur
- Mr. PA Ponnak Rithy
- Employees, Represented by Mr. PA Ponnak Rithy



Gojo & Company Inc., represented by **Mr. TAEJUN SHIN**. Having graduated from Waseda Graduate School of Finance, Mr. Taejun Shin started his career at Morgan Stanley. After 4 years at Morgan Stanley, Mr. Taejun Shin joined Unison Capital, the largest private equity firm based in Japan. While working for financial industries, Mr. Taejun Shin founded Living in Peace (“LIP”). Mr. Taejun is well conversed in English, Japanese, Korean and has working knowledge of Khmer.



Dr. AN BUNHAK joined as shareholder of Maxima since 2000. He earned his Doctoral Degree of Business Administration (DBA) in Management from Preston University, USA in 2009. He obtained a Master of Banking and Finance at Ateneo De Zambanga University, Philippines in 2003. In 1995, Dr. BUNHAK graduated from the Faculty of Business, Cambodia and obtained Bachelor of Business Administration in 1995. Dr. Bunhak is well conversed in English, Thai and Khmer.



Ms. SRENG SIVECHHENG jointed as shareholder of Maxima since 2000. She is currently a candidate of Master of Financial Management at Royal University of Law and Economics, Cambodia. She obtained Bachelor of Business Administration specialize in Management at the National Institute of Management, Cambodia in 2001. Ms. Sivechheng is well conversed in English, Thai and Khmer.



Ms. SARUN VITHOURAT joined as a shareholder of Maxima since 2012. She has a degree in marketing and specialized in banking from Rene Descartes University in Paris in 2007. She has been working for private banks since then, both in Cambodia and France. She also has asserted herself in Cambodian Business mainly in cosmetic and skin care products, hospitality, and rice sector since 2009. Ms. Vithourat is well conversed in English, French, and Khmer.



Mr. CHET CHANPRASOEUR joined as shareholder of Maxima in December 2000. He obtained his Master degree in Law at Build Bright University, Cambodia in 2010. Mr. Prasoeur graduated from the Faculty of Business, Cambodia and obtained a Bachelor of Business Administration in 1995.



Mr. PA PONNAK RITHY joined as shareholder of Maxima in December 2000. He earned his degree in Accounting/Finance and Banking in Cambodia and received Bachelor of Business Administration in 1986. Mr. Rithy is well conversed in English and Khmer.

The distribution of shares is as follow:

Shareholder	Number of Shares	Share (USD)	Share Capital
Gojo & Company, Inc.	155,000	1,550,000	50.40%
Mr. An Bunhak	57,000	570,000	18.54%
Ms. Sreng Sivechheng	43,000	430,000	13.98%
Ms. Sarun Vithourat	42,000	420,000	13.66%
Mr. Chet Chanprasoeur	5,500	55,000	1.79%
Mr. Pa Ponnak Rithy	4,385	43,850	1.43%
Employee	615	6,150	0.20%
TOTAL	307,500	3,075,000	100%

BOARD OF DIRECTORS



Dr. AN BUNHAK, the current Chairman at Maxima, is a founder member at Maxima. He was appointed as Chairman of the Board of Maxima at the end of 2011. Prior to working at Maxima, Dr. Bunhak served as Chief of Finance at Pacific Commercial Bank (1995-2000). Dr. Bunhak earned his Doctoral Degree of Business Administration (DBA) in Management from Preston University, USA in 2009. He obtained a Master of Banking and Finance at Ateneo De Zambanga University, Philippines in 2003. In 1995, Dr. Bunhak graduated from the Faculty of Business, Cambodia and obtained Bachelor of Business Administration in 1995.



Mr. CHET CHANPRASOEUR joined the Board of Maxima in December 2000. Mr. Prasoeur is currently serving as a member of Risk Committee of the Board of Maxima. Mr. Prasoeur completed Master's degree in Law at Build Bright University in 2010. He graduated from the Faculty of Business, Cambodia and obtained a Bachelor's of Business Administration in 1995.



Mr. MUY MARA joined the Board of Maxima in December 2013 and is currently serving as a member of Audit Committee of Maxima. Mr. Mara served as a Senior Officer, HR & Training at Vattanac Bank Limited from 2007-2012 and as an Executive Secretary to HR Director at Thansur Bokor Highland Resort from 2012-2013. He has been serving as an HR and Admin Manager at Hong Leong Bank (Cambodia) Plc. since March 2013. In effect, he has more than 8 years of experience in Human Resources Management (HRM) in both local and international standard banks covering all aspects of HRM such as recruitment, learning and development, compliance, compensation & benefits, personnel budgeting, and engagement survey. Mr. Mara earned his Bachelor's Degree in Business Administration (BBA) from Pannasastra University of Cambodia in 2009. In 2006, he obtained a Bachelor's Degree in Tourism & Hotel Management from Institute of Technology and Management.



Mr. TAEJUN SHIN graduated from Waseda Graduate School of Finance in 2008. He started his career at Morgan Stanley in 2006 even as he did his studies. At Morgan Stanley Taejun created financial models and risk management tools, both of which later became the global template for Morgan Stanley Real Estate Investment business. After 4 years at Morgan Stanley, Taejun joined Unison Capital, the largest private equity firm based in Japan, where he managed several investment projects. While working for financial industries, Taejun founded Living in Peace (“LIP”), and created the first microfinance investment fund in Japan’s investment history, the ESG fund that is achieving above-market performance. Taejun also created crowd funding donation platform for orphanages in Japan to improve living conditions for the children. Taejun has authored 7 books about finance, innovation and child poverty, one of which was published in Taiwan, South Korea, and China.



