



HOUSING SOLUTIONS PARTNER

15TH ANNIVERSARY
2009-2024

ANNUAL REPORT 2024





15 years as a Housing Solutions Partner

This year, First Finance proudly celebrates its 15th anniversary, marking a decade and a half of dedication to improving the lives of low- and middle-income Cambodian families. Since our establishment, we have been driven by a singular mission: to provide accessible and affordable housing finance to underserved families, empowering them to build better and more secure futures. Through our micro-housing loans to 12,500 families, we have transformed the lives of 60,000 individuals, enabling them to live with dignity, security, stability, and happiness.

Homeownership has been at the heart of our mission. By providing families with the means to own their homes and improve

their living conditions, we have created a ripple effect of positive change. Children now have a better living environment with access to clean water, home hygiene, and sanitation, allowing them to pursue their education. Women have the opportunity to engage in other jobs, contributing additional income to their families. This empowerment has fostered a sense of pride and stability within communities.

Our commitment to excellence has been recognized through various accolades. In 2012, we received the prestigious Asian Business Award for the growth category. In 2022, we were honored with the highest level of client protection certification, a testament to the best practices we have

implemented to safeguard our clients' interests. In 2024, we were recognized with the "Stakeholder Verified" Orange Seal from IIX, highlighting our commitment to promoting gender equality and environmental sustainability.

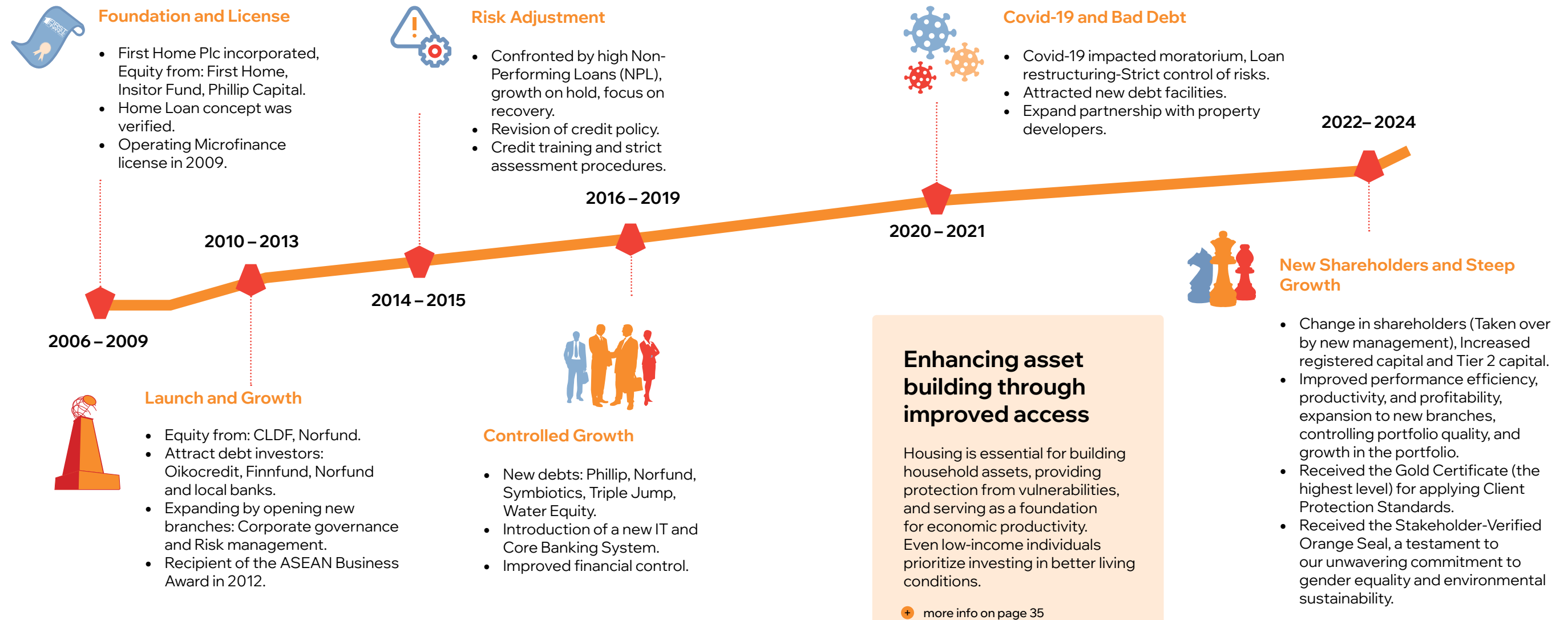
To bring our affordable housing services closer to the community, we expanded our presence by opening eight new branches from late 2022 to 2024. This growth ensures that more families can benefit from our services, furthering our mission to create secure and happy homes across Cambodia.

We extend our heartfelt gratitude to our clients, lenders, staff, management,

board members, and the National Bank of Cambodia for their unwavering support. Together, we have built a legacy of empowerment and transformation. As we look to the future, we remain committed to our mission and to the continued betterment of Cambodian families.

Thank you for being a part of our journey.

Development Background



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15 years as a housing solutions partner

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Welcome to our interactive PDF Annual Report 2024! This document is crafted to elevate your experience. For optimal viewing, we recommend using Adobe Reader. You can easily navigate through the report by clicking the links on each page or using the home button  located in the footer.

2024 at a glance

Financial



Loan portfolio
\$89.72M
↑ 14.66%



Total assets
\$93.21M
↑ 7.34%



Return on assets
1.13%
↑ from 0.36% FY 23



After tax profit
\$1.02M
↑ 330.74%



Return on equity
6.19%
↑ from 1.49% FY 23



Non-financial¹



90%

of total clients are
women



9,245

clients served



76%

of active clients who are
first-time homeowners



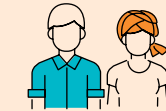
74%

of the total clients are self-
employed, worker, non-
evidence salaried



62%

of the total clients access
to WASH



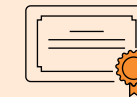
48%

of the total clients are
underserved²



87%

of the total clients are
living in rural area



Gold

Highest level of Client
Protection recognition

¹ Due to rounding, numbers presented throughout this section may not sum precisely to the total provided, and percentages may not precisely reflect the absolute figures.

² First Finance has categorized a group of clients who earn an income of less than \$300 per month as underserved. This group of people has little-to-no access to formal housing financial services due to their income status.

Client self-perception survey

In 2024, First Finance, a specialized Microfinance Institution in Cambodia, partnered with Oikocredit to carry out the second Client Self-Perception Programme. The goal of the study was to evaluate how First Finance's services have impacted clients both financially and non-financially. The research provided important insights into how affordable housing loans and related financial products have improved clients' living conditions, income, and ability to handle challenges such as extreme weather.

→ learn more at firstfinance.com.kh/reports



Who we are

First Finance Plc is the pioneering microfinance institution in Cambodia, specializing in providing micro-housing loans to low and middle-income Cambodians. This strategic positioning enables First Finance Plc to bridge the market gap, as most commercial banks primarily serve the wealthier segments of the Cambodian population. By extending its services to those typically excluded from formal housing financial services, First Finance Plc plays a crucial role in promoting financial inclusion and expanding access to affordable housing for a broader demographic.

First Finance Plc was established as a joint venture, bringing together prominent entities such as First Home Plc in Cambodia, Phillip Capital in Singapore, Insitor Fund in Luxembourg, Cambodia-Laos Development Fund, and Norfund in Norway. However, in June 2022, the company underwent a complete takeover, transitioning to a 100 percent local ownership structure under a new local shareholder.

Our people and culture

Building highly engaged, skilled, and accountable teams is crucial for achieving our strategy and delivering positive results for our customers, employees, communities, and shareholders.

+ read more on [page 45-46](#)

Our Code of Conduct helps our team stay aligned with our purpose and strategy by clearly outlining how we should behave and make decisions.

We are guided by our Values in everything we do.

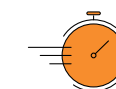
- . Integrity
- . Response
- . Innovation
- . Social Justice
- . Excellence

→ learn more about our core values at firstfinance.com.kh/about-us

Our leadership principles guide our leaders in understanding what it takes to lead effectively and successfully implement our strategy. Our corporate philosophy is very simple: **We think like customers and act like owners.** Our approaches are even simpler:



Offer market-driven products and services



Provide simplified procedures and fast processing



Operate with flexibility and transparency



Demonstrate integrity and ethics in all business practices

Who we are (cont.)

At First Finance, we believe that homeownership is a transformative step toward improving lives. Owning a home provides families with stability, enabling them to focus their time and energy on other important aspects of life. Children can concentrate on their education, women can pursue careers or start businesses, and families can build stronger connections within their neighborhoods and communities. These relationships foster growth, self-respect, and a deeper sense of belonging. Additionally, homeownership enhances a family's identity, physical security, and overall well-being, creating a foundation for a brighter future.

Our business

We offer a range of long-term home loans, home improvement loans, residential land loan, home equity loans and medium-term living improvement loan (micro-business loan).



Home Loan



Home Improvement Loan



Residential Land Loan



Home Equity Loan



Micro-Business Loan

Our stakeholders

By understanding what our stakeholders need and expect, we can appreciate their diverse perspectives and deliver outcomes that benefit everyone. Our goal is to build trust and enhance our reputation by prioritizing our customers' needs and making meaningful contributions to the community.



Client



Our people



Communities, industry and civil society



Investors



Government and regulators



Suppliers

Message from the Board Chairperson



Strong governance creates more than homes—it creates stability for families, opportunities for communities, and contributes to a sustainable future for Cambodia.

