

2014 ANNUAL REPORT



The figures in this annual report relate to First Finance Plc Cambodia, for the period from 01 January 2014 to 31 December 2014.

First Finance is a legally incorporated Cambodian company with its Head Office in Phnom Penh and with three provincial branches in Siem Reap, Battambang and Kampong Cham.

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NOTE: All Dollar amounts used in the report are US Dollar.

JOINT MESSAGE FROM CHAIRPERSON AND CHIEF EXECUTIVE OFFICER



Lee-Anne Pitcaithly



Sothany Chun

2014 has been a year of significant change at First Finance. We are proud to have continued the 5 year growth and profitability trend - further solidifying the viability of our business model. We saw an almost 100% portfolio growth, a profit jump of 137% (\$501,807), and a return on equity of 14.67%.

This was all achieved by a very strong team while undergoing a change of CEO and Chairperson mid-year. We would both like to thank the previous CEO, Mr Lim Hak Khuon (Kevin) for his dedication and commitment to bring First Finance from a concept to a proven business. We would also like to offer thanks to Mr Talmage Payne as he chose to step down as Chairperson in 2014. Talmage continues to serve as a shareholder representative on our board and we are very thankful to continue to have his on-going commitment and institutional knowledge.

In addition to managing the changes and delivering exceptional growth First Finance also implemented a new Management Information System and opened a new branch in Kampong Cham (which returned \$16,000 in revenue by the end of 2014).

Through the hard work and dedication of the past 5 years First Finance has learned a lot. Most importantly is that we have to stay relevant to our client. This means that we need to consistently review our products and services to ensure they meet the client's needs. Additionally, financing is only one segment of the discussion a family has when they decide to purchase or renovate a house. Is there other services that First Finance can provide that will help our clients, who are often excluded, with honest, reliable and relevant information that can add value to the decisions e.g. new building practices, new lighting/sanitation products, referrals to high quality vendors etc.

First Finance has also been an innovator right from the start. Through local partnerships, we have eliminated any cash management needs from our offices – which has reduced our operation costs dramatically (compared to MFI's that manage cash in branch). This also means that we view the 'value' of having a bricks and mortar branch differently. Over 2015 First Finance is working closely with 17 Triggers, a local design firm, to review our client engagement needs for engagement and relationship management and find the best model that works for the business and our clients.

2015 is proving to be another year of record growth, internal staff promotion to more senior roles, and projects to keep First Finance meeting the needs of our clients. We are very excited to be continuing this journey.

A blue ink signature of Lee-Anne Pitcaithly.

Lee-Anne Pitcaithly
Executive Chairperson

A blue ink signature of Sothany Chun.

Sothany Chun
CEO

HOUSING FINANCE FOR THE POOR

First Finance, like the UN-HABITAT¹, believes housing is a fundamental human right.

Habitat for Humanity² and other researchers show that stable housing affects people's health, mental, physical, intellectual development³, and their dignity. It also provides financial development through savings (mortgage payments) which builds equity in the family home.

Access to a stable home provides a step towards meeting the core human needs for shelter, stability, dignity, socialization and long-term low-risk wealth creation.

At First Finance, home loan borrowers expect to own their home outright within 10 to 15 years. Additionally, as part of the First Finance customer engagement plan a customer can take out a home improvement loan for things like adding another floor, a toilet, a new roof, etc.

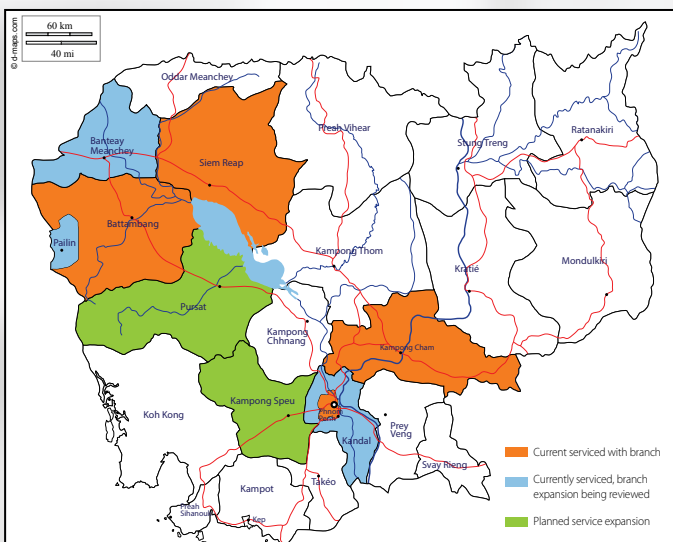
Prior to First Finance, low to medium income families in Cambodia were excluded from formally borrowing to buy or to improve their existing home because MFI's didn't do home lending and they didn't meet Commercial Banks lending criteria. This was despite these families having the ability to provide substantial security (25% deposit) and their ability to repay the loan. Prior to First Finance our customers were only able to rely on informal sectors like borrowing from family or loan-sharks.