Mr. SANJAY GANDHI is a CPA from India. He started his career in 1991 with AF Ferguson, one of the oldest Audit firms in India (a partner of Deloitte India). Then he headed the corporate banking team of one of the largest finance companies in India for 8 years. From 2003 onwards, he has worked exclusively in the field of Microfinance, gaining expertise in all aspects of microfinance operations. He has conducted close to 150 MFI ratings in 25 countries in Asia, Africa and Eastern Europe, most of them for Planet Ratings and M-CRIL. At M-CRIL, he led the ratings team as Director (Ratings). He has trained and mentored a large number of credit and rating analysts in various parts of the world. He has also held training workshops on Risk Management for many Cambodian MFI staff. In 2013, Mr. Gandhi was the CEO of a Cambodian MFI. The combined experience of 24years, in auditing, corporate banking and working with MFIs has helped Mr. Gandhi carve a niche in the field. Mr. Gandhi is co-founder of Gojo & Company Inc. and leads deal sourcing, due diligence and operational improvement initiatives for partner MFIs.



Dr. YEAN RITHY, an Independent Board member, joined the Board of Maxima in April 2012 and is currently serving as Chairman of Risk Committee of Maxima. Dr. Rithy served as a senior accountant at Shell Company of Cambodia from 1993-2002. He has been serving as Finance Manager of Dufry Cambodia Ltd. (2002-present). From 2003 till present he has been a part-time lecturer at Build Bright University and Western University. Dr. Rithy earned his PhD. in Marketing and Doctor of Business Administration (DBA) from Preston University, USA in 2007. In 2005, he obtained Master of Business Administration in Finance and Accounts from Preston University, USA. In 1998, he graduated from the Irish University in Ireland and obtained Bachelor of Business Administration Finance and Banking.



Dr. AO VENG, an Independent Board Member, joined the Board of Maxima in September 2013 and is currently serving as Chairman of Audit Committee of Maxima. Dr. Veng served as a Vice Rector at Western University, Cambodia, from 2006-2012. He has been serving as a Professor at Royal University of Law and Economics, Financial Institute of Cambodia, Western University since 2010. Dr.Veng earned his Doctor of Philosophy in Business Administration (DBA) from Western University, Cambodia in 2010. In 2002, he obtained Master of Business Administration in Finance from Norton University and Ateneo de Zamboangan University. In 1999, he graduated with Associate Degree in Banking from Institute for Banking Studies of National Bank of Cambodia. In 1996, he successfully completed his Bachelor's Degree of Science in Mathematics from Royal University of Phnom Penh, Cambodia.

COMMITTEES

AUDIT COMMITTEE

Responsibilities of Audit Committee

The Audit Committee is the responsibility of the Board of Directors and is required to perform the following general functions:

- Establish and monitor compliance with a corporate code of conduct;
- Monitor procedures for compliance with government regulation;
- Review the findings of audits or examinations conducted by other agencies;
- Discuss disagreements between internal or external auditors and management;
- Inquire about the external auditor's opinion on the competence of financial and accounting personnel and the internal auditors;
- Review the adequacy of internal control structures over financial reporting;
- Oversee the company's internal controls for safeguarding its assets;
- Evaluate the internal auditor's objective;
- Review the internal auditor's work and assess their performance and capacity building;
- Ensure that the internal auditor's involvement in auditing the financial reporting process is well-coordinated with the work of the external auditors;

Activities and Achievements for the year 2015:

- The Audit Committee met 4 times during the year 2015;
- In the meeting held in 2015, the committee approved an internal audit plan for the year 2015 and 2016;
- Internal Audit reports directly to the Board Audit Committee to provide independent and objective assurance over the adequacy, sustainability, and effectiveness of the organization's governance, internal controls and risk management process;
- All key operational, business and management process are audited according to risk based methodologies;
- Internal Audit examines the strategies of the organization and the adequacy and effectiveness of the relevant policies, procedures, and regulatory guidelines;

- Internal Audit discusses the result of all assessments with management and reports its observation/findings, recommendations and opinions, via a structured process, to the Board Audit Committee;
- During the year 2015, Audit Committee participated 4 times in the Board meeting.

RISK COMMITTEE

The Risk Committee has been formed effectively since February, 2014, and the Committee is the responsibility of the Board of Directors and is required to perform the following general functions:

- Critically assesses Maxima Business Strategies and processes and plan from the risk perspectives;
- Analyzes future risks including trends and provides comments to management;
- Reviews all policies and procedure for risk mitigation;
- Sets out the nature, role, responsibility and authority of the risk management function with the outline of the scope of risk management framework;
- Reviews critical risk management activities of Maxima as reported by the management and finds out that all activities that are required to follow the policy are being complied with;
- Suggests or commends to the management for any pre-emptive action for any external factors influencing the company operations such as political, economy, regulatory framework;
- Reviews and estimates the integrity of the risk control system and ensures that the risk policy and strategies are effectively managed;
- Reviews and approves the risk policy;
- Through report from Risk and Compliance Unit, does suggestion or commend to the management for any action to mitigate risk, risk acceptance or risk transfer;

Activities and Achievements for the year 2015

- The Risk Committee met 1 time during the year
- During the meeting in February, the Committee discussed on operational risk by product, and made adjustment prior to Board of Directors approval

MANAGEMENT TEAM

Maxima management is directly responsible for the day-to-day operations and profitability of the company.



Mr. PA PONNAK RITHY is the Chief Executive Officer at Maxima. He joined Maxima in December 2000. Prior to this, he was an Accounting and Administration Assistant in LWS (1998-2000), a Chief of Accounting at Pacific Commercial Bank (1995-1998), a Deputy Chief of Credit Office of the National Bank of Cambodia in Kampot province (1980-1995). Mr. Rithy completed his degree in Accounting/Finance and Banking in Cambodia and received Bachelor of Business Administration in 1986. Mr. Rithy is well versed in English and Khmer.