Hanco Halbertsma
Chairman of the Board

First Finance – a new Beginning

I would like to start my note in this Annual Report by congratulating and thanking the management team and owners of First Finance who took over the reins two and half years ago. During 2024 the team continued to invest much effort and time to further enhance the operations, to grow the portfolio and number of clients, to raise debt funds, to create many new jobs, to expand the branch network and to gain better control over the credit and business risks.

Having laid a new foundation for a much larger and more successful First Finance comes at a time that the company is in its 15th year of operation. Therefore, the Board and Management are very happy that at a time of this success we are celebrating our 15th Anniversary.

Strong performance in 2024

The 2024 results show a portfolio of US\$ 90 Mn to over 9,000 clients, a growth of nearly 15% from 2023, which is modest compared to previous years but still significant considering the current economic climate and compared to many of its peers. The company's net profit reached US\$ 1 Mn, resulting in a Return on Assets of more than 1% and a Return of Equity of more than 6%, much of an improvement from the previous years. This strong result will ensure that First Finance is steadily increasing its scale and continue to have a social impact to the welfare of our clients, nearly half of them with an income of less than US\$300 per month and about 90% of them are female borrowers. No doubt that First Finance has a significant impact to the Cambodian affordable housing sector as a whole.

Embedded environment social governance (ESG) focus

First Finance will continue to focus on achieving ESG objectives and will closely monitor those efforts by having delegated that task to a newly established Sustainability Steering Committee. This committee will oversee the definition of specific KPIs related to ESG objectives, as well as the introduction of several evaluation and monitoring tools that will lead to a significant impact on reaching these objectives. The Board wholeheartedly supports this initiative because it is very important that also First Finance contributes to a reduction of its own GHG emission, as well as that of its clients.

The recognition of our efforts with the Stakeholder-Verified Orange Seal reflects our commitment to gender equality and environmental sustainability.

➔ find out more about orange seal at www.orangemovement.global

Increasing market need for affordable housing finance

Despite the apparent wealth of a large segment of people in Phnom Penh and in some of the other larger cities, there are still many families having to live of a low income in those cities and in the rural areas. There is still a clear need to avail loans with a relatively small monthly instalment to those families that wish to build or buy a low-cost house. Considering this widening wealth gap and a steep increase in land prices, the need to support families that require affordable

housing has become even more relevant and necessary. There are several affordable housing initiatives have been launched by private sector groups in Phnom Penh and other locations, as well as some measures by The Ministry of Economy and Finance (through tax incentives) to promote home ownership in the affordable segment. This shows that this segment of the housing sector is enjoying more focus, that it is growing and that there is still a meaningful role for First Finance to play in the affordable housing market. First Finance therefore will stay true to its mission to build the economic stability of low-income Cambodian families by increasing access to home ownership through the provision of finance.

Positive outlook 2025

Thanks to these private sector and government initiatives and considering the expected 5-6% growth rate of the economy, the outlook for 2025 seems promising. However, the actual market situation is challenged by a reduction of income for many families leading to a reduction of disposable income across social segments. At the company level there are also some challenges, such as expensive funding, higher credit risk cost, increased competition from larger financial institutions and a stagnating real-estate sector.

Going forward, during 2025, First Finance's portfolio growth will still be significant and higher than many of its peers but modest compared to the previous years. To limit the impact from these challenges it is therefore important that First Finance will continue to focus on improving risk assessment, on reducing the operating cost, on renewing its CPP "Gold" certification, on capacity building and on geographic expansion.

At the start of this special year, during which we will celebrate a milestone anniversary of 15 years, I would like to thank our client-families, our funding partners and the government for their continuing support and to wish the First Finance team a successful 2025!



Hanco Halbertsma
Chairman of the Board



Assisting families to create a safe living environment for their children.

Mrs. Phearom Vann, a hardworking 40-year-old, lived with her husband and two daughters in Kampong Speu province. They dreamed of a better home, as their small, 5x6 meter house lacked a proper toilet, making nights difficult. Phearom also worried about the house's fragility during heavy rains and storms.

For years, the couple saved diligently, sacrificing comforts. Phearom sold desert near a garment factory, working tirelessly and hoping for a brighter future.

One day, Phearom met a First Finance staff member at a promotional event and learned about home construction loans. This made her dream seem achievable. The possibility

of providing her daughters with a safe, comfortable home filled her with excitement.

After careful consideration and family discussions, Phearom applied for a \$15,000 loan. The 60-month repayment plan seemed manageable.

The loan was life-changing. Phearom quickly hired local builders to construct a sturdy new house. A clean, hygienic toilet was a priority, greatly improving their daily lives. They also invested in raising the land to prevent flooding.

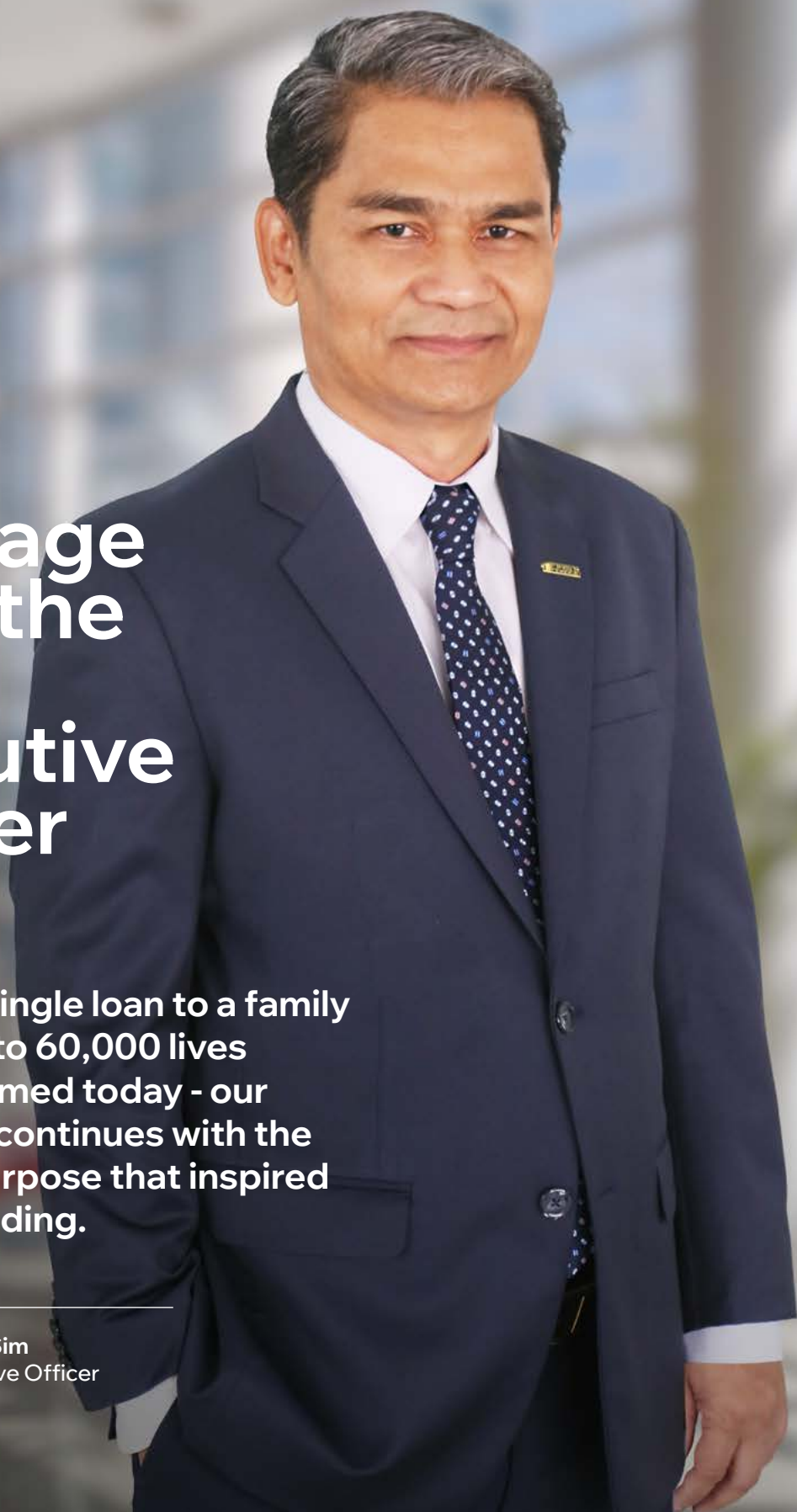
The new home became their sanctuary. Phearom's daughters, who had felt insecure, now had a safe, peaceful place to live. The loan not only gave them a house but also a more secure and hopeful future.

Message from the Chief Executive Officer



From a single loan to a family in 2009 to 60,000 lives transformed today - our journey continues with the same purpose that inspired our founding.

Senacheert Sim
Chief Executive Officer



A legacy of transformation: fifteen years of empowering Cambodian families

As I reflect on our journey through 2024, I am filled with profound gratitude for the trust placed in us by the families we serve, the dedication of our team, and the unwavering support of our partners. This year not only marks our 15th anniversary but also stands as a testament to the enduring power of our mission: to create pathways to homeownership for Cambodia's underserved communities.

Our strategic achievements

The context in which we operate has shaped our work significantly. In 2024, the Cambodian economic landscape presented both challenges and opportunities. The Asian Development Bank maintained its growth forecast at 6.0%¹, but we witnessed notable sectoral shifts. Cambodia's exports rose by 16.9 percent in 2024 with a value of US \$26 billion according to the General Department of Customs and Excise of Cambodia (GDCE), while the real estate and construction sectors continued to experience softness. Additionally, concerns about household indebtedness across the microfinance sector grew.

Despite these challenges, First Finance's specialized affordable housing finance model displayed remarkable resilience. Our ability to maintain a non-performing loan ratio of just 5.95%—significantly lower than the sector average of 14.70%—reflects the strength of our underwriting processes and the fundamental need for our services.