We estimate 15%⁴ of our home loan clients have increased their disposable income when they switch from rented accommodation to owning a home and paying a mortgage. Informal housing comes with costs associated with regular moves, high utility premiums and less planned living expenses due to instability e.g. bulk purchasing. Once the renter's become home owners there is no premium added to utilities, they are less likely to move, and can now have long term purchasing plans due to increased security of goods (such as rice, furniture, appliances) and this results in a lower total accommodation and services cost.

At First Finance we have worked hard to ensure our products meet the needs of our clients. For example, we have developed a product for our existing borrowers to release some of their equity towards worthwhile purposes. Nearly half (48%) of our borrowers are self-employed, and by drawing on their equity they can invest in their businesses, hire employees and increase their income.

We are engaging marketing experts to spread the word that home ownership is possible, affordable and available. Even, low income families have an opportunity to have the security, stability and a wealth building asset which home ownership provides.

Over the five years since First Finance's inception we have been able to partner with an increasing number of investors, reduce our cost of funds and close the maturity gap from borrowing shorter-term and lending longer-term. However we need to continue to strive to increase our capital and lower our interest costs so we can pass the benefits onto a growing number of clients, especially the underserved regional and urban low income Cambodian families.



- <http://www.un-documents.net/ha-4b.htm>
- http://www.habitat.org/lc/theforum/english/pdf/Forum_Housing_Health.pdf
- <http://heapol.oxfordjournals.org/content/17/4/420.full.pdf>
- This estimate was calculated through questions to self-employed clients. On top of the utility premium landlords charge renters, self-employed clients often have motor transport for their business and it requires secure parking. Once renters become home owners the secure parking (they park in their home), utility premium and other costs are no longer applicable. By adding together all these rental costs and comparing to the average home loan repayments we came to 15%.

MEET LIKEAV FROM PHNOM PENH



Likeav Heng is a widow with three children, she moved from a small village in Kandal province to Cambodia's capital city Phnom Penh, seeking a better life for her and her children. She and two of her daughters, Semheang and Simluong, lived for 10 years renting a single room just large enough for their beds and possessions. Life was very hard.

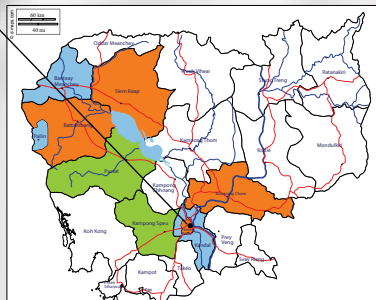
Likeav and Simluong have their own business selling drinks from a stall they rent while her younger daughter Semheang, works as an assistant sales representative. Between the three women, their monthly income averages \$549.

In 2011 Likeav found out that First Finance could help them not only get a housing loan, but also help her find a home that was affordable. "I was unable to find any good house until First Finance introduced me to Borey Rong Roeung with an interesting house at a reasonable price".

Property prices in Phnom Penh have been rising each year since Likeav and her daughters bought their new home, it has given them more space and it has positively impacted their personal wealth and financial security. But even more important to Likeav than her increase in wealth, was her ability to make her house, a home "I can now decorate my house", which gives her and her daughters a sense of belonging and pride.

In March 2014 Likeav took out a second loan for \$5,000 to build an extra level, doubling the size of the home. First Finance has a policy that helps clients manage their payments to the builder, "It was good that First Finance helped us with the cash flow for the construction because some unscrupulous builders will take all the money" and either do a substandard job or even worst, never even start the job.

Some time later Likeav has the option to use the equity in her home to take an equity loan with First Finance so she can invest in her business. First Finance want to enable women like Likeav to not only own their own home but to see them build their long-term security through affordable borrowing and wise investments.



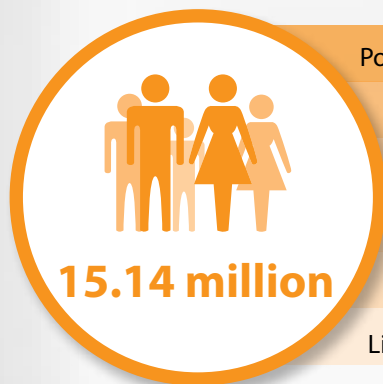
THE YEAR IN REVIEW



CAMBODIA OVERVIEW

Cambodia is a developing country with the lowest income per head, \$950 annual GNI per capita¹, in South East Asia and for many Cambodians access to credit is very limited¹ (World Bank, 2014). First Finance is helping bridge this credit access gap by providing micro mortgage loans to low to medium income households who were previously excluded from formal credit.

DEMOGRAPHIC SNAPSHOT



Population: **15.14** million¹

7 out of **10** adult women are literate²

1 in 5 Cambodians live below the poverty line³

41% share of women are employed in the non-agricultural sector³

20% of national parliament seats are held by women³

Life expectancy is **71** years¹



LOANS THAT CHANGE LIVES

Over 1,300 families or 5000⁴ Cambodian have had their lives changed with either a home, home improvement or home equity loan. Our loan portfolio nearly doubled in 2014 to \$15.5 million.

Our clients consistently tell us that home ownership has helped them by relieving the stress associated with rental, helped them develop equity for further financial development, and provides their families the stability all families need to grow healthy.