Ms. SRENG SIVECHHENG is the Chief Financial Officer at Maxima. She has been with Maxima since the inception of the Company in 2000. Before Maxima, from 1995 to 2000, she worked as Chief of Remittance at Pacific Commercial Bank. She is currently a candidate of Master of Financial Management at Royal University of Law and Economics, Phnom Penh. Ms. Sivechheng obtained Bachelor of Business Administration specialize in Management at the National Institute of Management, Cambodia in 2001. Ms. Sivechheng is well conversed in English, Thai and Khmer.



Ms. LAY SINEATH is the Deputy Head of the Admin at Maxima. She is the first staff of Maxima. Sineath joined Maxima in December 2001. Ms. Sineath graduated with a Bachelor's Degree in Business Administration specialize in Accounting at the National Institute of Business, Cambodia in 2006. She is well conversed in English and Khmer.



Mr. EAR SOKRY is the Head of Credit Department. He has been with Maxima since 2004. He recently finished his Master of Management Degree in 2014 at National Institute of Business, Cambodia. Mr. Sokry graduated with a Bachelor's Degree in Business Administration; specialize in Accounting, from the National Institute of Business, Cambodia in 2006. Mr. Sokry is well conversed in English and Khmer.



Mr. KHEAN DARITH is the Head of IT Department at Maxima. He joined Maxima Mikroheranhvatho Plc in 2009. Mr. Darith holds a Bachelor's Degree in Computer Science from the Cambodian University for Specialties and Associate Degree in Electronic from Preah Kossomak Polytechnic Institute. Mr. Darith recently (in 2015) completed a course on IT Assurance and Security Audit at Sunrise Institute. He is well conversed in English and Khmer.



Mr. KHIEV SENGDY joined Maxima in June 2006. He is currently serving as Deputy Head of Marketing. Before this, Mr. Sengdy was Deputy Credit Manager in 2014 and Branch Manager (2011-2013) at Maxima. Mr. Sengdy is currently a candidate of Master of Business Administration at Norton University. He obtained Bachelor of Business Administration specialize in Management at Human Resources University in 2009. Mr. Sengdy is well conversed in English and Khmer.



Ms. LY SIEVHOIR is Chief Accountant at Maxima. She joined Maxima in 2007. Before that from 2000 to 2007, she worked as Accountant Assistant at Terratex Knitting Group Ltd. She graduated with a Bachelor's degree in accounting from Human Resources University, Cambodia, in 2008. Ms. Sievhoir is well conversed in English and Khmer.



Mr. TANN HOKHENG is the Head of Internal Audit Department. He joined Maxima in March 2012, prior to joining Maxima he worked as Head of Internal Audit Department at PHSME Specialized Bank Ltd. Mr. Hokheng also worked as Senior Internal Auditor at Samic Microfinance institution, and Accountant at Riverside Hotel. He graduated with a Bachelor's degree in Accounting from the National University of Management (NUM), Cambodia. He is well conversed in English and Khmer.



Mr. SIM CHANNY is Head of HR Department. He joined Maxima in January 2015. Prior to joining, he worked as HR & Admin Manager at VTJ Vinh Tuong Plc, HR Manager at Cambodian Broadcasting Service Co., Ltd, Recruitment Unit Manager at Hattha Kaksekar Limited and as Branch Manager at New York International School, Cambodia. Currently, Mr. Sim Channy is holding a master's degree in Management, a Bachelor's degree in Business Administration, and a Bachelor's degree in law. He is well conversed in English and Khmer.



Mr. NIN TOUCH is the Head of Risk and Compliance at Maxima. He joined Maxima in October 2015. Prior to joining Maxima, he worked as Senior Operational Risk, Credit Compliance Officer, and Credit Officer at Prasac MFI. He is holding a Master of Business Administration specialized in Economics at University of Cambodia, Bachelor degree of Mathematics at Royal University of Phnom Penh. He is well conversed in English and Khmer.



Ms. SIM SOUPHEAKNA is the Executive Assistant to CEO at Maxima. She joined Maxima in October 2015. Prior to joining Maxima, she worked as Staff Capacity Development Officer at Microfinance Institution “Amret”; and as Office Manager at AZISAFE Co., Ltd. She is holding a Master Degree of Management from Paññasatra University of Cambodia (PUC), Bachelor Degree of Finance and Banking from Royal University of Law and Economics (RULE), and Bachelor Degree of English for Business from Cambodian Mekong University (CMU). She is well conversed in English and Khmer.

STAFF AND STAFF CAPACITY DEVELOPMENT

- Staff

On-going growth of Maxima requires more staff to support; mainly after the expansion of service operations to more offices and also expansion of our coverage areas of normal products to new areas. As of the end of 2015, Maxima had a total staff of 115 in which 44 are newly recruited.

- Staff Capacity Development

Within the year, Maxima has continued its training provision with a clear training curriculum set. All new staff is required to be trained clearly and carefully before they start performing the jobs while some refresher training provided to existing staff. This is to make sure that staff is competent enough to perform their job with high quality of service. Some training is provided by our training unit team and some provided by professional trainers outside the institution.

