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CAMMA MICROFINANCE

ANNIVERSARY



ANNUAL REPORT
2020

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Vision and Mission



Vision

To morph into a reliable microfinance institution offering inclusive and creative financial services to Cambodian people and protecting the interests of the people, shareholders, and the whole of society.

Mission

Providing creative financial services impactful for communities, Small & Medium Enterprises (SMEs), and farmers, notably women, with effectiveness, sustainability, and responsibility.



Core Values

Excellent Service

We commit to providing the best, quickest and most effective services.

Transparency

We ensure that all product information provided to customers is comprehensive and transparent.

Professionalism

We ensure our services are highly professional and respectful to our customers.



Integrity

We ensure integrity and professional ethics in providing products and services to our customers.

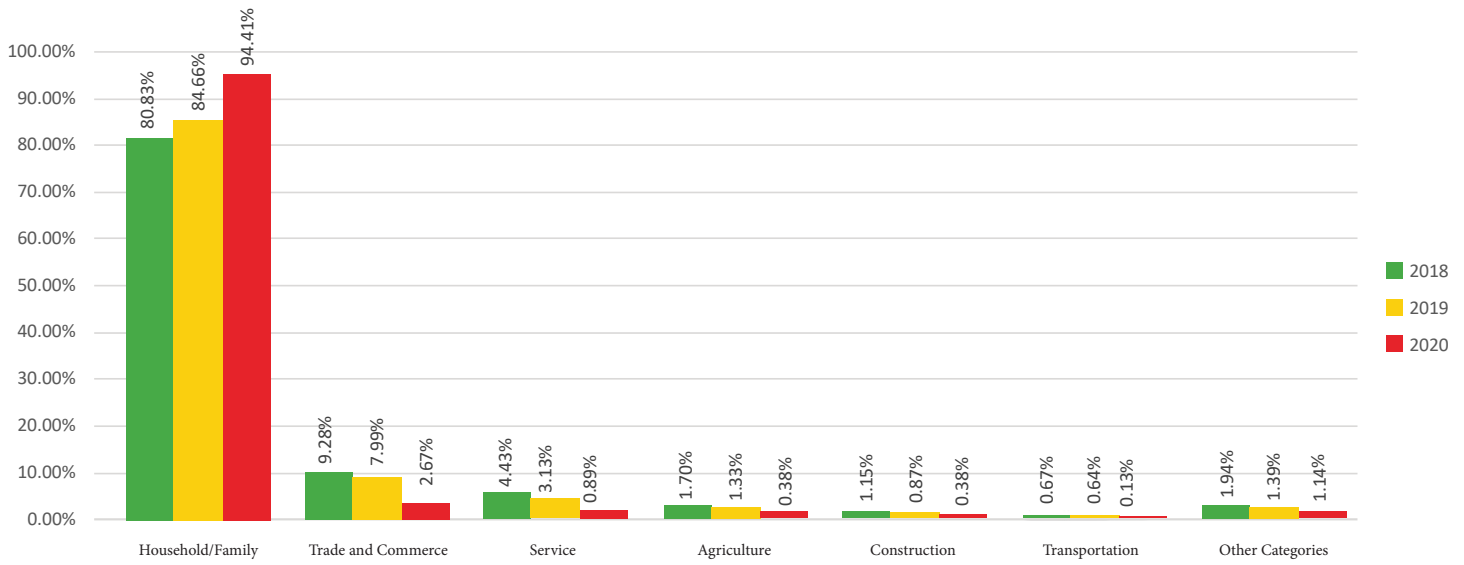
Innovation

We thrive to bring about change and add value to our products and services in response to the needs of our customers.