MOVING FROM START-UP TO SUSTAINABLE GROWTH

From 2009 until 2013 First Finance had been proving and refining our business model, governance and people management capabilities. Having been profitable since 2010, having consistent portfolio growth, and growing from being solely Phnom Penh based to servicing 10 provinces in Cambodia – it is clear that First Finance has products that are in demand and meets the needs of low to middle income Cambodian's.

1 <http://data.worldbank.org/country/cambodia>

2 United Nations Global Forum for Gender Statistics, 2012

3 <http://datatopics.worldbank.org/gender/country/cambodia>

4 The average family has four members, including children



LEADERSHIP CHANGES FOR OUR NEW PHASE

As First Finance moved on from the start-up phase, some of our founding leadership stepped aside to allow new board members and executive leadership to add their skills to this new business phase. Our founder⁵ and chairperson Talmage Payne brought in Lee-Anne Pitcaithly as Executive chairperson and Sothany Chun, the previous Chief Financial Officer took over the CEO position from Lim Hak Khoun (Kevin). These and some other key position changes provide a good blend of maintaining existing long-standing leadership while also injecting new leadership for our new phase of growth.



CONTINUED LEARNING

Though First Finance is now a proven model – this doesn't mean we stop developing. At First Finance we consistently work to bring more value to our clients through product development and internal efficiency developments.

In 2014 First Finance replaced our Management Information System to become cloud based. This allows for quicker and more accurate reporting and month end closing. We have also engaged with Habitat for Humanity and 17 Triggers to investigate our products and distribution model to ensure we stay relevant and grow in a sustainable way.



“ Here at 17Triggers we seek to work with innovative partners that look to deliver high quality services to the underserved communities here in Cambodia. First Finance meets these criteria - and more. With highly energised staff, and a whole of business desire to grow using new and interesting models, First Finance has all needs to develop and adapt in an innovative and timely way. We are very excited to watch our partnership adapt the way financial services engage with low to middle income Cambodians. ”

Mike Rios, Chief Innovation Officer
17 Triggers



RESPONDING TO CLIENT PRODUCT NEEDS

In 2014 First Finance responded to our client feedback and developed a Home Equity loan. With over 48% of our clients being self-employed there is a constant need for capital investment into their businesses. Our customers wished to be able to release the equity in their home to build their revenue. We agreed. Available only to customers that already have a Home or Home Improvement loan with First Finance, by the end of 2014 approximately 300 customers had released \$1.8 million of their own equity to grow their businesses.

5 Mr Talmage Payne is a shareholder in First Home – the founding shareholder of First Finance Plc.



ASSESSING THE RISK

When First Finance first started, investors and funders added a significant risk premium to offset the perceived risk of our business model. The perception was that loan defaults would be higher than average and recovery on defaulting loans would be lower than average. There was also a perception that lending on 'soft'⁶ land title was going to add complexity and increase risk. Over the last five years we have proven that these factors do not increase risk and therefore our cost of capital has been lowered, the loan tenor has been extended and access to capital has increased. However we will continue to work hard on lowering our costs so we can make our loans more affordable, offer our clients better terms and provide clients with more innovative products that meet their needs.



GOOD GOVERNANCE AND TRANSPARENCY

First Finance place good governance and transparency as a core value and therefore we include best practice AML policy and Client Protection Principles as part of our training and business processes.



BRANCH AND MOBILE NETWORKS

In 2009, when First Finance was launched we decided to use the banking network to accept client repayments. This reduced internal costs and the risk associated with cash collection. Later we added WING as an alternative to using the banking network, this proved to be extremely popular and by December 2014, 91% of our clients used WING to make their repayments. WING provided greater convenience because their extensive agent network gave clients a wide choice of locations and the long opening hours allowed clients to make transactions at a time that suited them.



“ WING is very proud to partner with First Finance. We know that it is important to both First Finance and their customers that loan payments are processed courteously, correctly and in a timely fashion. This partnership has helped WING develop its Wing Cash Xpress network and allows First Finance to get on with the job of getting people into affordable and secure housing. We now process nearly 2,000 repayments each month totalling approximately \$350,000 and this continues to grow. ”

Anthony Perkins, WING'S CEO

During 2013 we positioned our branches in the three most populated cities: Phnom Penh, which is Cambodia's capital and also our Head Office, Siem Reap and Battambang. During 2014 we expanded the network to include the next most populous city, Kampong Cham.

6 Cambodian land title was disrupted during the Khmer Rouge period. Title is now segmented into 'Hard' title which is recognised at the national government level and 'Soft' title is recognised at the village and provincial level. Government is currently working to transfer all 'Soft' titles to 'Hard' title.