The numbers of staff and training courses provided within 2015:

No.	Course Title	Number of Participants
Internal training		766
1	Taxation	10
2	Refresh HR Policy	97
3	Selling Skill	38
4	Marketing Tool	47
5	Social Performance Management(SPM)	23
6	Advertisement Skill	17
7	Loan Delinquency Management Policy	70
8	Sale Guide	20
9	Accounting Filing	15
10	Empowering Leadership	28

11	Internal Audit and Internal Control Refresh and Updates	28
12	Anti-Money Laundering (AML)	16
13	Sale Guide	35
14	Social Performance Management (SPM)	35
15	Soft Skill	58
16	Power Point Presentation Training	9
17	Group loan Policy and Practice with system manual	19
18	Office Administration and Filing System	28
19	Communication and Correspondence Letter	28
20	Effective Motivation Skill	28
21	Basic Accounting	22
22	Credit Risk Management	10
23	Loan Assessment	58
24	Framework of marketing for financial institution	14
25	Finance Policy and Procedure Refresh and Updates	13
External Training		29
26	Taxation	2
27	Social Performance Management(SPM)	4
28	IT Assurance and security audit	2
29	Cisco CCAN R&S	1
30	Operational Risk Management	2
31	Credit Report Understanding, CBC	15
32	Analysis of financial and social performance indicators for MFIs	2
33	Effective Governance in MFIs	1
Total staff participated		795

LOAN PRODUCTS AND LOAN CATEGORIES

LOAN PRODUCTS

Maxima provides high quality micro-finance services with an emphasis on lending to rural poor and low-income individuals and groups and small and medium enterprises to improve their living standards and realizing their business goals. The current loan products include individual loans, group loans, and small and medium businesses loans. The dominant service delivery model of Maxima is the declining methodology that is monthly installment, credit line, constant amortization, seasonal loan (balloon loan) with loan sizes ranging from USD 50 to USD 27,000. The loan term ranges from 6 months to 36 months and the interest rate charged ranges from 1.9% to 2.8% per month. More products will be established in the future depending upon customers' needs.

LOAN CATEGORIES

Maxima provides loans to business categories including agriculture, trade, services, transportation, household business, family consumption, and other categories.

- **Agriculture**
 - ✓ **Plantation:** *flower plantation, vegetables, food crops, seeds, fertilizer...*
 - ✓ **Livestock:** *animal husbandry, animal food, fascination...*
 - ✓ **Fisheries:** *fishing tools, gasoline and boat...*
- **Trade and Commerce**
 - ✓ Purchase of produce contracts, vendors – whole sale and retails
 - ✓ Processing, making doors/ windows, production of Khmer noodles and other foods
- **Services**
 - ✓ Activities of laundry, haircut, public telephone service, motor-repaired, water supply tube network, battery charging
- **Transportation**
 - ✓ Motor taxi, motor trailer and car taxi...
- **Household Business**
 - ✓ Handicraft and grocery at home
- **Family/Consumption**
 - ✓ House repair, education and other consumption...
- **Miscellaneous**
 - ✓ All rural small business activities other than agriculture, trade/commerce, services and household/family

OPERATIONAL PERFORMANCE

1. Service Outreach

In 2015, Maxima expanded services to more rural areas to ensure proper access to our target clients. Maxima is operating through 10 offices in 4 provinces, 23 districts, 139 communes and 725 villages.

Productivity	2014	2015	Increment	% Change
Number of Branches	2	2	-	0%
Number of Service Offices	5	8	3	60%
Number of Provinces Covered	2	4	2	100%
Number of Districts Covered	21	23	2	9.52%
Number of Communes Covered	117	139	22	18.80%
Number of Villages Covered	568	725	157	27.64%

2. Loan Performance

The gross loan portfolio and clients reached USD 8,016,117 and 4,729 borrowing accounts.