In terms of strategic achievements, we focused on controlled portfolio growth, increasing our loan portfolio by 14.66% to \$89.72 million while adhering to strict credit discipline. Notably, 25% of our portfolio supports home purchasing and construction, 54% facilitates home improvements, and 12% enables land purchases for future development.

Geographically, we expanded our reach purposefully by adding two new branches in Samaki Monichey and Ponhealeu. This allowed us to serve an additional 1,667 families this year, bringing our total number of active clients to 9,245.

Our deepening social impact is reflected in the findings from our 2024 Client Self-Perception Survey, conducted in partnership with Oikocredit. The report shows that 79% of clients with children under 15 years of age have their children in school, 76% of them have savings, and 66% have improved their toilet and sanitation facilities.

➔ read more on Client Self-Perception Survey Report 2024 at www.firstfinance.com.kh/reports

Operational excellence has been the foundation of our success. Our commitment to operational rigor included revised credit policies and enhanced recovery processes, which maintained portfolio quality despite economic headwinds. The implementation of our data protection policy and with equipped security tools improved efficiency and data security, while an average of 63 training hours per employee strengthened our institutional capacity.

Our financial stewardship in 2024 demonstrates sustainable growth. Our total assets reached \$93.21 million, marking a 7.34% increase from the previous year. We recorded a net profit of

¹ www.adb.org/news/cambodia-economy-set-grow-tariff-risks-cloud-outlook-adb

\$1.02 million, a 330.74% rise, and improved our return on assets to 1.13%.

Supporting our clients and communities

In addition to our financial achievements, we are deeply committed to enhancing financial literacy among our clients. Through initiatives like the "Home Sweet Home" comic series, we provide essential knowledge on financial management and responsible borrowing. Our aim is to equip families with the tools they need to make informed decisions, ensuring that homeownership is a sustainable and transformative milestone.

➔ Learn more about "home sweet home" at www.firstfinance.com.kh/financial-tip-in-comic-book

As part of our corporate responsibility, we sponsored the construction of a kindergarten, provided school materials, and funded the printing of financial educational materials.

Fifteen years ago, First Finance was founded on a simple but powerful idea that every Cambodian family deserves the security and dignity of homeownership. As we celebrate our anniversary, we renew our commitment to this vision—not just through financial services, but by laying the

foundations for generational prosperity.

The year ahead will undoubtedly present challenges, but with our strong fundamentals, experienced team, and clear strategic direction, I am confident in our ability to create lasting value for all our stakeholders.

We would like to extend our deepest appreciation to the Board of Directors; the management team and staff whose dedication turns our mission into reality. We also thanked the National Bank of Cambodia for their prudent regulatory guidance, our funding partners, and our clients who have entrusted us with their homeownership dreams.



Senacheert Sim
Chief Executive Officer



The Key to a Better Life

For two decades, Mrs. Sokpoun Lorn, Mr. Mao Hong, and their five daughters lived in a cramped 6x8 meter house. Despite their strong family ties, the limited space was a constant struggle, especially as the girls grew. Their hard work at their small shop and moto repair service covered basic needs, but a better home felt out of reach.

Even after two daughters moved out, the remaining family desperately needed more personal space. Sokpoun and Mao longed to provide a comfortable and dignified home for their children, a place offering some privacy. Sadly, their small savings made this seem impossible.

Supported by two other daughters working in garment factories, Sokpoun bravely took out a \$13,000 loan with affordable monthly payments over sixty months.

The impact of First Finance's loan was immediate and significant, dramatically improving their living conditions. The new 6x12 meter house, with an attached toilet and separate, clean kitchen, brought immense relief. The end of constant overcrowding created peace and personal space, crucial for their growing daughters. Moreover, First Finance's support went beyond the house, enabling them to invest in their businesses, slightly expanding their shop and improving the repair area, promising greater financial stability and a more secure future.

Sokpoun's heartfelt gratitude towards First Finance highlighted the transformative power of their affordable loan.

Areas of operations



15

branch offices
↑ from 13 FY23



372

total staff
↑ from 371 FY23

Our products and solutions



Home Loan

A long-term financing solution for those who want to purchase a house or construct a new house on pre-owned land.

25%



of total loan portfolio

1,436



active clients



Home Improvement Loan

A long-term financing solution for those who want to renovate or expand an existing home.

54%



of total loan portfolio

5,765



active clients



Residential Land Loan

A long-term financing solution for those who purchase land for home construction.

12%



of total loan portfolio

1,018



active clients



Living Improvement Loan

A mid-term-loan provides the funding for homeowners to take a loan against their property, in order to start a small business and/or seek business improvement.

7%

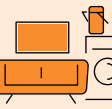


of total loan portfolio

980



active clients



Home Equity Loan

A long-term financing solution for individuals purchasing household equipment and personal items.

2%



of total loan portfolio

341

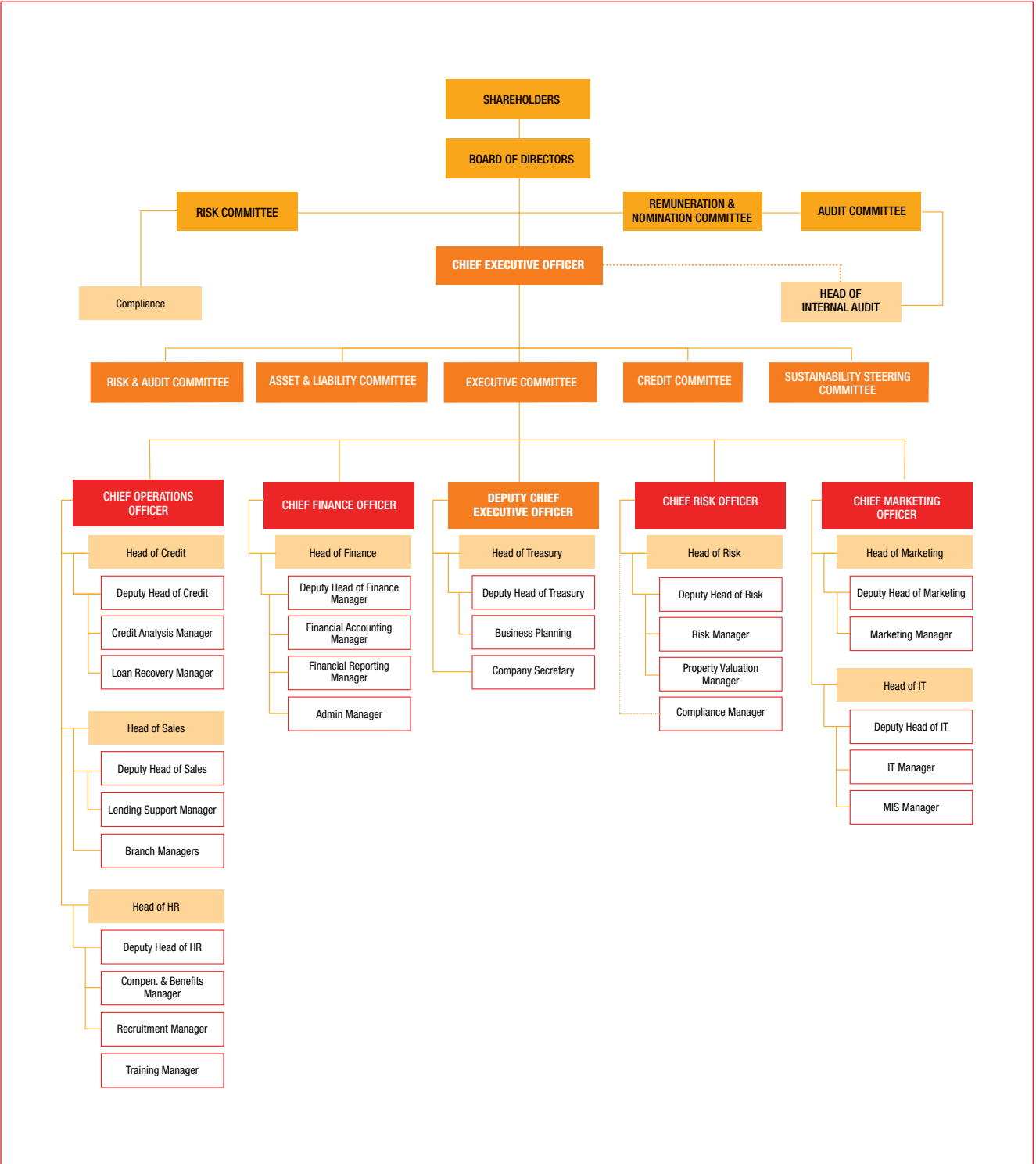


active clients

First Finance Lenders





Organizational chart



Directors' qualifications, experience and special responsibilities

As at the date of this report, the Board comprises two independent director, one Non-Executive Directors and two Executive Director, the Chief Executive Officer and Deputy Chief Executive Officer.

 RISK COMMITTEE

 REMUNERATION AND NOMINATION COMMITTEE

 AUDIT COMMITTEE



Hanco Halbertsma
Independent Director,
Chairperson

Chair
 **Member**
 

Qualification
Master of Business Administration degree

Responsible
Chairperson

Career
Mr Hanco Halbertsma is a strategy advisor to banks, finance companies, and microfinance institutions in emerging markets and to (potential) investors in financial institutions. For 25 years he worked on many projects as an expert in retail and business banking, micro finance, SME finance, credit risk management, corporate governance, and receivable finance. As Chairperson of First Finance,

Hanco is supporting the company in areas such as strategy, funding, credit risk management, financial management, and capacity building.

Previous experience in Cambodia included a six-year board directorship at PRASAC MFI, the country's largest microfinance company. He was a board director of several other companies in Hong Kong, India, and Sri Lanka.