OUR RESULTS

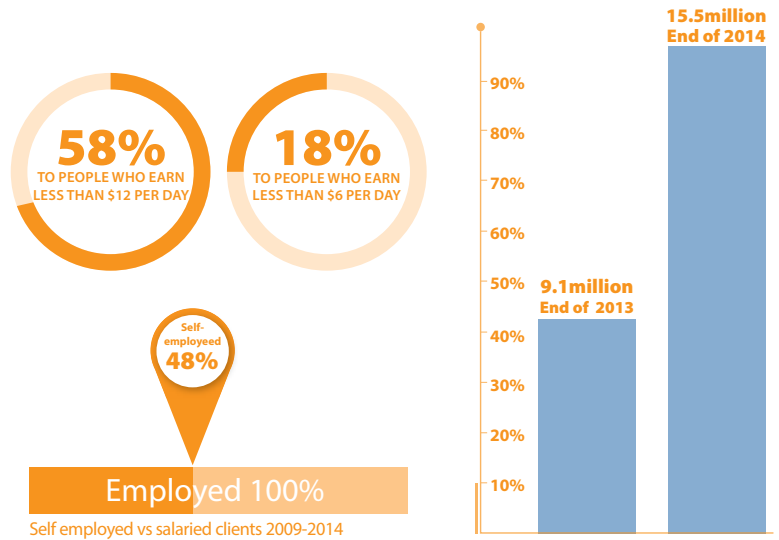
Our Loan Portfolio

Our commitment to serve more low and middle income Cambodians has continued. By the end of 2014, our loan portfolio had grown to over \$15 million; almost double our 2013 loan portfolio. 18% of our loans were to people who earn less than \$6 per day while 58% of loans were to people earning less than \$12 per day. Non-performing loans had a negligible effect on profitability because unlike most MFIs we hold real property as collateral.

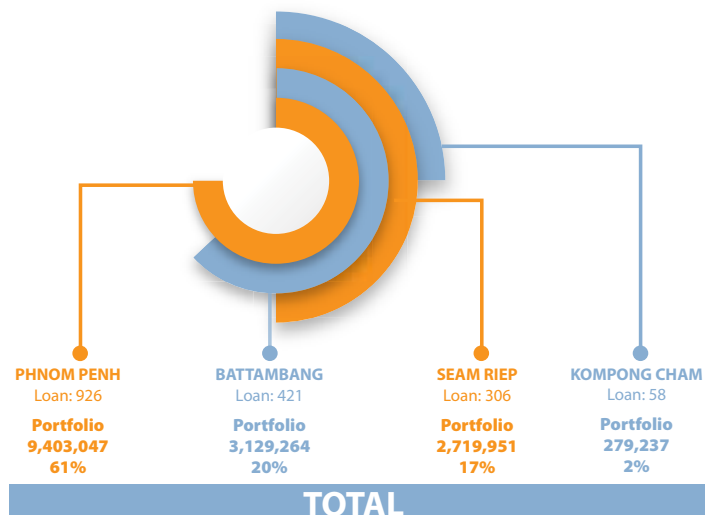
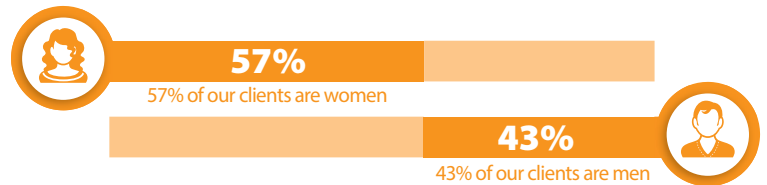
After four years of increasing profitability and a growing loan portfolio, we have moved into an exponential growth phase. In 2014 we increased our active loans by 81% to 1,711 and loan portfolio size to \$15,531,499. We increased the number of loans to women, with women now accounting for 57% of our loan portfolio. Self-employed small business owner's account for 43% of our borrowers, the majority of these have no access to formal finance because of their employment status.

We are serving Cambodian families in the major populated cities and provinces with branches in Phnom Penh, Siem Reap, Battambang and Kampong Cham. These branches also serve the provinces of Kandal, Kampong Speu, Pailin, Banteay Meanchey, Odor Meanchey, and Thbong Khmom.

First Finance continues to achieve our goal of effectively providing housing finance to low and middle income Cambodians.



Number of Female vs. Male clients 2009 - 2014



No. of Loans: 1,711
Portfolio value: 15,531,499

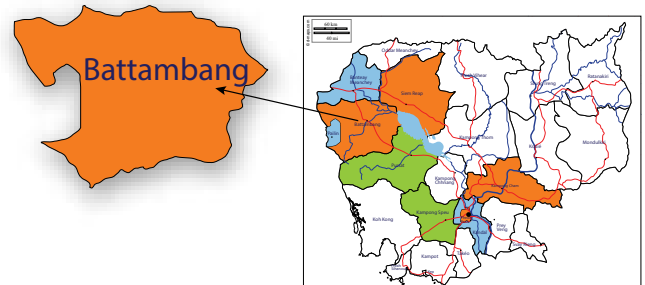
MEET SOKHOM AND SOKHAN FROM BATTAMBANG

Mrs Sokhom and Mr Sokhan are married with three young children. They borrowed \$8,000 from First Finance to renovate their old all wooden home into a much stronger and safer wood and concrete home.

