



HOUSING SOLUTIONS PARTNER

ANNUAL REPORT 2020





TABLE OF CONTENTS

**04. SHARED MESSAGE FROM THE CEO
AND CHAIRPERSON**

06. ABOUT US

08. OUR RESULTS

10. PRODUCT HIGHLIGHTS

11. AREAS OF OPERATIONS

12. INVESTMENT PARTNERS

13. ORGANIZATIONAL CHART

14. CONTINUOUS IMPROVEMENT

16. CLIENT'S STORY

18. INDEPENDENT AUDITOR'S REPORT

20. AUDITED FINANCIAL STATEMENTS

24. CLIENT'S STORY

26. OUR BOARD AND LEADERSHIP

The figures in this annual report relate to First Finance Plc Cambodia, from 01 January 2020 to 31 December 2020.



SHARED MESSAGE FROM THE CEO AND CHAIRPERSON

Dear friends of First Finance,

Due to the impact of the Covid-19 pandemic, the last financial year was a unique and challenging one for our clients, our staff, and all involved in First Finance. While the number of Covid-19 cases in Cambodia was relatively low, many people with small businesses were impacted. From March 2020, the whole financial services sector in Cambodia was working to best handle the impact from Covid-19, resulting in nearly 250 thousand loans with a value of US\$3.5 Billion being rescheduled. Sadly, this pandemic is still ongoing and therefore we continue to anticipate its impact on the livelihood of many Cambodian families.

From the start of the pandemic, First Finance put in much effort to support its clients during these difficult times. Our

management team immediately changed their approach from aiming for growth to supporting the families of our clients by offering advice regarding the coronavirus and how to best adjust their repayment capabilities to match their reduced income. Instead of forcing clients to default on their loans, we allowed them to delay certain payments, which would lead to a reduced monthly installment. About 150 clients with 200 loans, accounting for \$2.7 million of our loan portfolio, were financially affected by Covid-19 and were awarded a reduction of their immediate payment burden by rescheduling their loan.

While we were fully focused on managing the impact from Covid-19, we did not neglect to offer regular services to our existing and new clients whom we see as our long-term partners, many of them with a 15 to 20 year home loan. We applied innovative assessment methodologies and offered technical and financial advice at the initial stage of a loan and throughout their time as a client with us. We strongly believe that this will ensure that their choice to join and also to stay with the First Finance “family” is the right one.

We are committed to “Smart” client protection principles, and therefore we provide the highest level of care and transparency towards our clients. We initiated a special program that encourages our branch staff to maintain a meaningful engagement from the start of a client relationship and during the lifetime of a loan. Branches regularly conduct client satisfaction surveys and follow a strict procedure to

deal with complaints, resulting in improvements to internal processes and product features.

First Finance continued to contribute to a positive social impact. We helped 1500 families to buy, build or improve their homes. Over 60% of our clients are female and 50% of total clients are low-income families, earning less than US\$700 per month.

As part of a continuous drive to improve client service, during 2020 we further developed our IT support, upgraded our systems, strengthened IT security, and worked towards developing digitalization of the credit process. Furthermore, we have continued to support the capacity building of our staff by offering training courses covering technical aspects of financial services and also interpersonal skills. Newly recruited staff went through an extensive induction-training program.

First Finance has a thorough set of policies and procedures in place to manage and mitigate risks. Credit assessment procedures are reviewed regularly and if needed are adjusted to new market requirements and risk experiences. Risk management is supported by a highly experienced team of property valuation experts who keep track of the latest trends in property development and valuations of various types of houses in different locations of Phnom Penh and the rest of the country. Liquidity risk and cash flow are permanently monitored and regularly discussed in our ALCO and Board meetings. Frequent discussions are held with existing and new lending institutions to ensure

the availability of sufficient and cost-effective debt capital to support the long-term growth of the portfolio.

Unfortunately, because of Covid-19, 2020 was not a year of growth for First Finance. However, management succeeded in controlling credit risk and kept it at an acceptable level. Net interest income and profit reached around the same level as the previous year, at US\$1.8 Million and US\$97 Thousand respectively, which is quite an achievement considering the challenging circumstances.

For years to come, First Finance as one of the few micro-mortgage lenders in Cambodia, will continue to support low and middle-income families by providing them with long-term loans so they can reach economic stability by owning their own home at an affordable cost. As we see a positive trend in support from the Government and many property developers towards affordable housing, especially in and near Phnom Penh, our outlook for 2021 is positive and we are confident that we can significantly grow our portfolio and further improve our performance.

We are grateful to all our customers, members of staff, lenders, business partners, and shareholders who all contributed to the success of First Finance.

ABOUT US

First Finance Plc is a joint venture company established between Cambodia-based First Home Plc, Singapore-based Phillip Capital, Luxembourg-based Insite Fund, Cambodia-Laos Development Fund, and Norway-based Norfund. The company was granted its license on 23 April 2009 by the National Bank of Cambodia, and became the first financial institution to specialize in housing finance in Cambodia. The company focuses on providing long-term Home Loans and Home Improvement Loans, and medium-term Home Equity Loans to underserved low and middle-income Cambodian

households who have little-to-no access to formal housing financial services. Most commercial banks only offer services to wealthier Cambodians.

As the founding company of First Finance, First Home Plc has tested and refined its initial housing finance concept and has conducted studies on the market needs for housing loans. It has thus provided First Finance a foundation for growth and expansion.

CORPORATE PHILOSOPHY

Our corporate philosophy is very simple: **We think like customers and act like owners.**



Offer market-driven products and services



Provide simplified procedures and quick processing



Operate with flexibility and transparency



Demonstrate integrity and ethics in all business practices

VISION

To help low-middle-income families in Cambodia live in dignity, security, happiness, and stability through homeownership.