He is the founder of Priority Project Limited (PPL), a specialist financial-sector consulting group with a focus on strategic and operational advice to financial services companies and investors in Asia. This followed a 16-year career at ING Group of which nearly 8 years with ING-IGA, an emerging market consulting group.



Sou Vanthan
Independent Director

Chair
 **Member**


Qualification
Master of Public Administration degree and a Diploma in Banking

Responsible
Independent director

Career
Mr. Vanthan has more than 30 years of experience in various positions with PRASAC MFI, NBC, and other MFIs in the roles of credit officer, accountant, micro banker and teller, internal auditor and field supervisor, district bank manager, provincial

credit coordinator, vice-credit manager, branch manager, area manager, and regional manager. He rejoined PRASAC in 2009 as the Human Resource Manager. He was promoted to Senior Vice-President and Chief Human Resource Management in 2010 and retired in 2017.



Oum Sophan
Director

Member
  

Qualification
Master of Business Administration degree and a Bachelor degree in Economics, specializing in Banking and Finance.

Responsible
Director

Career
Mr. Sophan had many years of experience in the field of accounting management, banking and finance management and CFO positions in other MFIs, Commercial Banks,

NBC, as well as private companies. He joined PRASAC MFI as Deputy General Manager and Chief Financial Officer in 2007 until early 2022.



Sim Senacheert

Director, Chief Executive Officer

Member



Qualification

Master's and a Bachelor degree of Business Administration and obtained a Diploma in Accounting and Finance

Responsible

Director and Chief Executive Officer

Career

Mr. Senacheert previously worked in the banking sector and started working with PRASAC MFI in 1995 as a Credit Officer and was

promoted to various positions such as Accountant, Branch Manager, MB Trainer and Supervisor, and Finance Manager. Since mid-2002, he has held the positions of Branch Manager, Operations Manager and Deputy CEO with another MFI before re-joining PRASAC as President and Chief Executive Officer in late 2003 to early 2022.



Chea Hang

Director, Deputy Chief Executive Officer

Member



Qualification

Master of Business Administration degree and a Bachelor degree in Accounting and Finance

Responsible

Director and Deputy Chief Executive Officer

Career

Mr. Chea Hang has many years of experience in the field of finance, accounting, procurement, human resource management, credit, banking services, organization methodology, legal, corporate

governance, corporate strategy, business planning, and project management. He held various positions such as Finance and Administration Manager, Senior Finance Procurement and Administration Adviser, Chairman of the Board of Directors of PRASAC MFI, Vice-President and Senior Manager of Corporate Strategy and Business Planning Departments and was promoted to Executive Vice-President and Chief Corporate Strategy and Business Planning Officer. He is also a member of the Board of Directors of PRASAC Staff Company (PSCo) and Chairman of PRASAC Financial Trust.

HOME IMPROVEMENT LOAN
50,000 USD
TENURE UP TO 10 YEARS

DECIDE ON THE PARTS OF YOUR HOME'S RENOVATION FOR BUDGET, CONSULT WITH FIRST FINANCE

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FIRST FINANCE



Executives’ qualifications, experience and special responsibilities

From left to right: Mr. Chub Veasna, Mr. Chea Hang, Mr. Sim Senacheert, Mr. Say Sony, Mr. Neang Sokhim, Mr. Yang Kimsreng



Sim Senacheert

Director, Chief Executive Officer

Qualification

Master’s and a Bachelor degree of Business Administration and obtained a Diploma in Accounting and Finance

Responsible

Director and Chief Executive Officer

Career

Mr. Senacheert previously worked in the banking sector and started working with PRASAC MFI in 1995 as a Credit Officer and was promoted to various positions such as Accountant, Branch Manager, MB Trainer and Supervisor, and Finance Manager. Since mid-2002,

he has held the positions of Branch Manager, Operations Manager and Deputy CEO with another MFI before re-joining PRASAC as President and Chief Executive Officer in late 2003 to early 2022.



Chea Hang

Director, Deputy Chief Executive Officer

Qualification

Master of Business Administration degree and a Bachelor degree in Accounting and Finance

Responsible

Director and Deputy Chief Executive Officer

Career

Mr. Chea Hang has many years of experience in the field of finance, accounting, procurement, human resource management, credit, banking services, organization methodology, legal, corporate governance, corporate strategy, business planning, and project management.

He held various positions such

as Finance and Administration Manager, Senior Finance Procurement and Administration Adviser, Chairman of the Board of Directors of PRASAC MFI, Vice-President and Senior Manager of Corporate Strategy and Business Planning Departments and was promoted to Executive Vice-President and Chief Corporate Strategy and Business Planning Officer. He is also a member of the Board of Directors of PRASAC Staff Company (PSCo) and Chairman of PRASAC Financial Trust.



Neang Sokhim
Chief Risk Officer

Qualification
Master of Business Administration degree and obtained a Bachelor degree of Science in Agronomy.

Responsible
Chief Risk Officer

Career
Mr. Neang Sokhim is accredited under the Microfinance Training of Trainers course certified by Asian Development Bank Institute (ADBI), Tokyo Development Learning Center (TDLC) of the World Bank (WB), and United Nations Capital Development Fund (UNCDF). He holds a Master of Business Administration degree and obtained a Bachelor degree of

Science in Agronomy in 1997. He has attended many courses related to microfinance operations and other topics.

He has more than 20 years of experience, starting in the microfinance sector in 1998 as a Credit Officer. He was then promoted to be a Junior Internal Auditor, and then a Senior Internal Auditor, Deputy Operation Manager, Deputy Credit Manager, Credit Manager, and in 2010 promoted to Senior Vice-President and Chief Business Officer of PRASAC MFI until 2022.



Yang Kimsreng
Chief Finance Officer

Qualification
Master's degree in Business Administration specializing in banking and finance and obtained a bachelor's degree in accounting and an associate degree in banking.

Responsible
Chief Finance Officer

Career
Mr. Kimsreng has many years of experiences in the field of finance, accounting, treasury, procurement and banking service. He has attended numerous local and international training courses in Asia and Europe.

He has more than 23 years

of experience, starting in the microfinance and MDI sector. He held various senior positions for more than 16 years starting as an accountant at PRASAC in 1998 then was promoted to Accounting Manager, and then Micro-Banker System Support Manager, Deputy of Manager of Finance Department, VP & Manager of Finance Department, and in 2017 promoted to Vice-President & Senior Manager of the Finance Department of PRASAC MFI until 2022.



Say Sony
Chief Marketing Officer

Qualification
Master of Business Administration degree and a Bachelor in Marketing Management degree.

Responsible
Chief Marketing Officer since. Mr. Sony is a chair of Sustainability Steering Committee.

Career
Mr. Sony has more than 20 years of experience in marketing management, product development, customer service management, branding management, and microfinance management. He joined PRASAC MFI in early 2005 as the Chief of Mar-

keting and was promoted firstly to the role of Marketing Manager, and in 2010 promoted to Vice-President and Chief Marketing Officer PRASAC MFI until early 2022



Choub Veasna
Chief Operations Officer

Qualification
Master of Business Administration degree; specializing in banking and finance and has a Bachelor degree in Economics; specializing in banking and finance.

Responsible
Chief Operations Officer

Career
Mr. Veasna has more than 20 years of experience in the banking and microfinance sector. He joined PRASAC MFI in 2002 as a credit officer; and he was gradually promoted to Sub-branch Manager, then to Branch Manager, Lending Unit Manager,

Vice-President, and Manager of the Product Development Department and in 2020 promoted to Executive Vice-President and Chief Human Resources Officer of PRASAC MFI until early 2022.

Supporting inclusion and economic prosperity for everyone

Enhancing asset building through improved access

Housing is essential for building household assets, providing protection from vulnerabilities, and serving as a foundation for economic productivity. Even low-income individuals prioritize investing in better living conditions.

Many Cambodians still face challenges with overcrowded living situations, with the average household accommodating 3.2 people¹ in a single room. About 58%¹ of households occupy dwellings with only one room, and 30%¹ have two rooms.

Access to safe and secure housing is a fundamental need. Since its inception, First Finance has been committed to ensuring that every Cambodian has the opportunity to achieve their dream of homeownership and improved living conditions. Our affordable housing finance product has improved the lives of over 60,000 low- and middle-income Cambodians within this 15 years.

To bring our affordable housing finance product closer to the communities in need, in addition to the two new branches opened in 2024, we are in the process of expanding our operational area to six additional provinces: Takeo, Prey Veng, Svay Rieng, Kampong Thom, Pursat, and Kampong Chhnang. These six branches will be ready to serve clients by early 2025. By December 2024, our portfolio accounted for USD 89.72 million with a total of 9,245 clients. Approximately 81% of our clients were self-employed, had non-evidence salaries, or were workers. Additionally, 87% of our clients live in rural areas, and 67% have used their loans to improve their water, sanitation, and hygiene (WASH) conditions.

In addition to financing homeownership, First Finance aims to contribute to the overall development of local communities by providing families with the opportunity to create safer and more comfortable living environments.



→ read more on Client Self-Perception Survey Report 2024 at www.firstfinance.com.kh/reports



We believe that homeownership is a powerful tool for breaking the cycle of poverty. Our priority is to empower underserved communities by providing them with access to affordable housing finance.



Mr. Choub Veasna
Chief Operations Officer



9,245

client served

↑ from 6,578 FY23



15

branch offices

↑ from 13 FY23

¹ Source from Cambodia Socio-economic survey 2021



Empowering homeownership and financial literacy

First Finance remains steadfast in its commitment to providing affordable housing loans to all Cambodians, regardless of their economic status, with a particular focus on underserved communities. Our mission is to enable these communities to achieve homeownership and improve their living conditions.