Sokhom and Sokhan have a floating shop on Tonle Sap Lake where they sell groceries to the floating communities. Sokhom and Sokhan also have an old wooden home in Kampong Sambuor Village where their children stay with the grandparents during the week so they can attend school. However because the living conditions were so poor the children stopped going to school, preferring to stay with their parents on the lake. Sokhom and Sokhan earn an average of \$620 per month.

Sokhom and Sokhan wanted a safer and better home but even though they had saved hard they could not find any bank or MFI that would lend them money to improve their home. "My business at Tonle Sap Lake was a long distance and no bank or MFI wanted to go that far to evaluate it" said Sokhom; until they met First Finance through one of the First Finance agents.

"First Finance gave us a long tenure, competitive interest rate and we don't have to travel to a branch, we use our local WING agent to make repayments". Sokhom and Sokhan are very happy with their renovated home where they can "live with comfort and safety with my children". Now their children are very happy to stay in their new home in the village and attend school.





OUR STRATEGY

During 2013 First Finance transitioned from a start-up into a sustainable organisation with a proven home micro loan business model. Exponential growth occurred during 2014 with our loan portfolio nearly doubling and with this change in business phase, First Finance's short-term business strategy also shifted gears.

With client and portfolio growth – new front-line team members are needed. First Finance continues to look for economies of scale of client to credit consultant ratio, however this cannot be done at the cost of servicing the client. Managing and developing people is a vital function within any organisation but even more important for a service industry organisation like First Finance.

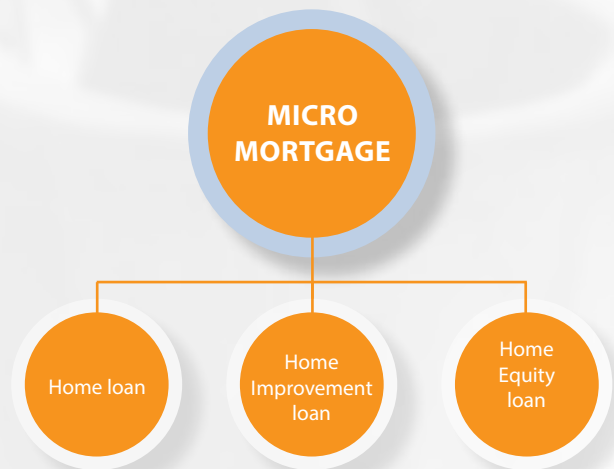
Though First Finance now has a stable and proven model – we cannot rest on our laurels. We must keep innovating and adapting as our clients and competitive environment changes. 2015 is a year where we continue to uncover what our clients need and then deliver what is necessary to meet those needs. It is a year where we build for scale through sound organisational structure adjustments, best practice client management and risk management processes, wise technology implementation, building strategic partnerships and activating smart marketing strategies.

Additionally, First Finance is working consistently with our lending partners to develop a greater understanding of what

types of funding is required to provide affordable housing finance options.

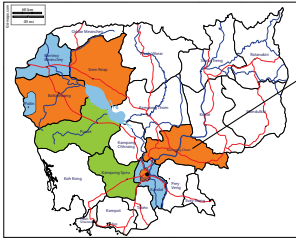
First Finance has a goal to:

- Build an expert and committed team
- Be open and alert to innovative strategies
- Strive for flexibility in every part of the organisation
- To give every Cambodian family an affordable opportunity to own their home and to have access to their equity so they can purchase or improve their assets e.g. Home improvement loan for renovations that increase livability and asset value.



MEET ENG LEANG SOPHEA AND THA FROM KAMPONG CHAM

“Our family dreamed of having our own home but we never thought it is possible because of our low income” said Mrs Engleang and Mr Sophea. Engleang has her own small business with her mother-in-law, Tha. They are vegetable sellers in the local area and Sophea works as a day-labourer in construction. Their three daughters are young and go to school.



When Engleang and Sophea heard a promotion about First Finance and how, unlike other lenders, First Finance accepts three close relatives as joint applicants; they were excited and wanted to find out more. Allowing three applicants helped Engleang and Sophea because they were able to include their mother’s income to calculate their borrowing capacity.

With their combined average monthly income of \$791 Sophea and Engleang were able to afford to take out a five year loan for \$11,500. They could have made the loan term longer and reduce their repayments but they wanted to pay it out as fast as possible.

Tha very generously donated Sophea and Engleang land for their home, something that is also common in Cambodian culture and this saving enabled Sophea and Engleang to build a two storied concrete house. They were so happy and proud when their house was built, and were able to move from the shared accommodation at Tha’s home and into their brand new home as an independent family of five.

“From now on we have a good house and better lives. We are now more happy to live in our own home compare with my parent’s house. Thank you so much!” beamed Sophea and Engleang as they stood beside their new home talking to Seanghy Eng their First Finance Credit Consultant.