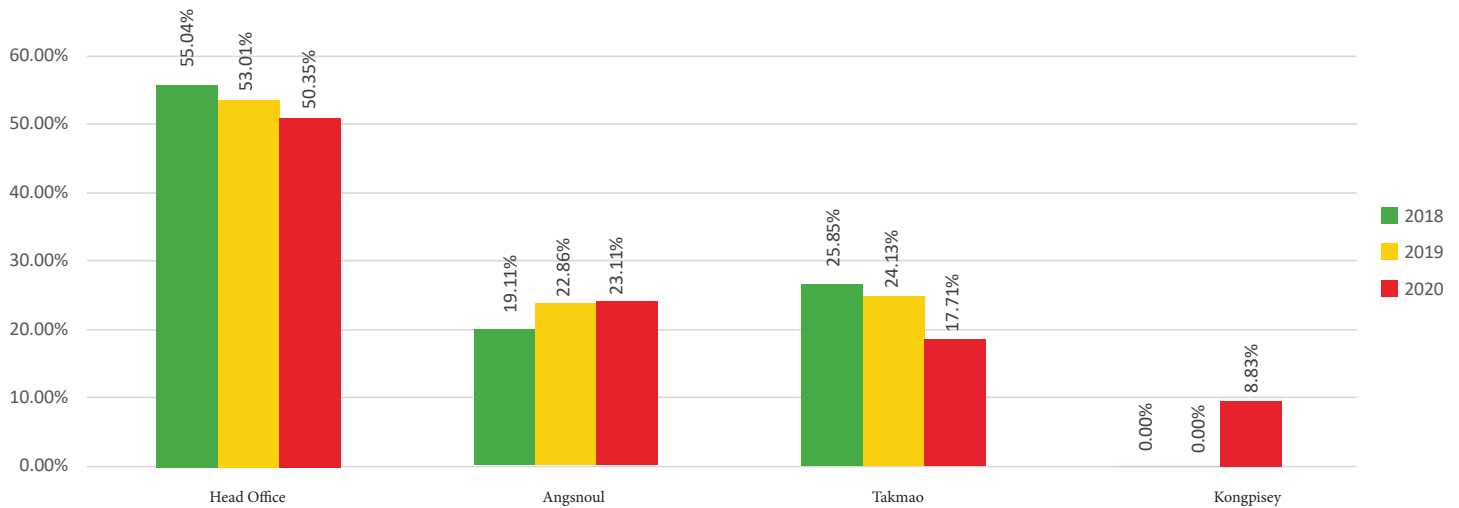
Key Figures

OPERATIONAL HIGHLIGHT	2018	2019	2020	Change
Total Staff	95	103	120	17%
Number of Credit Officers	46	47	54	15%
Number of Villages	486	531	539	2%
Number of Active Borrowers	1,648	1,728	1,576	-9%
Loan Outstanding (USD)	10,334,648	13,153,878	13,324,527	1%
Micro Loan Outstanding	634,856	463,926	398,523	-14%
Small Loan Outstanding	2,785,333	2,369,356	2,113,081	-11%
Medium Loan Outstanding	6,479,721	9,199,296	9,221,119	0%
Staff Loan Outstanding	298,821	351,962	368,232	5%
Quick Loan Outstanding	113,302	101,429	86,021	-15%
Group Loan Outstanding	19,980	33,047	15,425	-53%
Motor Loan Outstanding	2,635	1,835	3,431	87%
Property Loan Outstanding	-	375,204	588,123	57%
Package Loan Outstanding	-	257,822	530,572	106%
FINANCIAL HIGHLIGHT				
Assets	11,275,930	13,427,991	13,805,582	3%
Liabilities	8,340,419	9,189,625	9,141,857	-1%
Shareholder Equity	2,935,511	4,238,366	4,663,725	10%
Share Capital	2,103,000	3,593,000	3,593,000	0%
Retained Earning	741,524	575,726	713,131	24%
Regulatory Reserve	90,987	69,640	357,594	413%
Interest Income	1,643,920	2,034,345	2,316,529	14%
Interest Expense	(482,965)	(573,401)	(612,511)	7%
Net interest income	1,160,955	1,460,944	1,704,018	17%
Provision for bad and doubtful Loan	32,385	(66,311)	(59,235)	-11%
"Net interest income after provision for bad and doubtful Loan"	1,193,340	1,394,633	1,644,783	18%
Other None Interest Income	73,915	95,928	145,868	52%
Personal Expense	(601,082)	(652,387)	(821,466)	26%
Operating and Other Expense	(260,668)	(408,112)	(379,629)	-7%
Depreciation Expense	(47,649)	(33,496)	(46,524)	39%
Profit before Income Tax	357,856	396,566	543,032	37%
Income tax expense	(21,048)	(93,713)	(117,673)	26%
Profit for the year	336,808	302,853	425,359	40%
Return on Asset	2.99%	2.26%	3.08%	37%
Return on Equity	11.47%	7.15%	9.12%	28%
Portfolio at Risk	1.95%	2.42%	6.22%	157%
Operational Self Sufficiency	120.88%	117.34%	120.69%	3%