By the end of 2024, we were proud to have supported approximately 9,500 families in enhancing their living environments. These families utilized our loans to build new homes, expand existing spaces, or improve essential facilities such as hygiene and sanitation. These developments have contributed to healthier and more secure living conditions, particularly benefiting the children and the women in these households.

We recognize that undertaking a housing loan is a significant responsibility and a long-term commitment. It requires discipline, careful planning, and strong financial management. Beyond housing finance, First Finance is deeply dedicated to advancing financial literacy among our clients. Through educational programs and resources, we equip our clients with the knowledge and skills to manage their finances effectively.

By fostering financial literacy, we empower individuals to make informed decisions about their housing investments and overall financial well-being. Our goal is to support their journey toward long-term financial stability, ensuring that homeownership becomes a sustainable and transformative milestone in their lives.

Our educational program

Financial literacy through Comic book "Home Sweet Home"

"Home Sweet Home" is a comic-style short story series that depicts the daily life of a lower-middle-class couple. Each episode conveys educational messages on family financial management, the loan approval process, product features, effective loan usage, and scam prevention.

In 2024, we produced 12 episodes and disseminated them through our online channels. We plan to continue producing additional episodes in 2025.

Additionally, approximately 300 short tips have been developed and shared on our Facebook channel, a popular social media platform in Cambodia.

➔ Learn more about "home sweet home" at www.firstfinance.com.kh/financial-tip-in-comic-book

Property Rights Literacy

In addition to financial literacy, we have developed educational content related to property rights. This includes topics such as property-related taxes, title transfers, selecting a reputable property developer, and more. These materials are primarily focused on first-time homeowners.

HOME LOAN
100,000 USD
TENURE UP TO
10 YEARS

**CHOOSE YOUR
PREFERRED HOUSE STYLE
FOR BUDGET, CONSULT WITH FIRST FINANCE**

☎ 093 666 635 🌐 firstfinance 🌐 www.firstfinance.com.kh

**FIRST
FINANCE**

Our commitment to sustainability



Our approach to sustainability

We are committed to continually evolving and embedding sustainability into our strategy and risk management practices. This involves regularly updating our policies, systems, and processes to align with our sustainability priorities. Additionally, we are enhancing our reporting standards to align with international frameworks, ensuring that stakeholders receive transparent, consistent, and comparable sustainability-related information.

Our commitment to sustainability is clearly defined, reflecting stakeholder priorities and supporting the United Nations Sustainable Development Goals (SDGs).

With a well-structured framework and clearly assigned responsibilities, the Sustainability Steering Committee has actively monitored sustainability performance and identified material risks. As a result, we have incorporated additional risks related to credit and operational processes into our risk management framework.

To ensure comprehensive oversight, we provide quarterly updates to the Board on Environmental, Social, and Governance (ESG) performance, client complaints, exit surveys, and impact survey results. These updates enable the Board to remain informed about our sustainability progress and performance, reinforcing our commitment to transparent and responsible operations.



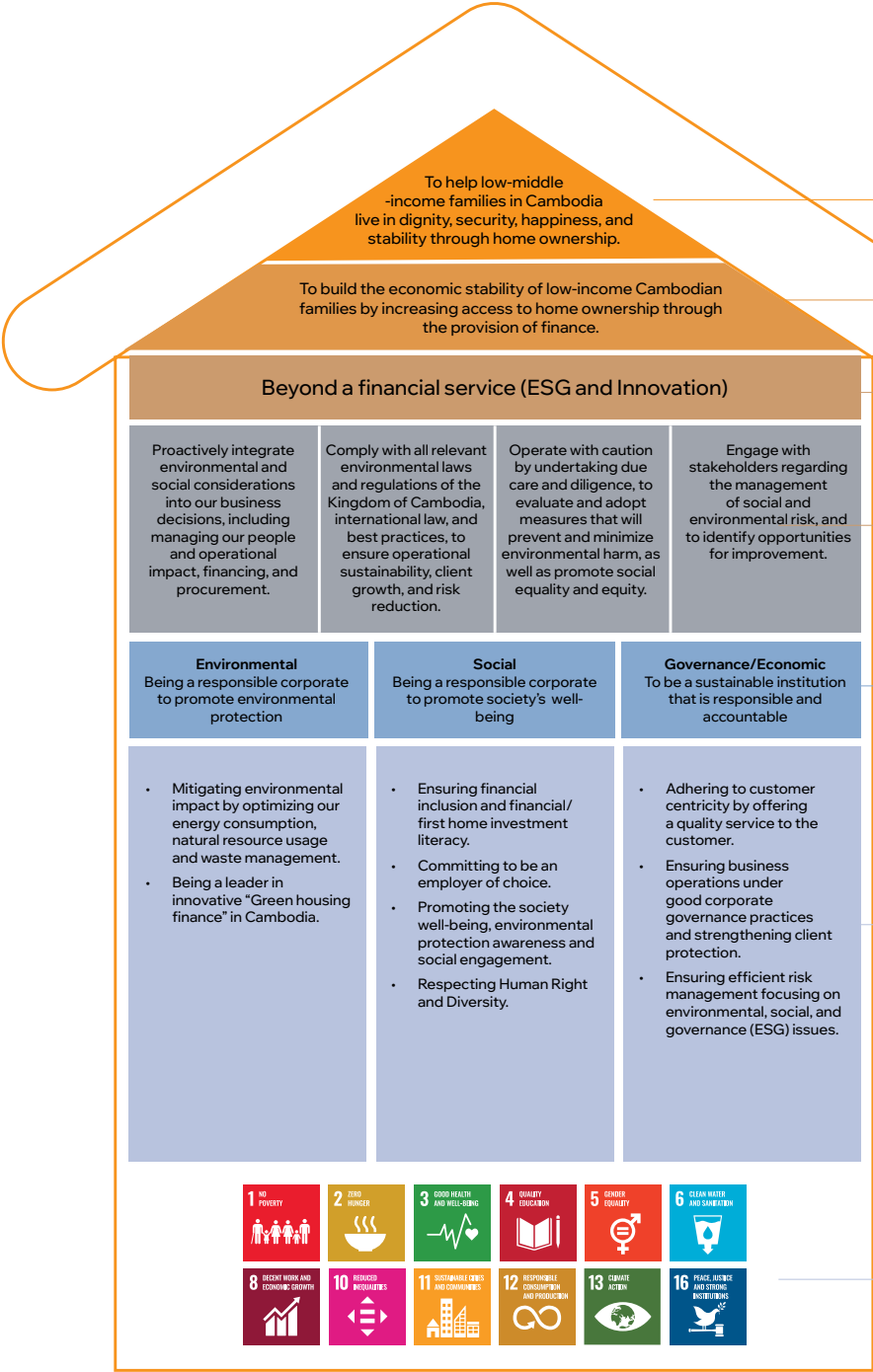
In October 2024, First Finance proudly received the Stakeholder-Verified Orange Seal, a testament to our unwavering commitment to gender equality and environmental sustainability. This prestigious award underscores our dedication to fostering responsible, inclusive, and ethical growth.

The Orange Seal, powered by IIX Values™, is an internationally recognized tool that measures and rates organizations on their progress in fostering gender equality and environmental sustainability. Receiving this certification highlights First Finance's ongoing commitment to promoting gender equity and advancing climate action.

→ find out more about orange seal:
www.orangemovement.global

Photo above left: Mr. Say Sony, Chief Marketing Officer, Chairman of the Sustainability Steering Committee

Sustainability Framework



Vision

Mission/
Purpose

Sustainability
Development

ESGs Principle

ESGs Strategy
Pillar

Strategic
Goals

Contribution
to UN SDGs

Environmental

Our strategy is shaped by our insight into the potential effects of environmental issues on our business, as well as the impact our operations may have on the environment.

Climate strategy

We are committed to supporting Cambodia's transition to a net-zero economy by 2050. This involves managing the risks and opportunities of climate change, raising awareness among our clients, and advocating for an inclusive transition.

To guide our lending activities, we have implemented our ESG framework, environmental and social performance management policy, and credit policies, while tracking progress toward our sustainability targets. Although our portfolio may not have a significant impact on the environment, we still review our clients' businesses to ensure they do not harm the environment. This includes annual monitoring for loans greater than USD 30,000. In 2024, we re-evaluated 38% of our total loans to check if their income sources were environmentally adverse. Additionally, we actively monitor our energy consumption per product/service production compared to the baseline.

Environmental Adverse Impact Resulting from Client's Income

Impact	# loan	Environmental risk expose
Environment	60	All defined as low risk
Safety and Health	12	1 case among this defined as medium risk while the rest are low.
Health and environment	3	All defined as low risk

Our focus is on providing affordable housing finance to individuals customer. Less than 10% of our portfolio is for income generation from a micro business. Decarbonizing Cambodia's electricity remain the priority step need for Cambodia to achieve net zero emission by 2050 and a key factor in achieving the institution emissions targets.



Managing our operational environmental impacts



Our commitment to monitoring and reducing operational emissions remains a top priority. We continue to implement initiatives such as replacing branch office signature spotlights with LED solar panels, minimizing air travel, we have increased the use of online meetings, resulting in no air travel for management in 2024.

We have increased awareness and understanding of environmental issues as well as encourage sustainable practices and behaviors through sharing the education content related to household waste management and energy saving via First Finance's social media channels and we

also provide training to our staff annually.

➔ for more content related environment awareness content at firstfinance.com.kh/resources-tips

From 2022 to 2024, as we scaled up our business operations, our overall energy consumption increased annually. However, we have strived to maintain or even reduce material/energy consumption per service or product production¹ compared to the baseline.