OUR INVESTMENT PARTNERS

Shareholders



www.emergingmarkets.asia/



www.phillip.com.sg/



www.insitormanagement.com



First Home PLC

www.firstfinance.biz

Lenders



www.finnfund.fi/en_GB/Frontpage/



www.oikocredit.coop/



www.norfund.no/



www.bio-invest.be/

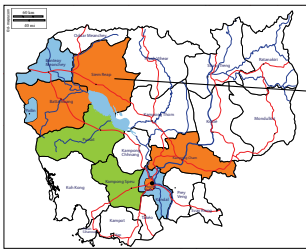


www.blueorchard.com/



www.triplejump.eu/

NOTE: First Home can be contracted via First Finance



MEET SOKH AND VUTHY FROM SIEM REAP

Mrs Sokh Tang and her husband Mr Vuthy Leang are both tailors, Sokh has her own business in the Lue Market and Vuthy is an employee at a tailoring shop. Together they earn \$310 per month (\$6.46 each per day, working six days a week) but they had a dream to have their own home. They were desperate to move out of their single rented room that they shared with their daughter because they were concerned that they may be evicted and this created constant underlying stress. They had no privacy with their rented room and this was very hard for Sokh and Vuthy. So they started saving and eventually bought some land with the hope of building a home.

Vuthy and Sokh had never applied for a loan before and made them nervous but when they heard from a friend that First Finance specialise in lending to first home buyers, they made an appointment. "Getting a loan from First Finance was very smooth and easy for us, we think it is good for other people too!" Sokh and Vuthy took out a five year loan for \$4,000 to construct their home on their land in Knar Village, Siem Reap.

On the day they moved into their home Sokh and Vuthy said "we wanted to say thanks to First Finance so much for helping us have our own house."



INDEPENDENT AUDITORS REPORT

We have audited the accompanying financial statements of First Finance Plc (“the Company” or “First Finance”), which comprise the balance sheet as at 31 December 2014, 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 44.

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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2014, 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.

Other matter

The financial statements of the Company as at end for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 25 March 2014.

For KPMG Cambodia Ltd



Phnom Penh, Kingdom of Cambodia

AUDITED FINANCIAL STATEMENTS

BALANCE SHEET

As at 31 December 2014

	2014		2013	
	US\$	KHR'000	US\$	KHR'000
ASSETS				
Cash on hand	1,711	6,972	2,000	7,990
Deposits with banks	3,694,102	15,053,466	1,442,189	5,761,545
Statutory deposits	146,348	596,368	114,469	457,304
Loans to customers	15,311,832	62,395,715	8,989,958	35,914,882
Other assets	313,505	1,277,533	198,346	792,392
Property and equipment	84,476	344,240	81,228	324,506
Intangible assets	42,645	173,778	-	-
TOTAL ASSETS	19,594,619	79,848,072	10,828,190	43,258,619
LIABILITIES AND EQUITY				
Liabilities				
Borrowings	14,707,648	59,933,666	7,664,648	30,620,269
Other liabilities	609,260	2,482,735	408,010	1,630,000
Provision for income tax	140,555	572,761	70,185	280,389
Total liabilities	15,457,463	62,989,162	8,142,843	32,530,658
Equity				
Share capital	2,289,370	9,329,183	2,289,370	9,146,033
Additional capital contribution and share premium	950,002	3,871,258	-	-
Retained earnings	897,784	3,658,469	395,977	1,581,928
Total equity	4,137,156	16,858,910	2,685,347	10,727,961
TOTAL LIABILITIES AND EQUITY	19,594,619	79,848,072	10,828,190	43,258,619

INCOME STATEMENT

for the year ended 31 December 2014

	2014		2013	
	US\$	KHR'000	US\$	KHR'000
Interest income	2,331,393	9,500,426	1,355,658	5,415,854
Interest expense	(885,112)	(3,606,831)	(497,282)	(1,986,642)
Net interest income	1,446,281	5,893,595	858,376	3,429,212
Other operating income	174,057	709,282	157,098	627,606
Operating income	1,620,338	6,602,877	1,015,474	4,056,818
Allowance for bad and doubtful loans	(214,432)	(873,810)	(34,166)	(136,493)
General and administrative expenses	(740,830)	(3,018,882)	(685,953)	(2,740,382)
Profit before income tax	665,076	2,710,185	295,355	1,179,943
Income tax expense	(163,269)	(665,321)	(83,677)	(334,290)
Net profit for the year	501,807	2,044,864	211,678	845,653

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

	Share capital	Additional capital contribution and share premium	Retained earnings	Total
	US\$	US\$	US\$	US\$
At 1 January 2013	2,289,370	-	184,299	2,473,669
Net profit for the year	-	-	211,678	211,678
At 31 December 2013	2,289,370	-	395,977	2,685,347
(KHR'000 equivalents-Note 4)	9,146,033	-	1,581,928	10,727,961
At 1 January 2014	2,289,370	-	395,977	2,685,347
Converted from borrowings	-	950,002	-	950,002
Net profit for the year	-	-	501,807	501,807
At 31 December 2014	2,289,370	950,002	897,784	4,137,156
(KHR'000 equivalents-Note 4)	9,329,183	3,871,258	3,658,469	16,858,910

STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

	2014		2013	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Net cash used in operating activities	(5,554,118)	(22,633,031)	(2,799,908)	(11,185,632)
Cash flows from investing activities				
Acquisition of property and equipment	(43,997)	(179,288)	(7,070)	(28,245)
Acquisition of intangible assets	(42,645)	(173,778)	-	-
Proceeds from disposal of property and equipment	35	143	-	-
Cash used in investing activities	(86,607)	(352,923)	(7,070)	(28,245)
Cash flows from financing activities				
Proceeds from borrowings	8,792,349	35,828,822	5,008,650	20,009,556
Repayments of borrowings	(900,000)	(3,667,500)	(903,141)	(3,608,048)
Cash generated from financing activities	7,892,349	32,161,322	4,105,509	16,401,508
Net increase in cash and cash equivalents	2,251,624	9,175,368	1,298,531	5,187,631
Cash and cash equivalents at the beginning of the year	1,444,189	5,885,070	145,658	581,904
Cash and cash equivalents at the end of the year	3,695,813	15,060,438	1,444,189	5,769,535
Increase in additional capital contribution and share premium as a result of conversion of :				
Borrowing from Cambodia Laos Development Fund ("CLDF")	850,000	3,463,750	-	-
Payable to Insitor Fund SCA	100,002	407,508	-	-
	950,002	3,871,258	-	-

OUR BOARD AND LEADERSHIP



Lee-Anne Pitcaithly / Executive Chairperson

Ms. Lee-Anne Pitcaithly comes to First Finance as the Executive Chairperson following seven years international experience in Mobile Financial Services. Working globally with the provision of financial services to the poor. Coming from a commercial management background and a career spent mainly in commercial banking, utilities, and telecommunications. Lee-Anne has previously held executive roles in WING Cambodia (Cambodia) and Grameen Foundation (Uganda). Residing in Cambodia Lee-Anne brings a wealth of knowledge in banking and innovation to First Finance. Lee-Anne continues to work as a consultant to the World Bank group globally for Digital Financial Services.



Talmage Payne / Director

Mr Talmage Payne is an entrepreneur and innovator. He is the founder of First Finance and has lived in SE Asia most of his adult life serving in both non-profit and for profit social impact sector. He was global CEO of Hagar International (protection and recovery of survivors of human trafficking), and helped establish Hagar in nine countries using their integrated non-profit and for profit model.

Talmage was the Country Manager for World Vision Cambodia and the founding Chair of VisionFund Cambodia. He also is the founder of Discovery Farms, Cambodia's largest certified organic farm and serves as a board director on a number of start-up companies. The Royal Cambodian Government has recognised his humanitarian work numerous times including twice receiving the People's Medal as well as the Royal Order of Sahametri.

Talmage has studied at Harvard Business School, Wheaton College, Wheaton Academy and the Kent Academy.



Nicholas Lazos / Director

Mr Nicholas Lazos is Co-founder and Investment Director of Insitor Management. Nicholas has worked in Cambodia for the last eight years, supporting social enterprises through their start-up stage. For Insitor Management, he leads all major equity investments and takes executive roles in portfolio companies. He is on the Boards of First Finance, Joma International, Mera Gao Power, and Khmer Water Supply Holdings. Prior to Insitor, Nicholas was General Manager of First Home PLC, the predecessor company to First Finance, where he managed the start up and development of the company until fully operational. He holds dual degrees in the Mathematical Methods in the Social Sciences program at Northwestern University.



Ong Teong Hoon / Director

Mr Ong Teong Hoon has over 30 years of banking experience in Asia and some years of experience in the microfinance sector. Mr Ong is a senior executive at Phillip Capital, one of Asia's leading financial houses and is currently a Director for Phillip Bank Cambodia and a director at Kredit microfinance Plc Cambodia. He is the Founding Chairperson for Hagar Design Pte Ltd and has held senior leadership roles in youth and detention rehabilitation programs. Mr Ong is also a founding Board member of First Finance Plc and journeyed with us through our rapid growth, challenges and successes.



Monisophorn Noun / Director

Ms Monisophorn Noun joined the First Finance Board in 2014. Sophorn is an experienced finance and investment professional in emerging markets. She has worked for Frontier Investment and Development Partners and PricewaterhouseCoopers. Currently Sophorn is the Investment Officer for Emerging Markets Investments (EMI) in Cambodia and participates on the Board of Directors for selected EMI investees.

Sophorn has a Bachelor's Degree in Economics, a Bachelor's Degree in Education and she completed her MBA in International Finance from Brandeis International Business School in the United States after winning a Fulbright Scholarship.



Brad Jones / Independent Director

Mr Brad Jones has worked in senior management and executive roles in the banking and payments industries in Asia Pacific, Middle East and Australia. His experience includes establishing start-up businesses in challenging developing markets to operations management in multinational banks. Brad was the founding Managing Director for WING Cambodia and has also held senior leadership positions in mobile innovation for Visa. Brad is currently the Managing Director, Mobile Financial Services for Telenor Myanmar. In addition to Brad's extensive corporate experience he has previously consulted to the World Bank Group, Grameen Foundation and DFID in the field of digital financial services.