Figure 01: Outstanding Loan and Active Borrowers

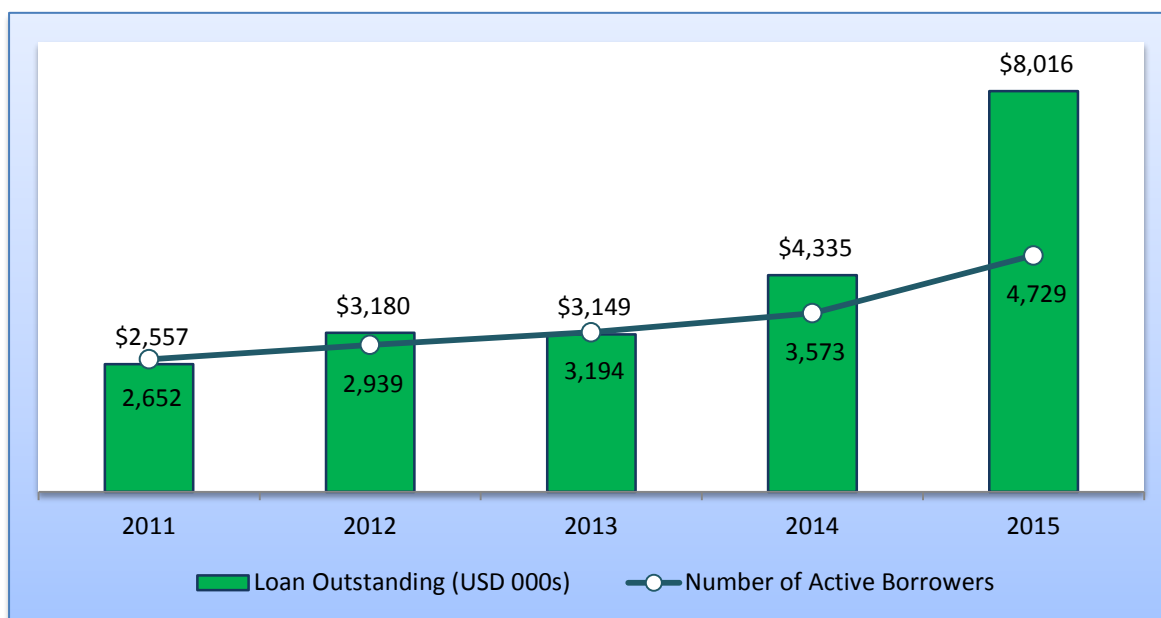
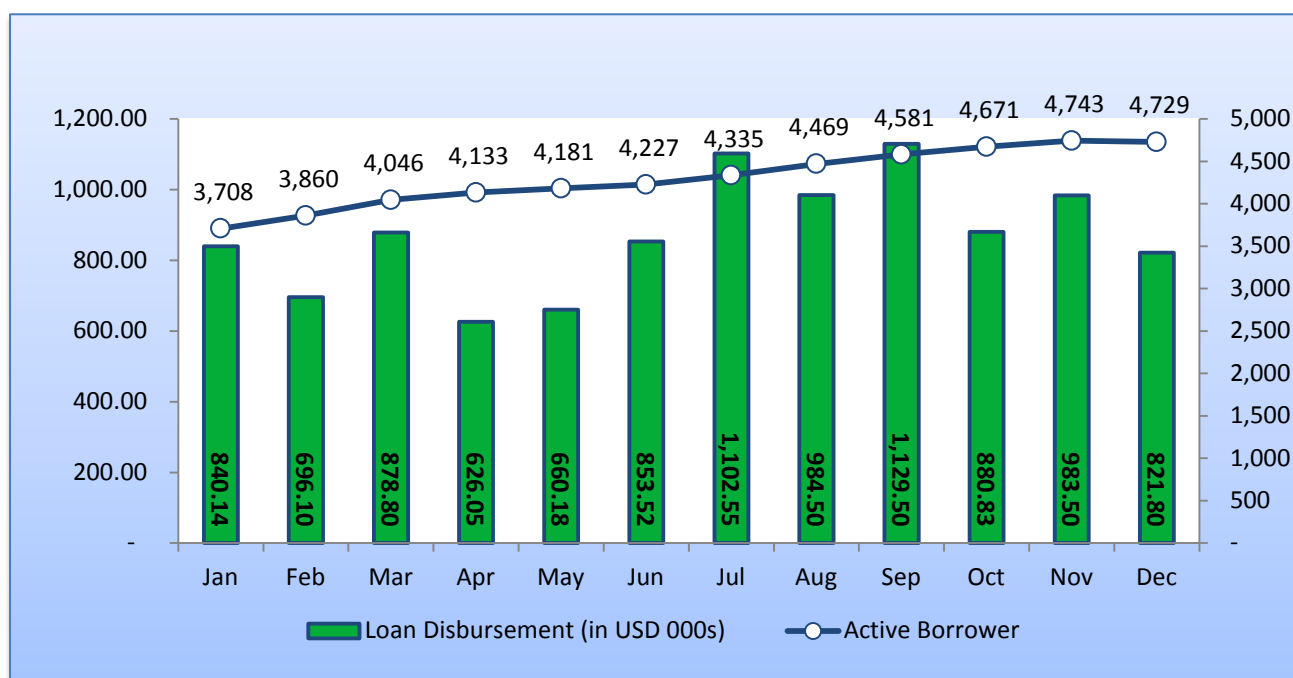


Figure 02: Monthly Disbursement and Active Borrowers



Loan of Maxima has been categorized into different sectors. The high sectors of loan utilization are agriculture 19 percent, transportation 24 percent, trade and commerce 19 percent, service 14 percent, house and family 4 percent, and other activities 20 percent.

Figure 03: Composition by Loan Amount

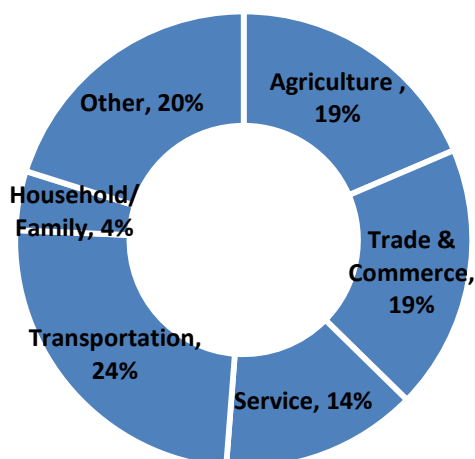
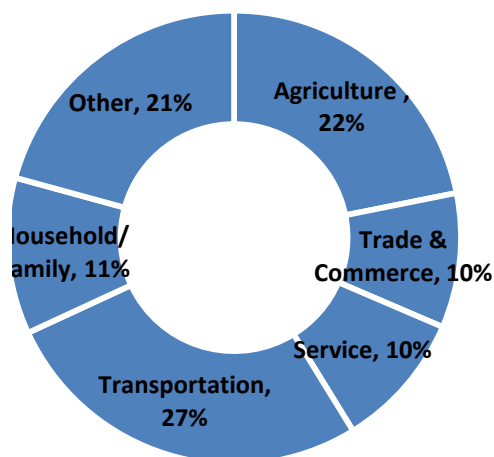


Figure 04: Composition by Clients



Loan quality is good with PAR>30 days and write off in 2015 was 0.67% and 0% respectively. This great achievement occurred because of our on-time responses to the market changes, clear loan assessment, staff's high commitment, well-built relationship among Maxima staff and within all levels of local authorities and clients.

Figure 05: Loan Quality (2011-2015)