Material	2024	2023	2022
Total Annual Consumption			
Gasoline (liters) ²	156,921	126,866	44,956 (baseline)
Electricity (Kwh)	259,238	237,643	187,499 (baseline)
Water (m3)	1,688	3,313 (baseline)	-
Paper (kg)	4,713	3,770 (baseline)	-
Material consumption to produce one product/service unit			
Gasoline (liters)	16.65	13.72	6.83
Electricity (Kwh)	27.51	25.70	28.50
Water (m3)	0.50	0.41	-
Paper (kg)	0.18	0.36	-

1. Energy/material consumption to acquire/retain one client of First Finance. This calculation method was changed from per staff to per client.
2. Total gasoline consumed by First Finance vehicles and the gasoline incentive that First Finance provides to field staff such as branch managers and credit officers...

Social

We seek to build a brighter future for everyone by empowering our people, supporting our customers, and uplifting our communities.



Providing a safe and supportive workplace

Creating an inclusive environment that prioritizes health, safety, and wellbeing empowers our people to reach their full potential. It also ensures that everyone has the right to work in a space free from unlawful conduct, such as discrimination, harassment, bullying, and victimization.

We uphold high standards of conduct in line with our Code of Conduct at all times. Any breaches of our policies, the Code of Conduct, or our values are met with appropriate disciplinary actions, up to and including dismissal.

We take our responsibility to keep our people safe very seriously. Recent enhancements to organizational duties align with our ongoing efforts. We have implemented a range of key programs and processes to maintain a safe, respectful, and inclusive workplace. Given our target client profile, we provide door-to-door services, making traffic accidents a significant risk for our field staff. To mitigate this risk, we have developed and instructed all staff on safety and security procedures, with monthly reminders to reinforce these practices.

Above picture: Mr. Chea Hang, DCEO, hands a souvenir to a female staff member on Women's Rights Day.



When our employees feel supported and empowered by our values, they become more engaged, deliver exceptional customer experiences, and drive our strategy forward.



Miss. Nget Sokun
Head of Human Resource and Development

1.0%

of staff have a disability

0

of fatality incident case

from 1 FY23



Helping our people build future skills

We are dedicated to fostering a culture of continuous learning and growth. In today's rapidly evolving work environment, it's crucial to have the right skills at the right time to deliver superior, timely, and safe services to our customers. We also recognize that our employees aspire to develop new, relevant skills to enhance their capabilities and career prospects. Our goal is to equip our people and communities for the future, supporting ongoing learning and development.

Our upskilling and reskilling efforts are centered on the technical, behavioral, and leadership skills necessary to execute our strategy, manage risks, and prepare our workforce for the future of work. Our technical reskilling programs include training individuals for roles in risk management, loan assessment, sales strategy, branch management, client protection principle, and customer service. We provide upskilling and reskilling opportunities through formal programs and accreditation, coaching from head office experts, and self-directed learning using available resources.

63h

of training per staff this year

7%

of vacancies this year filled internally

7%

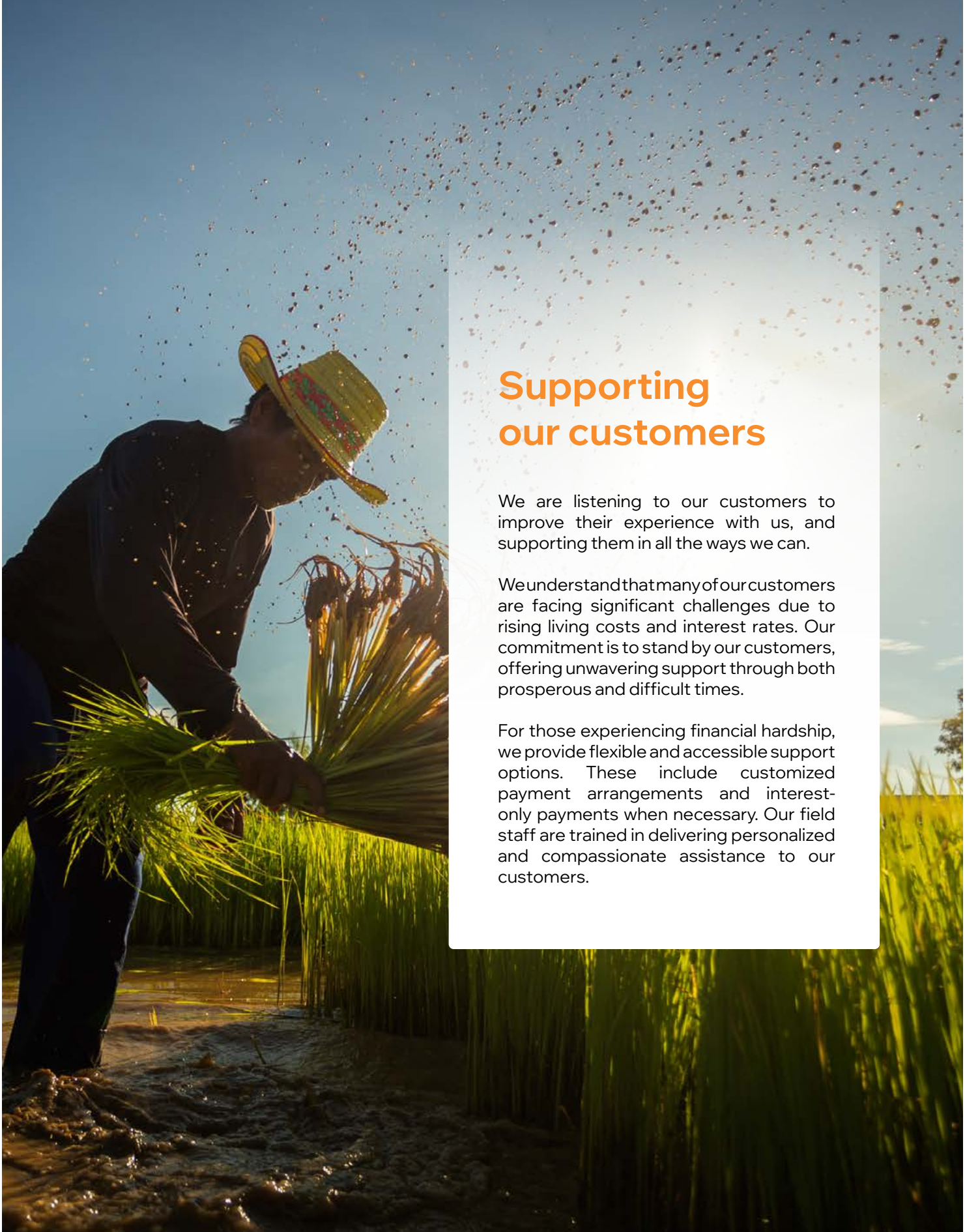
of female staff were promoted to a higher level.

Listening to our people

Understanding our employees' perspectives on what is effective and where improvements are needed enables us to maximize our impact on customers, communities, and shareholders. One method we use to gather these insights is through our annual staff engagement survey.

In our most recent survey conducted in late 2024, employee engagement was at 80%, closely mirroring the 81% result from 2023.

People Engagement Index



Supporting our customers

We are listening to our customers to improve their experience with us, and supporting them in all the ways we can.

We understand that many of our customers are facing significant challenges due to rising living costs and interest rates. Our commitment is to stand by our customers, offering unwavering support through both prosperous and difficult times.

For those experiencing financial hardship, we provide flexible and accessible support options. These include customized payment arrangements and interest-only payments when necessary. Our field staff are trained in delivering personalized and compassionate assistance to our customers.



Measuring and improving our customers' experience

We aim to consistently provide superior customer experiences. To do this, we need highly engaged employees, and high-quality products and services that suit customers' needs.

We actively seek feedback from our customers to enhance their experience. When we identify factors that negatively impact their experience, we focus on understanding the root cause and making improvements. The Net Promoter Score (NPS) is a crucial metric we use to gauge the quality of our customers' experience, providing insights into how we can strengthen relationships and build deeper connections and trust. NPS scores are externally syndicated, offering an independent perspective on our performance and setting a benchmark for our organization.

We recognize that there is still work to be done to enhance customer experience, and we are committed to embedding customer-centric practices throughout our organization.



64%

net promoter score (NPS)

79%

of clients say Good FF Staff (general) is the top reason why they would recommend FF to their friends or family members.

95%

client retention rate

0.3%

of issues and complaints against the number of transactions



Promoting community well-being

As part of our commitment to community well-being and long-term dedication to improving education, we have undertaken several initiatives. We sponsored the construction of a kindergarten in Kampong Thom province, an initiative led by the National Bank of Cambodia. Additionally, we provided school and sport materials to Da Primary Schools in Kampong Speu province and sponsored the printing of financial educational materials.

In line with our staff's volunteerism efforts, 14 employees participated in a blood donation program organized by the Cambodia Microfinance Association and the Association of Banks in Cambodia. These programs have directly benefited 646 individuals.

646

directly impacted beneficiaries

318

hours volunteered by our people



Sponsoring printing material for strenthening safe finance in community project

To promote financial literacy among in the community, First Finance sponsored printing materials for the 'Strengthening Safe Finance in Community Project.'

This initiative, piloted in several villages and communes over the past year, has empowered residents to understand their loan-related rights and obligations and avoid financial fraud. The project was initiated by the National Bank of Cambodia and led by a Central Steering Committee comprising the National Bank of Cambodia, the Association of Banks in Cambodia, the Cambodian Microfinance Association, and the Credit Bureau of Cambodia.

Governance

We strive to manage our business ethically and transparently, ensuring we adhere to high governance standards to fulfill our duties.

Operating responsibly for our customers

At First Finance, our dedication to client protection and transparency is unwavering. This commitment earned us the highest client protection certification in March 2022. We are currently in the process of renewing this certification, with completion expected by the end of April 2025.

Preventing excessive indebtedness among our clients remains a core priority. Over the past year, we have introduced several measures, including refining credit operational procedures, enhancing credit assessment capabilities, closely monitoring sales practices, and integrating loan quality into staff performance evaluations.