MISSION

To build the economic stability of low-income Cambodian families by increasing access to home ownership through the provision of finance.

CORE VALUES

Integrity

In order to see our clients achieve the vision of First Finance, we are honest and transparent in everything we do.

Response

We are always close enough to care and to respond to our clients' needs. We take ownership of our actions, and we're open to feedback.

Innovation

We are creative in finding efficient solutions to better serve our clients.

Social Justice

We take pride in being respectful, being professional, and treating our clients fairly.

Excellence

We strive to be the best at what we do.

OUR RESULTS

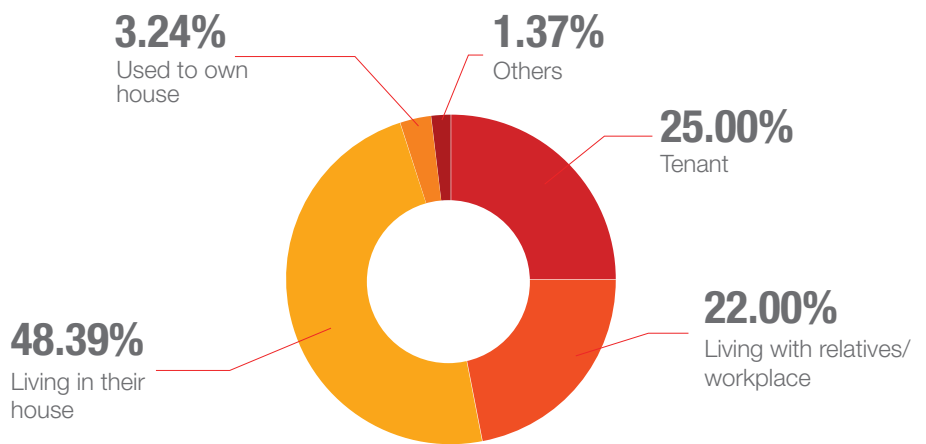
At First Finance, we believe that helping people to become homeowners is the key to helping them improve their lives. The stability of homeownership allows a family to spend time and energy on other aspects of their life. Children can spend time studying, women can start businesses or go to work. The connection to one’s neighborhood and community becomes tighter. As those relationships grow, so does a family’s self-respect. Homeownership is tightly connected to one’s identity. A family’s physical safety and security increase when they own their own home.

2020 was a challenging year for the growth and operations of First Finance. The Covid-19 pandemic was the key factor that contributed to this challenge. However, we maintained our commitment to

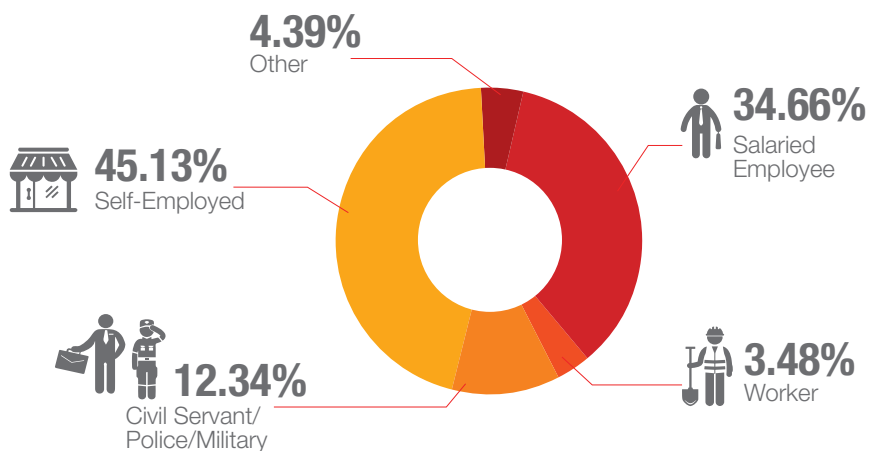
support wealth creation and stability for underserved households—low to middle-income Cambodian families. By the end of 2020, our loan portfolio was \$23.06 million, an 7% contraction from 2019. Clients earning less than \$300 a month accounted for 8.95% of our clients. While 41.29% of clients are earning from \$300 to \$700 a month, and 49.76% had a monthly income of over \$700. The number of loans to women accounted for 62% of our loan portfolio in 2020. Despite the pandemic, we still managed well on Non-Performing Loans. The rate of Non-Performing Loans slightly increased from 2.17% in 2019 to 3.03% at the end of 2020; while the net written-off collection as of December 2020 stayed at 41.54% of the total written-off.