Brad holds a Bachelor of Commerce from Griffith University in Australia, and Post Graduate business qualifications from the University of Queensland.



Paul Freer / Independent Director

Mr Paul Freer has more than 20 years senior-level experience in international banking as well as a successful background in project management, education and the not-for-profit sector in Cambodia. Paul spent his initial banking career in the UK before investing a further 15 years of his career working in Cambodia and the Lao PDR in senior management positions in both for-profit and not-for-profit organisations. Paul was previously CEO of Standard Chartered Bank in Cambodia, MD of Phongsavanh Bank in the Lao PDR and Head of Retail Banking with ANZ Royal Bank (Cambodia). He was also responsible for the entry of MARUHAN Japan Bank into the Cambodian market place where he was employed as Vice President and General Manager. Paul is currently the Chairman of the International School of Phnom Penh and now undertakes independent banking and MFI consultancies with The World Bank and other organisations.

Paul holds a Post Graduate Diploma in Business Management from the Southampton Business School in the UK.



Joshua Morris / Observer

Mr Joshua Morris is the founding Partner and Managing Director of Emerging Markets Investments (EMI), a Cambodian-based Investment Advisory business that manages the Cambodia-Laos Development Fund. Prior to founding EMI, Joshua was actively involved in private sector development and business consulting in SE Asia through his role as a co-founder of EMI's sister company, Emerging Markets Consulting.

Before relocating to Cambodia in 2004, Joshua held senior management positions in marketing and corporate development for technology start-ups and a NASDAQ-listed e-commerce business.

Joshua holds an MBA from Harvard Business School (1998) and a BA cum laude from Harvard University (1992).

SENIOR MANAGEMENT



Sothany Chun / CEO

Ms Sothany Chun started her career with World Vision Cambodia in 2002 as an internal auditor. From there Sothany quickly progressed through a number of roles, where she managed project design, proposal development, progress reviews and building connections with donors. In 2007 Sothany became Business Development Manager for VisionFund where she worked in fund acquisition, marketing, communication and product development. In 2008 she moved to WING, an ANZ (Australia) Bank startup mobile money transfer business, where Sothany developed strategy and managed sales, including motivating and empowering over 900 WING, commissioned based agents. In April 2011 Sothany joined First Finance as Chief Financial Officer and in August 2014 she was made CEO.

Sothany has a Bachelor of Management – Accounting, and a Masters in Organisational Development – MFI Management.



Sakada Heng / Phnom Penh Branch Manager

Mr Sakada Heng is the longest standing First Finance team member, starting as the Operations Coordinator in 2009 when First Finance was granted its license. Sakada progressed through a number of roles, to become Phnom Penh Branch Manager in 2013. He has a detailed understanding of Phnom Penh as he has lived here his entire life but he also has experience traveling abroad.

Sakada has completed two Bachelor degrees, one in Accounting/Finance and one in French language. He is currently completing a Masters in Risk Management - Insurance, Finance and Banking.



Rithy Ray / IT Manager

Mr Rithy Ray has over 10 years of IT experience gained working for International companies and in microfinance and banking. He held Country IT Administrator roles for Levi Strauss & Co. and Crown Holdings Inc., and worked for AMK microfinance and Union Commerce bank.

He holds a bachelor Degree in Business Administration.



Senghay Ly / Senior Internal Auditor

Mr Senghay Ly has over eight years of experience in internal audit; he has worked for NGO's, microfinance and Large Corporations. These included his position as Senior Internal Auditor for VisionFund Cambodia and positions with Cambodia Brewery Limited, Chevron (Cambodia) Limited and Mega Assets Management.

Senghay holds a Bachelor in Economics and is currently pursuing his ACCA/CPA qualification.



Setha Phuon / Siem Reap Branch Manager

Mr Setha Phuon has over seven years experience in the Cambodian microfinance sector. He started his microfinance career with VisionFund and quickly progressed to become Branch Manager. In 2013 Setha joined First Finance as the Siem Reap Branch Manager.

Setha has a Bachelor degree in General Management and also a teaching qualification in mathematics and physics.



Kimra Soth / Battambang Branch Manager

Mr Kimra Soth started his career with CARE International in 2004 before moving to Canadia Bank as a Chief Loan Officer and then Assistant Branch Manager. He started with First Finance in 2012 as Branch Manager for Battambang. Kimra knows the region and business conditions well as he has lived in Battambang since 1993.

Kimra has a Bachelor degree in Business Administration.



Tola Vann / Kampong Cham Branch Manager

Mr Tola Vann has worked in microfinance for over eight years, most of that time working for Thaneakea Phum Cambodia (TPC) as Sub-branch Manager. Tola has a strong connection and understanding of the region and has spent his whole life in Kampong Cham province.

He is starting his Masters degree in banking and risk management in 2015.




Veth Voleak / Finance Manager

Ms Voleak Veth has over seven years of experience in Accounting and Finance. Voleak has worked for an accounting firm, insurance and general business. She joined First Finance in 2012.

Voleak has completed a Bachelor degrees in Finance and Banking, Master of Business Administration and is currently pursuing her ACCA qualification.



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