Our policies and procedures reflect a strong commitment to delivering clear, accurate, and relevant information to customers. We ensure transparency through product terms and conditions, loan fee and guides, key fact sheets, and other essential materials such as customer rights and responsibilities, exchange risks, and our code of conduct.

To promote fair and respectful client treatment, we adhere to strict lending guidelines, enforce a robust code of conduct, and operate an independent unit to oversee sales practices. Additionally, we conduct satisfaction surveys during the onboarding process via our call center and provide a comprehensive complaint-handling mechanism to address client concerns effectively.

We are equally committed to protecting the privacy and personal information of our customers. To ensure data security, we have implemented rigorous security protocols supported by our internal Data Privacy Policy. These include enhanced cybersecurity measures such as advanced endpoint security (anti-virus software and patch management) and regular PC health checks across all branches.

At First Finance, we remain steadfast in upholding the highest standards of client protection, transparency, and data security, ensuring the trust and confidence of those we serve.

→ learn more about Bank and Financial Institution code of conduct at www.firstfinance.com.kh/code-of-conduct



Fulfilling the dream of having a better home

There are many clients like Mrs. Pao Phal, who is 58 years old, working hard almost her entire life in order to have a better house for her and her family to live in.



→ find out more about client protection principle at www.m-cril.com



First Finance proudly received the Stakeholder-Verified Orange Seal

→ find out more about orange seal at <https://orangemovement.global/>

Sustaining Leading Risk Management

First Finance operates in a dynamic environment that presents both risks and opportunities, influencing our risk priorities. In 2024, we made significant strides in enhancing our risk management framework to ensure business stability and create value for our stakeholders. Our comprehensive approach encompassed various risk types, including credit, market, liquidity, operational, compliance, capability and culture, reputation, and environmental and social risks.

Effective risk management is vital for fulfilling our mission as a responsible and sustainable institution. By facilitating home ownership, supporting renovations, and fostering business growth, we take calculated risks that we understand and can manage, helping our customers achieve their goals. Remaining adaptable to evolving threats and opportunities is essential, and we prioritize customer outcomes, resilience, security, and safety.

We have also fostered a strong risk culture within the organization, embedding our Risk Management Framework (RMF) alongside a robust Code of Conduct. This empowers our Board, Executive Leadership Team (ELT), and employees to make informed risk decisions that align with our strategy and risk appetite.

A key achievement this year was reinforcing compliance with the regulations set forth by the National Bank of Cambodia (NBC) and industry best practices. We strengthened our credit risk management practices, ensuring strict adherence to internal policies. Regular policy reviews allowed us to stay aligned with regulatory changes and market conditions.

Loan quality remained a priority, leading us to enhance assessment and approval processes across all credit committees. This proactive approach helped minimize non-performing loans (NPLs) and improve overall loan performance. Daily and monthly reviews enabled us to identify root causes of NPLs and implement effective solutions to prevent defaults, contributing to a healthy and diversified loan portfolio.

First Finance also made significant progress in strengthening its operational risk, liquidity risk, and market risk. This framework allowed First Finance to effectively identify, assess, and mitigate risks, protecting the company’s financial health and reputation.

First Finance is committed to maintaining its leadership in risk management. Through vigilance and proactive measures, we aim to strengthen our financial position, safeguard stakeholder interests, and drive long-term growth.



Effective risk management involves understanding diverse perspectives and applying appropriate judgment to make decisions that lead to improved outcomes for customers and the community.





Mr. Neang Sokhim
Chief Risk Officer

ESG Performance


Social Aspect

Related UN SDGs	Measurement	2024 Performance
	Ensuring Financial inclusion and financial/first home investment literacy	<ul style="list-style-type: none">• 47.9% of client have income below \$300 per month• 89.6% are females• 75.6% are first-time homeowners• 62% have access to clean water and sanitation through home loan product.• 720 short tips and educational content on personal financial management and property rights posted on social media with an average reach 500 per post.
	Committing to being an employer of choice. Employment	<ul style="list-style-type: none">• Engagement index: 80%• Complaint of discriminatory labor, treatment or violence that leads to a lawsuit: 0• Retention rate: 65%• Internal fill rate: 7%• Average hours per Full-Time Equivalent (FTE) of training and development per staff=62 hours
	 Health and Safety	<ul style="list-style-type: none">• Fatalities:0• Lost time through injuries:7• Medical Treatment: 1• First Aid Case: 0• High-potential near miss: NA
	Promoting society well-being, environmental protection awareness and social engagement	<ul style="list-style-type: none">• Projects: 4• Beneficiaries: 646 individual• Staff volunteerism: 318 hours
	Respect for Human Right and Diversity	<ul style="list-style-type: none">• Women in management role:11%• Women at board level: 0%• New loan was assessed on child labor and forced labor against exclusion list: 100%

Environmental Aspect




Related UN SDGs	Measurement	2024 Performance
 	Climate Change¹ Reduction on energy consumption by % per staff (baseline 2022) (GHG emission scope 1)	<ul style="list-style-type: none">Gasoline: 16.65LElectricity: 27.51Kwh
	GHG emission scope 3 (metric tonne CO2e)	<ul style="list-style-type: none">Total Air travel: 0
	Water (m3)	<ul style="list-style-type: none">Water: 0.5m3
	Paper (Kg)	<ul style="list-style-type: none">Paper: 0.18Kg

Governance/Economic Aspect

Related UN SDGs	Measurement	2024 Performance
	Adhering to customer centricity by offering a quality service to the customer	<ul style="list-style-type: none">Client Satisfaction (NPS): 64%²Maintain issues and complaints against the number of transactions : 0.26%Retention Rate=95%
	Ensuring business operations under good corporate governance practices and strengthening client protection	<ul style="list-style-type: none">No significant warning from regulator³:0No significant non-compliance :0Highest level of Client Protection recognition: Gold CertificateCompleted Impact survey and disclosed to the public.

1. Energy/material consumption to acquire/maintain one client. You will notice a different figure from the previous report, as this calculation method has been revised from an amount per staff member to an amount per client instead.
2. Conducted by 60db in June 2024.
3. Significant means fines or accusations are imposed by NBC or other regulator

Governance/Economic Aspect

Related UN SDGs	Measurement	2024 Performance
  	Policies are in place to support sustainability actions and business	<ul style="list-style-type: none">Update corporate code of conductUpdated ITC policyUpdated BCP policyUpdate credit operational policyDeveloped procurement process
	Ensuring efficient risk management focusing on environmental, social, and governance (ESG) issues	<ul style="list-style-type: none">% of new loans were checked for social and environmental harm against an exclusion list: 100%% of existing loans were reassessed to monitor how clients' income impacts social and environmental factors and to rate them based on their risk level: 38%% of suppliers acknowledged the Supplier Code of Conduct, which addresses societal issues, labor, and human rights: 100%⁴

4 The contract with the construction/decoration company included commitments on child labor, forced labor, and asbestos materials.



Financial Report

Report of the Board of Directors

The Board of Directors submits this report together with the audited financial statements of First Finance Plc. (“the Company”) as at 31 December 2024 and for the year then ended.

Principal activity

The principal business activity of the Company is to provide microfinance services to first-time homeowner for middle and low-income families in the Kingdom of Cambodia. The Company operates in 15 branches, of which 2 branches are located in Phnom Penh and 13 branches are in provinces, namely, Siem Reap, Kampong Cham, Battambang, Banteay Meanchey, Kampong Speu, Takeo, Kampot and Kandal.

There have been no significant changes in the nature of this principal activity during the financial year.

Financial results

The financial results of the Company for the year ended 31 December 2024 were as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	1,201,387	4,890,846	420,237	1,727,174
Income tax expense	(181,685)	(739,640)	(183,504)	(754,201)
Net profit for the year	1,019,702	4,151,206	236,733	972,973

Share capital

There is no change in the shareholding structure during the year.

Dividends

At the reporting date, no dividend was declared or paid and the Directors does not recommend the payment of any dividends in respect of the year ended 31 December 2024.

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.

Bad and doubtful loans

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and 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 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.

Assets

Before the financial statements of the Company were prepared, the 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; or
- 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 12 months after the end of the financial year which, in the opinion of the Directors, will or may materially affect the ability of the Company to

meet its obligations as and when they fall due.

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

Board of Directors

The members of the Board of Directors of the Company during the year and to the date of this report are as follows:

Name	Position	Date of appointment
Mr. Klaas Hanco Halbertsma	Chairman	29 June 2018
Mr. Oum Sophan	Director	9 June 2022
Mr. Sim Senacheert	Director	9 June 2022
Mr. Chea Hang	Director	9 June 2022
Mr. Sou Vanthan	Independent Director	9 June 2022

Directors’ interests in the company

The interest of directors in office at the end of the year in the ordinary shares of the Company are as follow:

Name	31 December 2024	
	% of ownership	Number of shares
Mr. Chea Hang	0.0000067%	1

Directors’ benefits

During and at the end of the financial year, no arrangements existed to which the Company is a party, with the objective of enabling the 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 members of the Board of Directors of the

Company have received or became entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Board of 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 a director is a member, or with a company in which the director has substantial financial interest other than as disclosed in the financial statements.

Board of Directors’ responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRS for SMEs”). In preparing these financial statements, the Board of Directors is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with CIFRS for SMEs, 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;
- Board of Directors’ responsibility in respect of the financial statements (continued)
- oversee the Company’s financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- assess the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; 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 is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement by the board of directors

In the opinion of the Board of Directors, the accompanying financial statements which comprise statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board:



Sim Senacheert
Chief Executive Officer
Phnom Penh, Kingdom of Cambodia
31 March 2025



Report of the Independent Auditors

Opinion

We have audited the financial statements of First Finance Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2024, the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 53 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – comparative information

We draw attention to Note 30 to the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2023 and as at 1 January 2023 have been restated. Our opinion is not modified in respect of this matter.