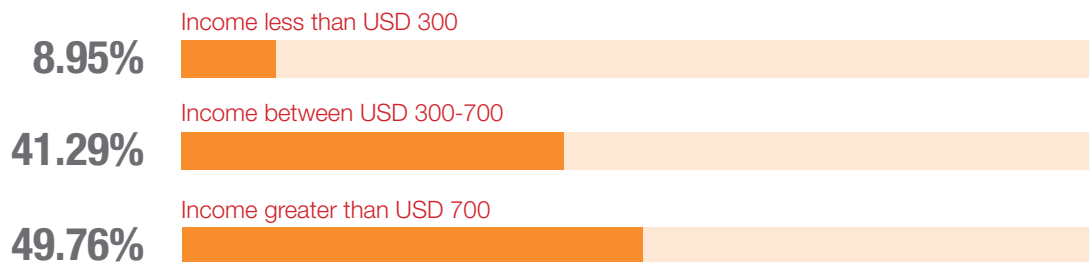
PORTFOLIO BY CLIENT PROFILE



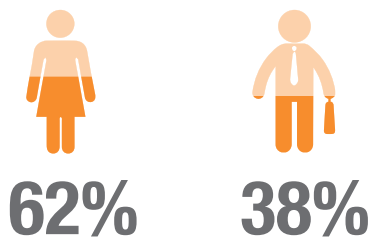
**PORTFOLIO BY
INCOME SOURCE**



CLIENT NUMBER BY MONTHLY INCOME



CLIENT BY GENDER



**TOTAL NUMBER OF
ACTIVE CLIENTS**



1,487

PRODUCT HIGHLIGHTS

First Finance is a licensed MFI, and also the first financial institution to specialize in housing finance in Cambodia. We provide long-term Home Loans, Home Improvement Loans, Residential Land Loans, and medium-term Home Equity Loans—to underserved low to middle-income Cambodian households that lack access to formal commercial lending.

As of 31 December 2020, we have served 1,487 households, worth \$23.06 million in our loan portfolio.