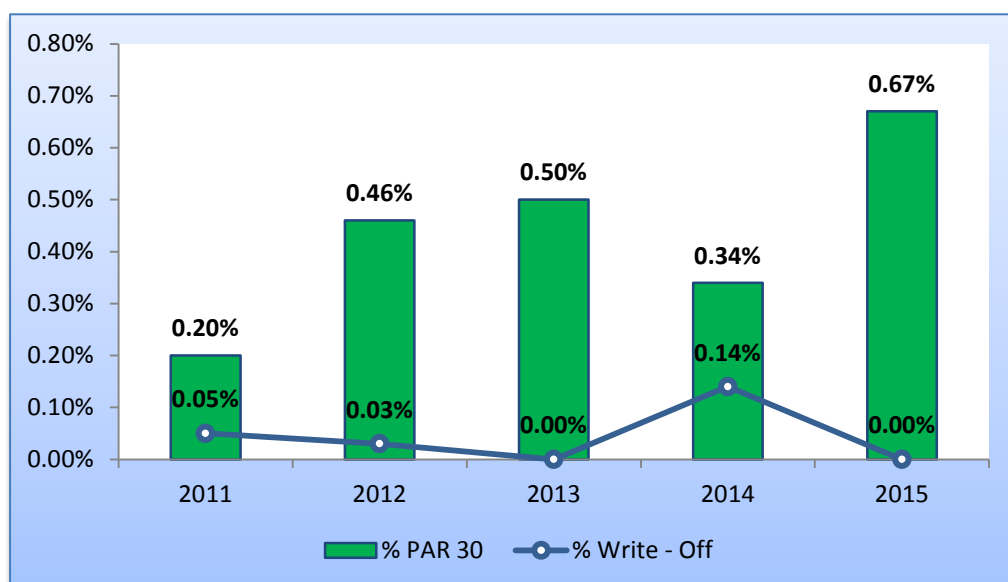
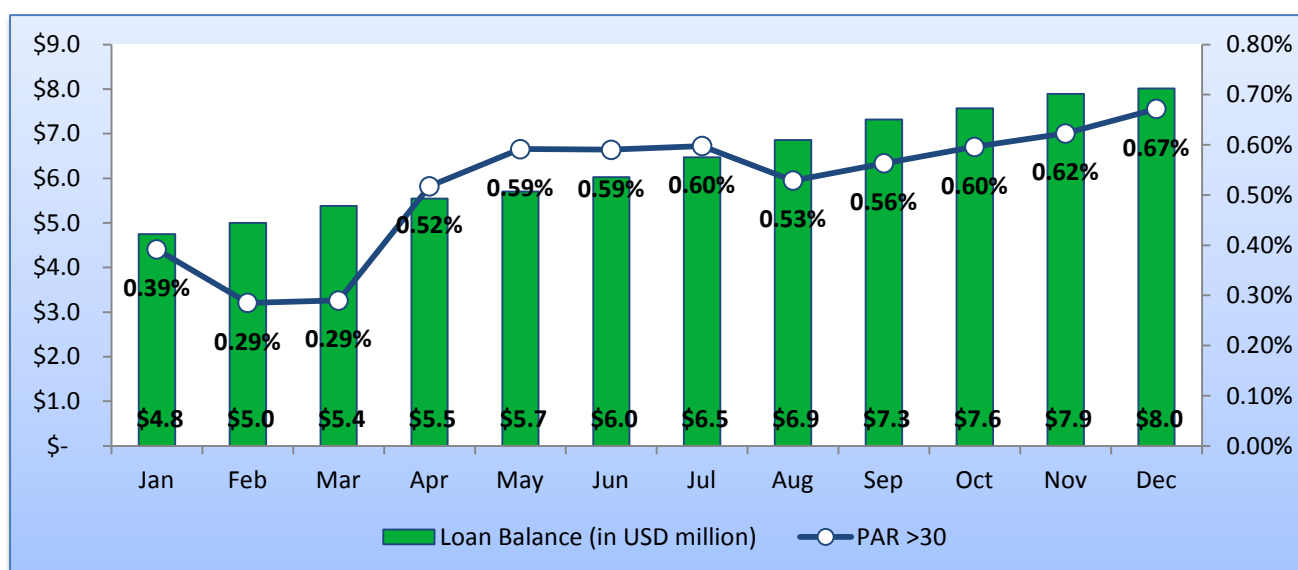


Figure 06: Monthly Loan Balance and PAR >30



3. Staff Productivity

Since the concerns of loan overlap and over-indebtedness from lenders, investors, and other stakeholders, Maxima is rigorous in its loan appraisal of new clients and in high penetration rate areas. However, the portfolio outstanding per credit officer and per total staff has significantly increased since 2011.

Productivity	2011	2012	2013	2014	2015
Loan per credit officer (in USD)	88,188	96,349	87,478	98,521	160,322
Borrowers per credit officer	91	89	89	81	95
Loan per Total Staff (in USD)	39,345	42,394	38,879	47,637	69,705

LENDERS AND PARTNERS

Over the years, Maxima has partnered with various organizations such as Rural Development Bank (RDB), ACLEDA Bank Plc., Vattanac Bank, ADA-Luxembourg, Luxembourg Microfinance and Development Funds (LMDF)-Luxembourg, Etimos-Italy, and Kiva Microfund–USA, and Gojo & Company Inc.

Furthermore, Maxima is one of the founders of Cambodia Microfinance Association (CMA). In addition, Maxima has been also participating in Microfinance Information Exchange (“MIX”) and MFTransparency.



Gojo & Company, Inc.

SOCIAL RESPONSIBILITIES AND MANAGING SOCIAL PERFORMANCE

Maxima focused on social responsibilities for clients and staff to ensure that the operation provide positives impact for clients and employees alike.

1. Social Responsibilities for Clients

Maxima Client Protection Principles

Maxima commits to provide service to clients and complies with Client Protection Principles including:

- Appropriate product design and delivery
- Prevention of over-indebtedness
- Transparency
- Responsible pricing
- Fair and respectful treatment of clients
- Privacy of client data
- Mechanisms for complaint resolution



Based on its self-assessment, Maxima added many aspects of the Client Protection Principle in its manuals and is training the staff regularly on the changes.

In September 2015 Maxima set up its SPM Committee which holds regular meetings to keep Maxima on track with its social mission. The SPM Committee comprises of staff from all Departments including the top management at Maxima and it gives regular updates to the Board on the gaps it found in its self-assessment based on the Smart Self-Assessment Tool for client protection. Maxima set up a strong and functional Risk and Compliance Department in the year 2015 keeping in mind the fast changing economic atmosphere of the country

Client Exit Survey

During 2015, Maxima conducted exit survey with 133 clients to understand the reason for client exits. Marketing team found that of the clients that exited most were happy with Maxima service, but some complained about high interest rate and low loan amount. But, mainly the exits were due to no further requirement of loan.