Other Matter relating to comparative information

The financial statements of First Finance Plc. as at and for the years ended 31 December 2023 and 31 December 2022 (from which the statement of financial position as at 1 January 2023 has been derived), excluding the adjustments described in Note 30 to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 March 2024.

As part of our audit of the financial statements as at and for the year ended 31 December 2024, we audited the adjustments described in Note 30 that were applied to restate the comparative information presented as at and for the year ended 31 December 2023 and the statement of financial position as at 1 January 2023. We were not engaged to audit, review, or apply any procedures to the financial statements for the years ended 31 December 2023 or 31 December

2022 (not presented herein) or to the statement of financial position as at 1 January 2023, other than with respect to the adjustments described in Note 30 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 30 are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information comprises Report of the Board of Directors as set out on pages 1 to 4. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor’s responsibilities for the audit of the financial statements

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

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain

professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and material audit findings, including any material deficiencies in internal control that we identify during our audit.

For KPMG Cambodia Ltd



Nge Huy
Senior Partner

Phnom Penh, Kingdom of Cambodia

31 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		31 December 2024		31 December 2023		1 January 2023	
	Note	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
		(Note 6)		(Note 6)		(Note 6)	
				(As restated)		(As restated)	
ASSETS							
Cash on hand	7	76,996	309,909	61,637	251,787	72,822	299,808
Balances with National Bank of Cambodia (“NBC”)	8	760,825	3,062,321	767,085	3,133,542	757,645	3,119,224
Balances with banks	9	3,010,502	12,117,271	10,511,044	42,937,615	10,481,732	43,153,291
Loans to customers, net	10	88,470,894	356,095,348	74,610,805	304,785,138	33,563,047	138,179,064
Property and equipment	11	323,129	1,300,594	358,950	1,466,311	339,744	1,398,726
Intangible assets	12	17,981	72,374	12,691	51,843	8,624	35,505
Deferred tax assets, net	13D	-	-	-	-	10,042	41,343
Other assets	14	550,160	2,214,394	516,975	2,111,843	725,969	2,988,814
TOTAL ASSETS		93,210,487	375,172,211	86,839,187	354,738,079	45,959,625	189,215,775
LIABILITIES AND EQUITY							
Liabilities							
Employee benefits	15	26,596	107,049	28,025	114,482	29,720	122,357
Borrowings	16	58,697,245	236,256,411	53,222,130	217,412,401	26,950,680	110,955,950
Subordinated debts	17	15,592,056	62,758,025	15,363,042	62,758,027	-	-
Current income tax liability	13C	12,172	48,992	8,180	33,415	112,422	462,841
Deferred tax liabilities, net	13D	373,042	1,501,494	191,357	781,693	-	-
Other liabilities	18	1,523,376	6,131,590	2,060,155	8,415,734	3,137,238	12,916,008
Total liabilities		76,224,487	306,803,561	70,872,889	289,515,752	30,230,060	124,457,156
Equity							
Share capital	19	15,000,000	60,000,000	15,000,000	60,000,000	15,000,000	60,000,000
(Accumulated losses)/ Retained earning		(1,652,631)	(6,670,369)	(749,075)	(3,080,462)	76,654	313,284
Regulatory reserves	20	3,638,631	14,758,824	1,715,373	7,017,711	652,911	2,650,992
Cumulative translation reserves		-	280,195	-	1,285,078	-	1,794,343
Total equity		16,986,000	68,368,650	15,966,298	65,222,327	15,729,565	64,758,619
TOTAL LIABILITIES AND EQUITY		93,210,487	375,172,211	86,839,187	354,738,079	45,959,625	189,215,775

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024		2023	
		US\$	KHR'000	US\$	KHR'000
			(Note 6)		(Note 6)
					(As restated)
Operating income					
Interest income	21	13,621,324	55,452,410	9,785,306	40,217,608
Interest expense	22	(7,657,084)	(31,171,989)	(5,381,701)	(22,118,791)
Net interest income		5,964,240	24,280,421	4,403,605	18,098,817
Fees and commission income	23	337,417	1,373,625	179,552	737,959
Other income	24	113,307	461,272	103,089	423,696
Total operating profit		6,414,964	26,115,318	4,686,246	19,260,472
Net impairment loss on financial assets	10	(956,605)	(3,894,339)	(471,457)	(1,937,688)
Depreciation and amortisation	11&12	(110,133)	(448,351)	(140,596)	(577,850)
Personnel expenses	25	(2,854,339)	(11,620,014)	(2,447,372)	(10,058,699)
General and administrative expenses	26	(1,151,430)	(4,687,472)	(1,106,114)	(4,546,129)
Minimum tax expense	13B	(141,070)	(574,296)	(100,470)	(412,932)
Profit before income tax		1,201,387	4,890,846	420,237	1,727,174
Income tax expense	13B	(181,685)	(739,640)	(183,504)	(754,201)
Net profit for the year		1,019,702	4,151,206	236,733	972,973
<i>Items that will not be reclassified to profit or loss</i>					
Other comprehensive income - Currency translation differences		-	(1,004,883)	-	(509,265)
Total comprehensive income for the year		1,019,702	3,146,323	236,733	463,708

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Note	Share capital		Regulatory reserves		(Accumulated losses)/ Retained earning		Cumulative translation reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At 1 January 2024	15,000,000	60,000,000	1,715,373	7,017,711	(749,075)	(3,080,462)	(Note 6)	(Note 6)	15,966,298	65,222,327
Transactions recognised directly in equity:										
Change in regulatory reserves	-	-	1,923,258	7,741,113	(1,923,258)	(7,741,113)			-	-
Total comprehensive income:										
Net profit for the year	-	-	-	-	1,019,702	4,151,206			1,019,702	4,151,206
Currency translation differences	-	-	-	-	-	-	(1,004,883)	(1,004,883)	-	(1,004,883)
At 31 December 2024	15,000,000	60,000,000	3,638,631	14,758,824	(1,652,631)	(6,670,369)		280,195	16,986,000	68,368,650
At 1 January 2023 – (As restated)	15,000,000	60,000,000	652,911	2,650,992	76,654	313,284		1,794,343	15,729,565	64,758,619
Transactions recognised directly in equity:										
Change in regulatory reserves	-	-	1,062,462	4,366,719	(1,062,462)	(4,366,719)		-	-	-
Total comprehensive income:										
Net profit for the year – (As restated)	-	-	-	-	236,733	972,973		-	236,733	972,973
Currency translation differences	-	-	-	-	-	-	(509,265)	(509,265)	-	(509,265)
At 31 December 2023 – (As restated)	15,000,000	60,000,000	1,715,373	7,017,711	(749,075)	(3,080,462)		1,285,078	15,966,298	65,222,327

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

Note	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 6)		(Note 6)
			(As restated)	
Cash flows from operating activities				
Profit before income tax	1,201,387	4,151,206	420,237	1,727,174
Adjustments for:				
Minimum tax expense	141,070	574,296	100,470	412,932
Net interest income	(5,964,240)	(24,280,421)	(4,403,605)	(18,098,817)
Allowance for bad and doubtful loans	956,605	3,894,339	472,972	1,943,915
Depreciation and amortisation	11&12110,133	448,351	140,596	577,850
Loss on disposal of property and equip-ment	1146	187	1,702	6,995
Unrealised exchange losses/(gains)	16,721	68,071	(23,803)	(97,830)
Recovery of loans	(92,489)	(376,523)	(63,072)	(259,226)
	(3,630,767)	(15,520,494)	(3,354,503)	(13,787,007)
Changes in:				
Loans to customers	(14,537,568)	(59,182,439)	(40,313,141)	(165,687,010)
Other assets	(109,544)	(445,954)	208,993	858,961
Other liabilities	(536,779)	(2,185,227)	(1,077,082)	(4,426,807)
Cash used in operations	(18,814,658)	(77,334,114)	(44,535,733)	(183,041,863)
Interest received	13,723,339	55,867,713	8,677,826	35,665,865
Interest paid	(6,696,240)	(27,260,393)	(4,602,226)	(18,915,149)
Income tax paid	13C(137,078)	(558,045)	(186,817)	(767,818)
Payment of employee benefits	15(1,429)	(5,817)	(1,695)	(6,966)
Net cash used in operating activities	(11,926,066)	(49,290,656)	(40,648,645)	(167,065,931)
Cash flows from investing activities				
Acquisitions of property and equipment	11(70,507)	(287,034)	(157,927)	(649,080)
Acquisitions of intangible assets	12(9,141)	(37,213)	(7,644)	(31,417)
Net cash used in investing activities	(79,648)	(324,247)	(165,571)	(680,497)

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 6)		(Note 6)
			(As restated)	
Cash flows from financing activities				
Proceeds from borrowings	18,041,804	73,448,184	36,067,107	148,235,810
Repayments of borrowings	(13,527,533)	(55,070,587)	(10,588,366)	(43,518,184)
Proceeds from subordinated debt	-	-	15,363,042	63,142,103
Net cash generated from financing activities	4,514,271	18,377,597	40,841,783	167,859,729
Net (decrease)/increase in cash and cash equivalents				
	(7,491,443)	(31,237,306)	27,567	113,301
Cash and cash equivalents at 1 January	10,589,766	43,259,194	10,562,199	43,484,573
Currency translation differences	-	448,863	-	(338,680)
Cash and cash equivalents at 31 December	73,098,323	12,470,751	10,589,766	43,259,194

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



YEARS OF PARTNERSHIP IN HOUSING FINANCIAL

Housing provides stability, security, and a sense of belonging, improving quality of life by fostering mental well-being, financial growth, and a foundation for personal and family development.