32.6%
OF TOTAL LOAN
PORTFOLIO

439



703



27.7%
OF TOTAL LOAN
PORTFOLIO



20.2%
OF TOTAL LOAN
PORTFOLIO

440



606

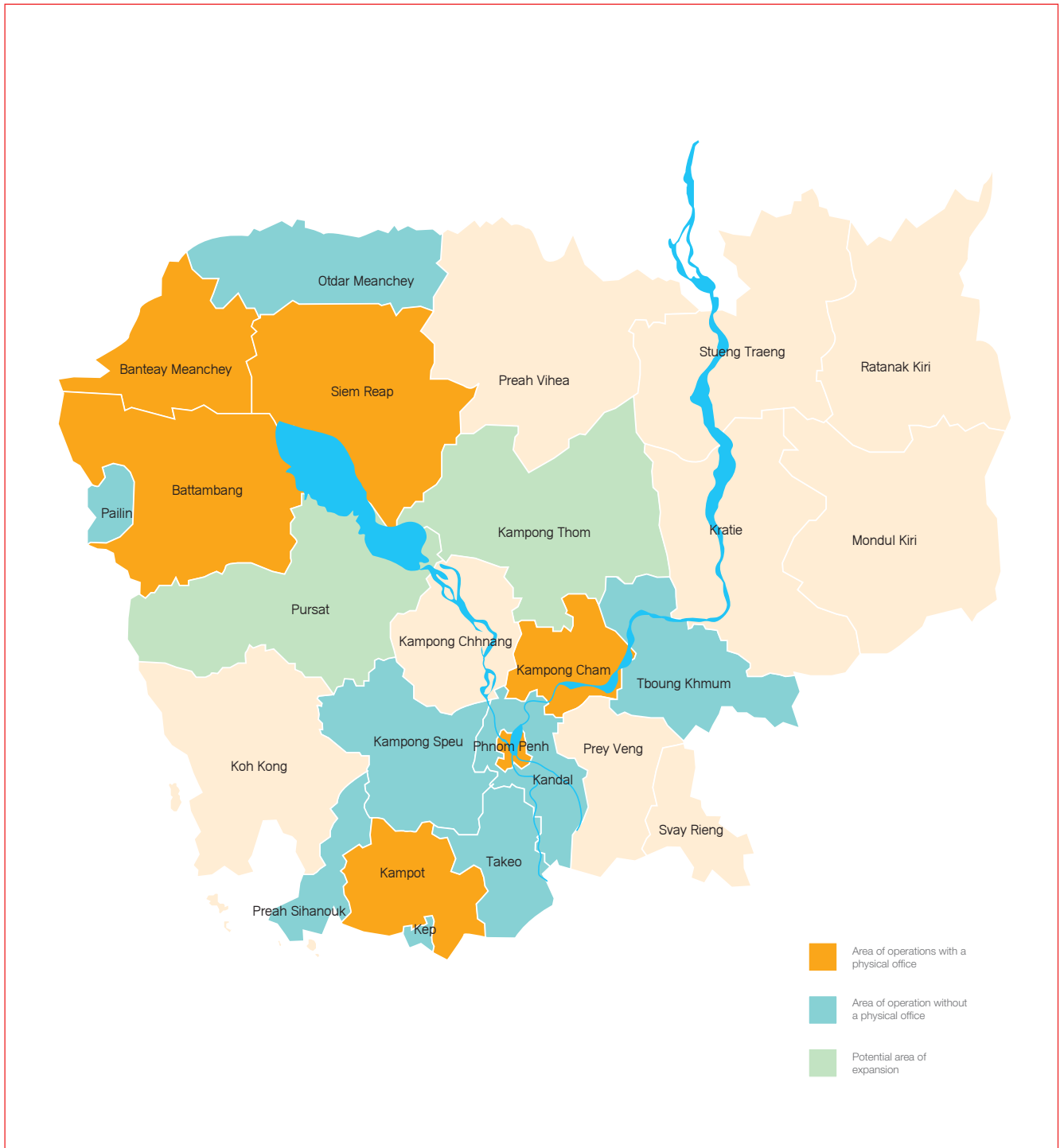


19.3%
OF TOTAL LOAN
PORTFOLIO



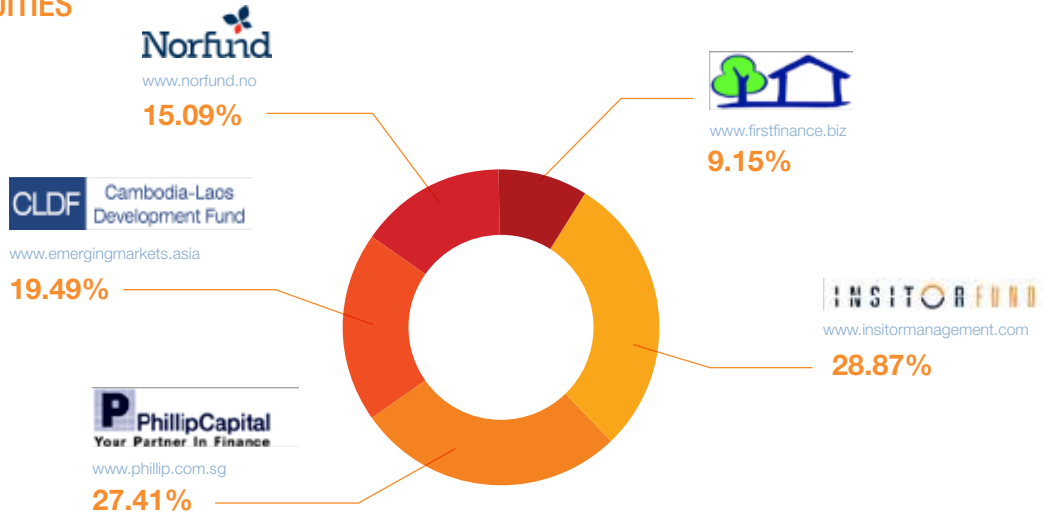
* Home Equity Loans are offered to First Finance existing clients only.