Client Satisfaction Survey

The Client Satisfaction Survey conducted in 2015: The result indicated that Maxima's clients are by and large satisfied with the product design, and good services offered by Maxima's friendly staff.

Maxima plans to conduct regular Exit and Satisfaction Surveys in 2016, to get feedback from the clients.

Maxima Cleanliness and Health Promotion Project

Maxima educated basic hygiene to clients and especially small children of how to wash their hand properly through Maxima Cleanliness and Health Promotion Project (MCHPP). In 2015, Maxima prepared the event at Koh Dach Commune, Kien Svay District, and Prek Anchanh Commune.

Diversification of Products

Maxima has diversified its products in response to clients' needs. Maxima now offers SME loans, agriculture loans, business loans, home improvement loans, and consumption loans.

2. Social Responsibilities for Staff



Internal Events

Maxima celebrated several events during the year to strengthen teamwork and cooperation among staffs and management. Events include: annual party and annual seminar.



Staff Capacity Building

Maxima cares and believes that staff is the crucial resource for company. Maxima promotes the culture of learning and sharing, and Maxima offered package of internal and external training for staff. Staff capacity building was provided through training on internal policies and procedures, code of conduct, client protection principles, and financial products.



Dedicated to improving lives of clients

FINANIAL STATEMENTS AND EXTERNAL AUDIT REPORT

REPORT OF THE BOARD OF DIRECTORS

REPORT OF THE INDEPENDENT AUDITORS

BALANCE SHEET

INCOME STATEMENT

STATEMENT OF CHANGES IN EQUITY

FINANIAL STATEMENTS AND EXTERNAL AUDIT REPORT

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors has pleasure in submitting their report together with the audited financial statements of Maxima Microfinance Plc. ("the Company") for the year ended 31 December 2015.

Principal Activities

The Company is principally engaged in all aspects of micro-finance business in Cambodia.

Financial Results

The financial results of the Company for the year ended 31 December 2015 were as follows:

	2015		2014	
	USD	KHR' 000	USD	KHR' 000
Profit before income tax	352,749	1,428,633	141,804	577,851
Income tax expense	(75,320)	(305,046)	(32,949)	(134,267)
Net profit for the year	227,429	1,123,587	108,855	443,584

Reserves and Provisions

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

Dividends

During the financial year, the Company declared and paid dividends amounting to US\$20,684 (equivalent to KHR83,770 thousand) in respect of net profit for the year ended 31 December 2014.

Share capital

On 30 March 2015, the Company obtained a principal approval from the National Bank of Cambodia ("NBC") to increase the Company's share capital from US\$1,315,000 to US\$3,075,000 (equivalent to KHR 5,325,750 thousand to KHR 12,453,750 thousand) through the issuance of additional 176,000 shares with par value of US\$10 per share.

These additional shares were issued to Mr. An Bunhak for 15,000 shares, Ms. Sreng Sivechheng for 4,000 shares, Ms. Sarun Vithourat for 2,000 shares and a new shareholder, Gojo & Company, Inc. for 155,000 shares.

The amendment of the Articles of Incorporation is endorsed by the Ministry of Commerce on 9 October 2015.

Bad and doubtful loans

Before the financial statements of the Company were prepared, the Board of Directors took reasonable steps to ascertain that appropriate 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 adequate allowance 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, or the amount of allowance for doubtful loans in the financial statements of the Company, inadequate to any material extent.

Current assets

Before the financial statements of the Company were prepared, the Board of Directors took reasonable steps to ensure that any current assets, other than loans, which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Company had been written down to amounts which they might be expected to realise.

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 which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate.

Contingent and other liabilities

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

- (a) 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; and
- (b) any contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of its business operations.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and 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 the financial statements of the Company, which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Company for 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 current financial year in which this report is made.

Events since the reporting date

At the date of this report, except as disclosed in the financial statements, there have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

The Board of Directors

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

- | | |
|-------------------------|---|
| • Mr. An Bunhak | Non-Executive Director/Chairman |
| • Mr. Chet Chanprasoeur | Non-Executive Director |
| • Mr. Muy Mara | Non-Executive Director |
| • Mr. Taejun Shin | Non-Executive Director |
| • Mr. Sanjay Gandhi | Non-Executive Director |
| • Mr. Yean Rithy | Non-Executive Director/Independent Board Member |
| • Mr. Ao Veng | Non-Executive Director/Independent Board Member |

Directors' interests

The Board of Directors who held office at the end of the financial year and their interests in the shares of the Company are as follows:

	2015		2014	
	Number of shares of USD 10 each	Ownership %	Number of shares of USD 10 each	Ownership %
Mr. An Bunhak	57,000	18.54%	42,000	31.94%
Mr. Chet Chanprasoeur	5,500	1.79%	5,500	4.18%
Total	62,500	20.33%	47,500	36.12%

Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Company is a party with the object 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 the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest other than as disclosed in the financial statements.

Responsibilities of the Directors in respect of the financial statements

The Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with Cambodian Accounting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of the financial statements or, if there have been any departures in the interest of true and fair presentation, ensure that these have 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

- control and direct the Company effectively in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that they have complied with the above requirements in preparing the financial statements.

Approval of the financial statements

We hereby approve the accompanying financial statements together with the notes thereto as set out on pages 8 to 51, which present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Cambodian Accounting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of financial statements.

On behalf of the Board of Directors



Mr. An Bunhak

Chairman

Phnom Penh, Kingdom of Cambodia

25 April 2016

REPORT OF THE INDEPENDENT AUDITORS

To the shareholders

Maxima Microfinance Plc.