AREAS OF OPERATIONS



INVESTMENT PARTNERS

EQUITIES



DEBTS

OIKO CREDIT
in Member institutions
www.oikocredit.coop

SYMBIOTICS
www.symbioticsgroup.com

BlueOrchard
Microfinance Investment Managers
www.blueorchard.com

Norfund
www.norfund.no

Triple Jump
www.triplejump.eu

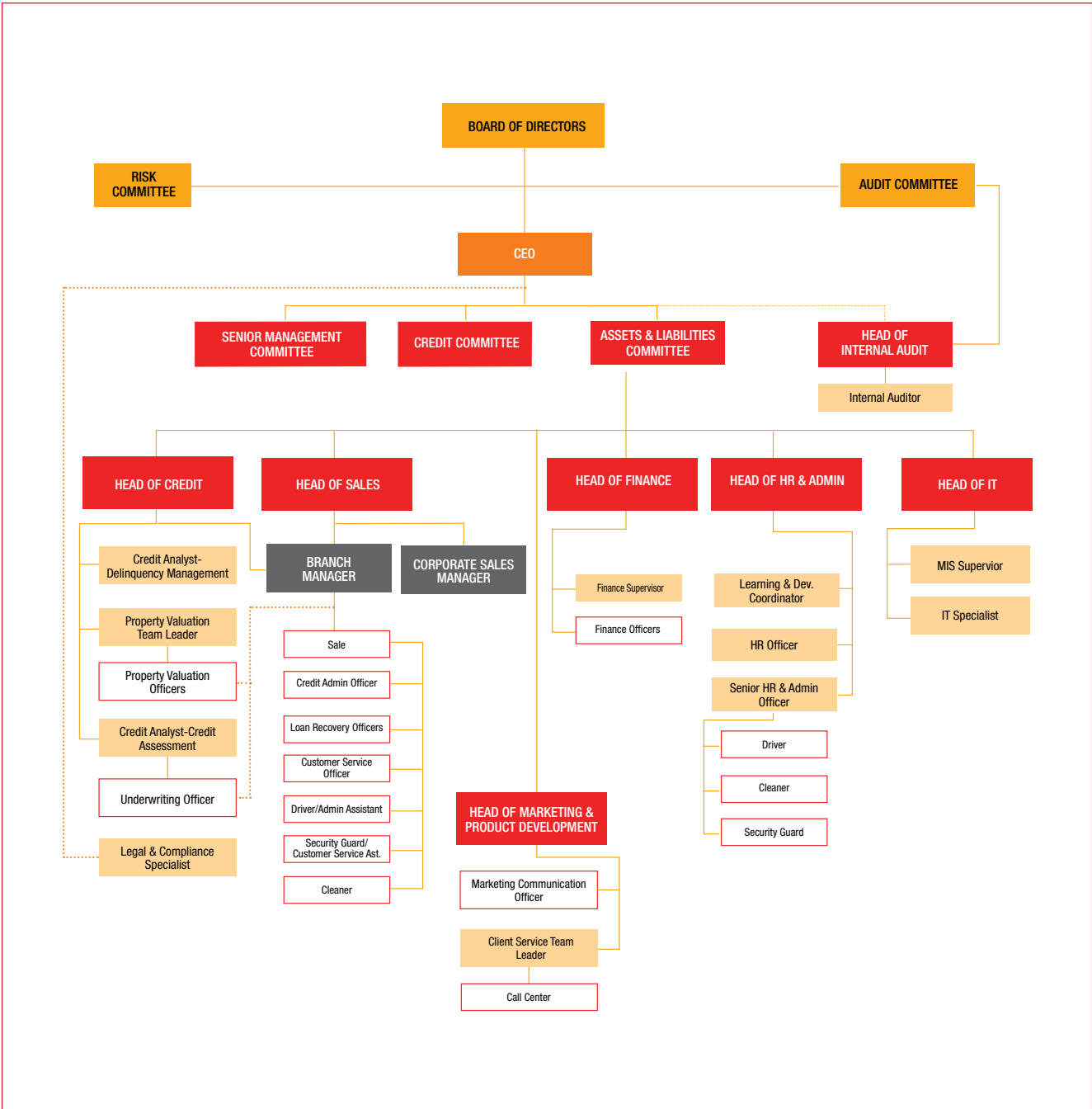
WATEREQUITY
www.waterequity.org

PhillipBank
Your Partner in Finance
www.phillipbank.com.kh

PPC Bank
www.ppcbank.com

lendahand
www.lendahand.com

ORGANIZATIONAL CHART



CONTINUOUS IMPROVEMENT

BUILDING CLIENT SUPPORT

We hope to stay more connected and involved in the lives of our clients. A 20-year loan is a long-term commitment. At First Finance we understand all families will encounter challenges over that time period, because of illness, loss of income, and other reasons. Throughout the Covid-19 pandemic, we strived to support our clients during this tough time. About 150 of our clients with 200 loans, accounting for \$2.7 million of our loan portfolio, were financially impacted by Covid-19. First Finance approved their requests to reduce the payment burden, to deal with this financial difficulty in the short-term.

We are looking at innovative models to assess families and provide a consultation at the initial stage of investment, and throughout their time with us. This is to ensure that their choice to join with First Finance is a good one. We are committed to Smart Campaign's Client Protection Principles. It is critical to us, and our clients, that we provide the highest level of care and transparency in our business dealings. We encourage our staff to maintain engagement with clients through the Engagement Champion Program we have established. We collect feedback through satisfaction surveys, and complaints from clients, and subsequently recommend improvements in the process and product features. Our personal connection to our clients sets us apart from others.

AUTOMATED BUSINESS

The IT Department provides all the necessary IT services such as the Management Information System support, maintenance of existing infrastructure, and strengthening IT security. There have been some recent system upgrades such as CBC enquiry V5, a new version of the legal document template, and the new write-off and collection. In addition, the IT department has developed some tools/reports to speed up daily data posting and the management report.

LEARNING AND DEVELOPMENT

Learning is a journey and should be available for everyone! Hence, the experienced team in First Finance's Learning and Development aims to build staff capacity at all levels—through both internal and external delivery. The Learning and Development team provided expertise on various topics to develop training for 11 newly recruited and 59 existing staff from all offices/branches. During the year, staff mainly received internal training, with a focus on products, processes, and sales guidelines. A few staff took external courses, which were mostly online because of the pandemic.

STRENGTHENING QUALITY

With the rapid growth of the financial industry and emerging risk, First Finance has put more focus on credit risk management. First Finance annually updates its Credit Assessment policy and process. This includes the strengthening of credit assessment skills to underwriting officers through the provision of refresher training. Following the full-functioning setup of the Credit Department in the previous year, all loan applications received an independent evaluation.

With this update in place, credit exposures are actively monitored, reviewed and reported on regularly. The early signs of a deteriorating portfolio are identified, analyzed, and discussed with relevant parties. If needed, we take appropriate remedial action. This is why we have had a well-managed Non-Performing Loan portfolio during the Covid-19 pandemic in 2020.

As a result, the rate of Non-Performing Loans slightly increased from 2.17% in 2019 to 3.03% as of December 2020, while the net written-off collection as of December 2020 stayed at 41.54% of total written-off.



Mr. Khun Pong and his family, inside their rental room.



Thank you for the long-term loan that enables me to make repayments while raising two sons and sending them to school.



In 2017, Khun Pong and his wife Ros Kimsean moved from Pourk district in Siem Reap province to Poipet City along with their two children. They settled down in a small rental room.

Pong and his wife did not plan to go back to their hometown. They dreamed of having their own house in a suburb of Poipet. They took their first step to fulfill their dream after they found out about First Finance.

Pong earned about \$230 per month from his work as a night security guard and as a motor-taxi driver during the daytime, while his wife earned about \$240 per month as a housekeeper at a hotel in Poipet.

With a combined income of \$470, it was difficult for them to raise sufficient capital to purchase a property or land. In 2019, a property developer referred Pong to take a loan from First Finance to buy a plot of land in the southeast sector of Poipet. Their income allowed them to take out a \$7,000 land loan with repayments over 60 months.

It delighted Pong and his wife that they could complete this first step of their dream to have their own house. "Thank you for the long-term loan that enables me to make repayments while raising two sons and sending them to school," said Pong. They plan to build a house on this vacant plot in the next few years so that they can move out of the rental room.

"The next step is that with our savings we plan to build our own house or we might approach First Finance again for a home construction loan" Pong added.

REPORT OF THE INDEPENDENT AUDITORS

Extracted from the audited financial statements as at and for the year ended 31 December 2020

To the shareholders of First Finance Plc.

OPINION

We have audited the financial statements of First Finance Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2020, 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 43 (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 2020, 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”).

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.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Report of the Board of Directors as set out on pages 1 to 4, and the annual report, which is expected to be made available to us after that date.

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 on the other information obtained prior to the date of this auditors’ report, 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.

AUDITORS’ 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 auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is

not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

For KPMG Cambodia Ltd



Taing YoukFong
Partner

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

| | 2020 US\$ | 2019 US\$ | 2020 KHR'000 | 2019 KHR'000 |
|---|-------------------|-------------------|--------------------|--------------------|
| ASSETS | | | | |
| Cash and cash equivalents | 2,317,780 | 1,733,737 | 9,375,420 | 7,064,978 |
| Statutory deposits | 180,102 | 180,102 | 728,513 | 733,916 |
| Loans to customers – net | 22,934,499 | 24,746,731 | 92,770,048 | 100,842,929 |
| Other assets | 318,811 | 580,220 | 1,289,590 | 2,364,397 |
| Property and equipment | 129,811 | 193,479 | 525,085 | 788,427 |
| Intangible assets | 73,265 | 100,643 | 296,357 | 410,120 |
| Deferred tax assets – net | 29,623 | 29,623 | 119,825 | 120,715 |
| TOTAL ASSETS | 25,983,891 | 27,564,535 | 105,104,838 | 112,325,482 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Liabilities | | | | |
| Borrowings | 18,139,154 | 19,449,810 | 73,372,878 | 79,257,976 |
| Other liabilities | 602,425 | 948,917 | 2,436,810 | 3,866,839 |
| Employee benefits | 141,440 | 140,187 | 572,123 | 571,262 |
| Current income tax liability | 21,667 | 43,485 | 87,643 | 177,201 |
| Total liabilities | 18,904,686 | 20,582,399 | 76,469,454 | 83,873,278 |
| Shareholders' equity | | | | |
| Share capital | 3,602,033 | 3,602,033 | 14,408,132 | 14,408,132 |
| Share premium | 879,482 | 879,482 | 3,517,928 | 3,517,928 |
| Regulatory reserves | 340,012 | 316,505 | 1,373,672 | 1,277,834 |
| Retained earnings | 2,257,678 | 2,184,116 | 9,119,776 | 8,819,863 |
| Currency translation reserves | - | - | 215,876 | 428,447 |
| Total shareholders' equity | 7,079,205 | 6,982,136 | 28,635,384 | 28,452,204 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 25,983,891 | 27,564,535 | 105,104,838 | 112,325,482 |

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

| | 2020 US\$ | 2019 US\$ | 2020 KHR'000 | 2019 KHR'000 |
|--|--------------------|--------------------|--------------------|--------------------|
| Operating income | | | | |
| Interest income | 3,494,247 | 3,466,588 | 14,246,045 | 14,046,615 |
| Interest expense | (1,692,758) | (1,655,773) | (6,901,374) | (6,709,192) |
| Net interest income | 1,801,489 | 1,810,815 | 7,344,671 | 7,337,423 |
| Fee and commission income – net | 381,713 | 556,202 | 1,556,244 | 2,253,731 |
| Other income | 92,367 | 83,288 | 376,580 | 337,483 |
| Total operating income | 2,275,569 | 2,450,305 | 9,277,495 | 9,928,637 |
| Net impairment loss on financial assets | (201,060) | (342,503) | (819,722) | (1,387,822) |
| Personnel expenses | 1,129,418) | (1,190,297) | (4,604,637) | (4,823,083) |
| Depreciation and amortisation | (114,941) | (126,677) | (468,614) | (513,295) |
| Other operating expenses | (675,238) | (614,322) | (2,752,945) | (2,489,233) |
| Total operating expense | (2,120,657) | (2,273,799) | (8,645,918) | (9,213,433) |
| Profit before income tax | 154,912 | 176,506 | 631,577 | 715,204 |
| Income tax expense | (57,843) | (78,650) | (235,826) | (318,690) |
| Net profit for the year | 97,069 | 97,856 | 395,751 | 396,514 |
| Other comprehensive income | | | | |
| Currency translation difference | - | - | (212,571) | 394,653 |
| Total comprehensive income for the year | 97,069 | 97,856 | 183,180 | 791,167 |


STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

| | 2020 US\$ | 2019 US\$ | 2020 KHR'000 | 2019 KHR'000 |
|---|--------------------|--------------------|--------------------|---------------------|
| Cash flow from operating activities | | | | |
| Net profit for the year | 97,069 | 97,856 | 395,751 | 396,514 |
| <i>Adjustments for:</i> | | | | |
| Income tax expense | 57,843 | 78,650 | 235,826 | 318,690 |
| Net interest income | (1,801,489) | (1,810,815) | (7,344,671) | (7,337,423) |
| Provision for employee benefits | 10,965 | 40,594 | 44,704 | 164,487 |
| Depreciation and amortisation | 114,941 | 126,677 | 468,614 | 513,295 |
| Written off of property and equipment | 2,946 | 352 | 12,011 | 1,426 |
| Net impairment losses on financial instruments | 201,060 | 342,503 | 819,722 | 1,387,822 |
| | (1,316,665) | (1,124,183) | (5,368,043) | (4,555,189) |
| <i>Changes in:</i> | | | | |
| Loans to customers | 1,611,172 | (4,856,112) | 6,568,748 | (19,676,966) |
| Other assets | 261,409 | (223,610) | 1,065,764 | (906,068) |
| Other liabilities | (346,492) | 673,084 | (1,412,648) | 2,727,336 |
| Cash used in operations | 209,424 | (5,530,821) | 853,821 | (22,410,887) |
| Interest received | 3,494,247 | 3,451,065 | 14,246,045 | 13,983,715 |
| Interest paid | (1,774,209) | (1,639,702) | (7,233,450) | (6,644,073) |
| Payments of employee benefits | (9,712) | (68,832) | (39,596) | (278,907) |
| Income tax paid | (79,661) | (71,517) | (324,778) | (289,787) |
| Net cash generated from/(used in) operating activities | 1,840,089 | (3,859,807) | 7,502,042 | (15,639,939) |
| Cash flows from investing activities | | | | |
| Acquisition of property and equipment | (20,103) | (95,681) | (81,960) | (387,699) |
| Acquisition of intangible assets | (6,738) | (17,820) | (27,471) | (72,207) |
| Withdrawal of restricted accounts | - | 168,899 | - | 684,379 |
| Net cash (used in)/generated from investing activities | (26,841) | 55,398 | (109,431) | 224,473 |
| Cash flows from financing activities | | | | |
| Repayments of borrowings | (5,355,129) | (6,650,755) | (21,832,861) | (26,948,859) |
| Proceeds from borrowings | 4,125,924 | 10,994,751 | 16,821,392 | 44,550,731 |
| Net cash (used in)/generated from financing activities | (1,229,205) | 4,343,996 | (5,011,469) | 17,601,872 |
| Net increase in cash and cash equivalents | 584,043 | 539,587 | 2,381,142 | 2,186,406 |
| Cash and cash equivalents at 1 January | 1,733,737 | 1,194,150 | 7,064,978 | 4,798,095 |
| Currency translation difference | - | - | (70,700) | 80,477 |
| Cash and cash equivalents at 31 December | 2,317,780 | 1,733,737 | 9,375,420 | 7,064,978 |