(Formerly known as Maxima Mikroheranhvatho PLC.)

We have audited the accompanying financial statements of Maxima Microfinance Plc. (“the Company”), which comprise the balance sheet as at 31 December 2015, and the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information as set out on pages 8 to 51.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian Accounting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of financial statements, 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.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of Maxima Microfinance Plc. as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Cambodian Accounting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of the financial statements.


Nge Huy
Partner

25 April 2016

BALANCE SHEET

As at 31 December 2015

	2015		2014	
	US\$	KHR'000	US\$	KHR'000
ASSETS				
Cash on hand	15,311	62,009	9,176	37,392
Deposits and placements with banks	242,033	980,234	622,940	2,538,481
Statutory deposits	153,750	622,688	65,750	267,931
Loans to customers	7,962,287	32,247,262	4,320,005	17,604,020
Equity investment	10,000	40,500	10,000	40,750
Other assets	139,122	563,444	99,289	404,602
Property and equipment	39,491	159,938	26,607	108,424
Deferred tax assets	27,879	112,910	6,089	24,813
TOTAL ASSETS	8,589,873	34,788,985	5,159,856	21,026,413
LIABILITIES AND EQUITY				
Liabilities				
Amounts due to shareholders	3,385,494	13,711,251	288,607	1,176,074
Borrowings	588,375	2,382,919	2,945,615	12,003,381
Provision for provident fund	75,535	305,917	63,611	259,215
Other liabilities	70,331	284,840	40,326	164,328
Current income tax liability	84,808	343,472	28,104	114,524
Total Liabilities	4,204,543	17,028,399	3,366,263	13,717,522
Equity				
Share capital	3,075,000	12,453,750	1,315,000	5,358,625
Share premium	696,017	2,818,869	121,025	493,177
Reserves	53,990	218,659	48,548	197,833
Retained earnings	560,323	2,269,308	309,020	1,259,256
Total Equity	4,385,330	17,760,586	1,793,593	7,308,891
TOTAL LIABILITIES AND EQUITY	8,589,873	34,788,985	5,159,856	21,026,413

INCOME STATEMENT

For the year ended 31 December 2015

	2015		2014	
	US\$	KHR'000	US\$	KHR'000
Interest income	1,503,119	6,087,632	834,827	3,401,920
Interest expense	(206,985)	(838,289)	(142,514)	(580,745)
Net interest income	1,296,134	5,249,343	692,313	2,821,175
Other income	34,966	141,612	14,800	60,310
Operating income	1,331,100	5,390,955	707,113	2,881,485
General and administrative expenses	(939,454)	(3,804,789)	(561,504)	(2,288,129)
Allowance for bad and doubtful loans	(38,897)	(157,533)	(3,805)	(15,505)
Profit before income tax	352,749	1,428,633	141,804	577,851
Income tax expense	(75,320)	(305,046)	(32,949)	(134,267)
Net profit for the year	277,429	1,123,587	108,855	443,584

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share Capital US\$	Share Premium US\$	Reserves US\$	Retained Earnings US\$	Total US\$
At 1 January 2014	1,315,000	121,025	42,603	228,699	1,707,327
Transfer to reserves	-	-	5,945	(5,945)	-
Dividends paid	-	-	-	(22,589)	(22,589)
Net profit for the year	-	-	-	108,855	108,855
At 31 December 2014	<u>1,315,000</u>	<u>121,025</u>	<u>48,548</u>	<u>309,020</u>	<u>1,793,593</u>
(KHR'000 equivalents)					
At 31 December 2014	<u>5,358,625</u>	<u>493,177</u>	<u>197,833</u>	<u>1,259,256</u>	<u>7,308,891</u>
At 1 January 2015	1,315,000	121,025	48,548	309,020	1,793,593
Additional share capital	1,760,000	574,992	-	-	2,334,992
Transfer to reserves	-	-	5,442	(5,442)	-
Dividends paid	-	-	-	(20,684)	(20,684)
Net profit for the year	-	-	-	277,429	277,429
At 31 December 2015	<u>3,075,000</u>	<u>696,017</u>	<u>53,990</u>	<u>560,323</u>	<u>4,385,330</u>
(KHR'000 equivalents)					
At 31 December 2015	<u>12,453,750</u>	<u>2,818,869</u>	<u>218,659</u>	<u>2,269,308</u>	<u>17,760,586</u>

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	2015		2014	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Net cash used in operating activities	(3,397,823)	(13,761,183)	(1,287,177)	(5,245,246)
Cash flows from investing activities				
Purchase of property and equipment	(30,904)	(125,161)	(12,303)	(50,135)
Net cash used in investing activities	(30,904)	(125,161)	(12,303)	(50,135)
Cash flows from financing activities				
Dividend paid	(20,684)	(83,770)	(22,589)	(92,050)
Proceeds from borrowings	4,450,540	18,024,686	2,463,386	10,038,298
Repayments of borrowings	(1,375,901)	(5,572,399)	(691,662)	(2,818,523)
Net cash generated from financing activities	3,053,955	12,368,517	1,749,135	7,127,725
Net increase in cash and cash equivalents	(374,772)	(1,517,827)	449,655	1,832,344
Cash and cash equivalents at 1 January	632,116	2,575,873	182,461	743,529
Currency translation difference	-	(15,803)	-	-
Cash and cash equivalents 31 December	257,344	1,042,243	632,116	2,575,873

Important Events of the Year

Annual Party 11-12 December 2015



Maxima Cleanliness and Health Promotion Projects
at Prek Anchanh Commune on 28 November 2015



Training on Smart Campaign: Client Protection Principles to Board of Directors and Top Management

On 23 September 2015



Training on Marketing Framework for Financial Institution on 03-04 November 2015



Management Training on Internal Control and Leadership



CONTACT DETAILS

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