Thank you for the convenient service and the long-term loan from First Finance. It provided not only the cash to purchase a house but also the capital to start the business. 

About 10 years ago, Chork Thoeun moved from Kampong Cham to live with his brother in Banteay Meanchey. He worked for his brother as a jeweler.

In 2016, he married his wife, Sok Dany, a midwife at the Public Health Center. One year later, his wife delivered an adorable son. This event sparked their promise to themselves to have their own house, for them to live independently as soon as possible. They kept on looking for a house that could serve the dual purpose of their living and running a jewelry business, since Chork Thoeun had gained that skill when he worked with his brother.

In 2018, Thoeun and his wife were referred by a First Finance property developer partner to take a loan at

First Finance. With a total monthly household income of \$1,350, Chork Thoeun and his wife decided to take out a \$30,000 loan with repayments over 120 months. They used \$25,000 to purchase a house in Kampong Svay Commune, Serei Saophoan district, Banteay Meanchey province. The remaining \$5,000 they used to buy tools and materials, and to hire two workers to start up their jewelry business. Thoeun set up the business workshop in his new house.

Thoeun was satisfied with the loan top-up and the long-term business loan provided by First Finance. This allowed him and his wife to have the cash to start the business promptly and make affordable repayments from their business. "Thank you for the convenient service and the long-term loan from First Finance. It provided not only the cash to purchase a house but also the capital to start the business, which I have dreamed of for many years" said Thoeun.

BOARD AND LEADERSHIP



HANCO HALBERTSMA INDEPENDENT DIRECTOR/ CHAIRPERSON

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 20+ years he worked on many projects as an expert in retail and business banking, microfinance, 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 6-year Board Directorship at PRASAC MFI, the country's largest microfinance company. Currently, he is a Board Director of Caspian Impact Investments Private Limited (CII), a successful and fast-growing SME Finance Company in India.

Hanco 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 eight years were with ING-IGA, an emerging market consulting group.

Hanco is based in Hong Kong and holds a master's degree in Business Administration.



TALMAGE PAYNE DIRECTOR

Shareholder Representative First Home Plc

Mr. Talmage Payne, a social entrepreneur and INGO leader, is currently the Cambodia Country Director for World Hope International. He is the founder of First Finance and several other social ventures. Talmage has lived in Southeast Asia most of his adult life, serving in both the non-profit and for-profit social impact sectors. He was global CEO of Hagar International (involved in the protection and recovery of survivors of human trafficking), and helped establish Hagar in nine countries using their integrated non-profit and for-profit models.

Talmage was the Country Manager for World Vision Cambodia and the founding Chair of VisionFund Cambodia. The Royal Cambodian Government has recognized his humanitarian work numerous times, twice awarding him the People's Medal, as well as the Royal Order of the Sahametri. Talmage has a BA in Economic Development from Wheaton College.



NICHOLAS LAZOS DIRECTOR

Shareholder Representative Inisitor Fund

Mr. Nicholas Lazos is Co-founder and Director of Inisitor Impact Asia Fund. Nicholas has worked in South and Southeast Asia for the last ten years, supporting social enterprises through their start-up stages. Nicholas leads all major equity investments and sits on the Board of Directors of portfolio companies. Prior to Inisitor, Nicholas was General Manager of the first low-income housing solutions company in Cambodia, where he managed the start-up and development of the company until it became fully operational. He holds dual degrees in Mathematical Methods in the Social Science program from Northwestern University.

BOARD OF DIRECTORS



ONG TEONG HOON DIRECTOR

Shareholder Representative Phillip Capital

Mr. Ong Teong Hoon has more than 30 years of banking experience in Asia, including some 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 and shareholder's representative with Phillip Bank and director with Phillip General Insurance. He is Chairman of the Methodist School in Cambodia 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 has journeyed with us through our rapid growth, challenges, and successes. He is also an Associate of the Chartered Institute of Bankers in London.



FAY CHETNAKARNKUL DIRECTOR

Norfund

Ms. Fay Chetnakarnkul is an Investment Director and the Head of Asia for Norfund. She is responsible for managing and leading Norfund's Asia portfolio. Prior to joining Norfund, Fay worked at the International Finance Corporation and The World Bank Group. Fay has experience within the field of development finance from transactions in Southeast Asia, Africa, Latin America and Eastern Europe. Fay is a graduate of Johns Hopkins University, School of Advanced International Studies.



PAUL FREER INDEPENDENT DIRECTOR

Mr. Paul Freer has more than 20 years of 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 organizations. 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 marketplace, where he was employed as Vice President and General Manager. Paul sits on the Finance and Facilities Committee of the International School of Phnom Penh and has undertaken independent banking and MFI consultancies with The World Bank and other organizations. Paul was recently appointed Chief Operating Officer at PiPay – a new electronic payment processing start-up operating in Cambodia. Paul holds a Postgraduate Diploma in Business Management from the Southampton Business School in the UK.

BOARD OF DIRECTORS



JOSHUA MORRIS OBSERVER

Shareholder Representative CLDF

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 Southeast 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).



DAVID LITTLEJOHN INDEPENDENT DIRECTOR

Hailing from a sales career based in Singapore and Bangkok, covering over 20 years, New Zealand born David Littlejohn moved to Cambodia 6 year ago to join Comin Khmere as Sales and Marketing manager, positioning the company as marketplace leaders in the provision of engineering solutions in Cambodia. Comin Khmere Designs, Implements, and Maintains systems within the fields of Mechanical and Electrical engineering, Air conditioning & Refrigeration, Power & Renewable energies, Water & Plumbing, Fire protection, Network infrastructure, Security & Automation and elevator & Escalator solutions.

A Home Improvement Loan is one of our main products, providing long-term financing solutions for those who want to construct a new house on pre-owned land, or renovate an existing home.



MANAGEMENT TEAM



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 start-up mobile money transfer business, where she developed strategy and managed sales, including motivating and empowering over 900 WING commissioned-based agents. In April 2011, Sothany joined First Finance as the Chief Financial Officer and in August 2014 she was appointed CEO.

Sothany has a Bachelor's Degree in Management - Accounting and a Master's in Organizational Development - MFI Management.



SAKADA HENG
HEAD OF CREDIT

Mr. Sakada Heng is the longest standing First Finance team member, starting as the Credit Admin Officer in 2009, when First Finance was granted its license from the National Bank of Cambodia. Sakada progressed through several positions from the Branch Manager in Phnom Penh, followed by promotion to the role of Head of Retail Operations in May 2015 and then he became Head of Credit from February 2017 up to today.

Sakada has completed two Bachelor's degrees, one in Accounting & Finance and another in French Literature. He also completed his Master's degree in Risk Management - Insurance, Finance and Banking.



BUNHIENG CHHENG
HEAD OF SALES

Mr. Bunhieng Chheng joined First Finance in November 2018 as Head of Retail Sales. He started his career with Amret MFI in 2003, where he has been involved in management roles for more than ten years. His work has significantly evolved from the ground level to management levels which include Driver, Teller, Credit Offer, Deputy Branch Manager, Branch Manager, Deputy Head of Province, Head of Province, and Deputy Head of Credit Product Development.

Bunhieng obtained a Bachelor of Business Administration in Accounting and Finance in 2007 from Build Bright University and a Diploma of English from the Pannasastra University of Cambodia.



VOLEAK VETH
HEAD OF FINANCE

Ms. Voleak Veth has over ten years of experience in accounting and finance. Voleak has worked in accounting, insurance, and the general business. She joined First Finance in 2012.

Voleak has completed a Bachelor's degree in Finance and Banking and a Master's in Business Administration.



VANDY SAING
HEAD OF MARKETING

Mr. Vandy Saing obtained his Bachelor's Degree in Management Information Systems from the National University of Management in 2002. Prior to joining First Finance he served as a Marketing and Communication Coordinator for two years and then as a Creative Service Manager for seven years at VisionFund Cambodia. There, he managed and developed the branding strategy and marketing communication strategy. Vandy also has many years' experience working with advertising agencies and NGOs. He joined First Finance as a Marketing Manager in March 2016.



SINETH CHREK
HEAD OF IT

Mr. Sineth Chrek has over a decade of experience and has implemented computer network infrastructure, IT security, core-banking systems, IT strategies, and other IT projects for MFIs. He joined First Finance in April 2016 as an IT Manager. Before that, he served in a pivotal role to engage IT and business people as Manager and Application Support at Amret Microfinance. He also worked at VisionFund as a Technology and Application Support Manager. He earned a Bachelor's Degree in Information Technology from Build Bright University in Phnom Penh.

MANAGEMENT TEAM



MENGSE SEAN
HEAD OF HR & ADMIN

Mr. Mengse Sean has had a dynamic career, filled with professional advancement. For over ten years, he has held many positions, from entry-level all the way up to management. His areas of expertise include Learning & Development and Human Resources management, including recruitment, HR policy development, personnel administration, and compensation and benefits. He is a highly patient and committed individual.


He earned a scholarship from the National University of Management in 2000 and graduated with his Bachelor's degree in 2004. He completed his Master's in the field of management in 2009.



NAMKEA HOUR
HEAD OF INTERNAL AUDIT

Mr. Namkea Hour joined First Finance as an Internal Audit Manager in June 2018. He has over ten years of experience in audit and finance within the microfinance and banking industry, with consulting firms and international companies. His expertise is related to review, evaluation, and advice on risk management, internal control, governance, and fraud investigation in the institution. Before joining First Finance, he held various positions, including Audit Manager, Deputy Financial Controller, and other management roles.

Namkea holds a bachelor's degree in Finance and Banking from the Royal University of Law and Economics (RULE) and he is currently pursuing his auditing qualification.

A landscape photograph featuring a row of palm trees in the middle ground, silhouetted against a bright, hazy sunrise. The foreground is filled with a field of tall, green grass. The sky is filled with soft, wispy clouds, and the sun is visible on the left side, creating a warm, golden glow. The overall mood is serene and hopeful.

**AT FIRST FINANCE,
WE BELIEVE THAT
HOUSING IS A UNIVERSAL
RIGHT AND A KEY IN THE
FIGHT AGAINST GLOBAL
POVERTY.**