Number of Clients by Business Type



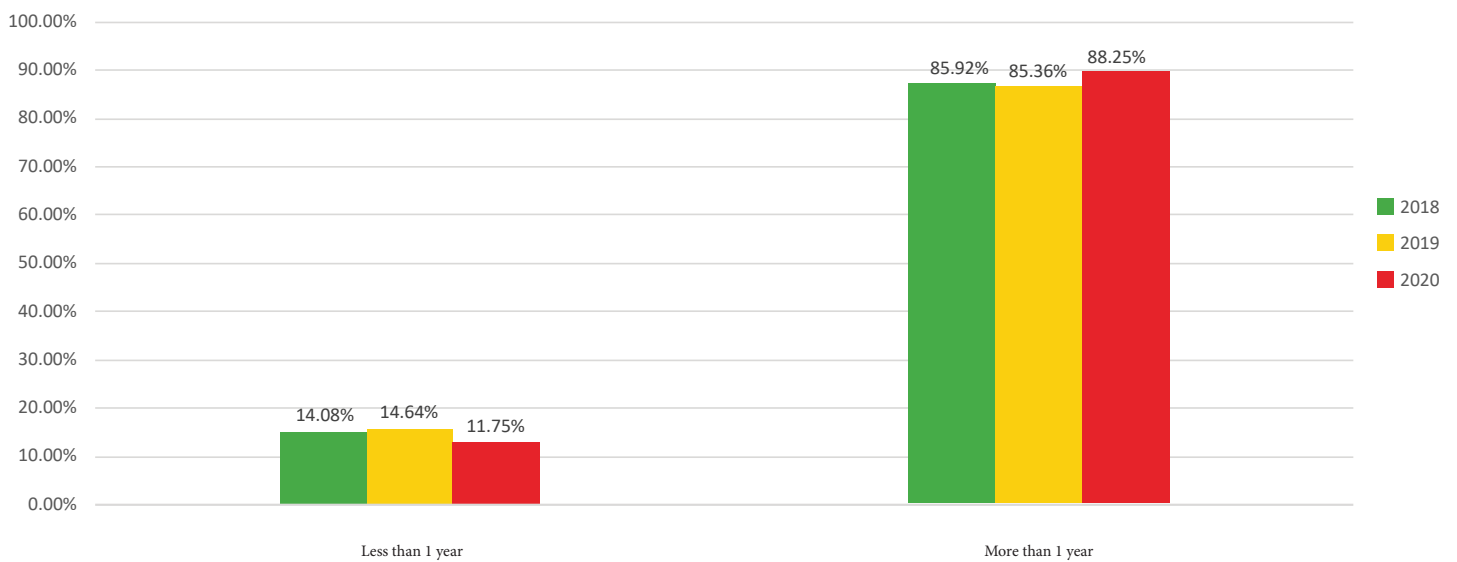
Number of Clients by Branches



Number of Clients by Gender



Number of Clients by Branches



OUR PROFILE



- History of CAMMA
- Lenders and Partners
- Message from Board Director
- Message from CEO

History of CAMMA

CAMMA Microfinance Ltd. was initially established by two co-founders – Mr. Ou San, and Mrs. Dit Nita in 2008. It started as a private credit operator serving only people in Phnom Penh and Kandal province.

The need for loans to expand businesses and improve the livelihoods of people increased every year. Those who were provided credit saw their livelihoods improved and gradually develop. Therefore, to respond to the growing need for loans from the people and to contribute to poverty reduction, CAMMA needed to expand, build more trust and reliability, and improve its operation.

These factors prompted CAMMA to morph from a private credit operator to become CAMMA Microfinance Limited., registered under Ministry of Commerce, No. Co.0700KH/2010, on March 31, 2010, with capital of 200,000 (two hundred thousand) US dollars. In 2014, the registered capital increased to 2,103,000 (two million one hundred and three thousand) US dollars. In 2021, our shareholders plan to increase the registered capital to 5,593,000 (five million five hundred and ninety-three thousand) US dollars.

On July 29, 2010, CAMMA was granted a permit from the National Bank of Cambodia to become a fully-fledged microfinance institution possessing all the rights to serve customers. Since the granting of the permit, CAMMA has been an official creditor. CAMMA also prepared itself to be a microfinance institution with good governance, standardized operations, and clear customer protection principles.

With four branches and 120 staff members (as of December 2020), CAMMA has served 1,576 customers. With a credit portfolio of 13,324,527 (thirteen million, three hundred and twenty-four thousand, five hundred and twenty-seven) US dollars, CAMMA shall continue to develop and grow its operation network in both rural areas and central areas, as well as to develop products and services which respond even better to the needs of customers under the umbrella of a highly experienced Board of Directors, effective governance, and commitment to society. CAMMA always stands ready to continue to expand its operation and influence across Cambodia.

Highlights

2008

Camma Microfinance Limited was initiated and established by two founders, Mrs. Ou San and Mrs. Dith Nita in 2008, then as a private credit operator providing loans to Cambodian people in Phnom Penh and Kandal

2015

Camma grew its capital to USD 2,103,000 (two million one hundred three thousand United States dollars)



2010

- Camma received an MFI license from the National Bank of Cambodia.
- Camma Microfinance was registered with a total capital of USD 1,400,000 (one million four hundred thousand United States dollars)

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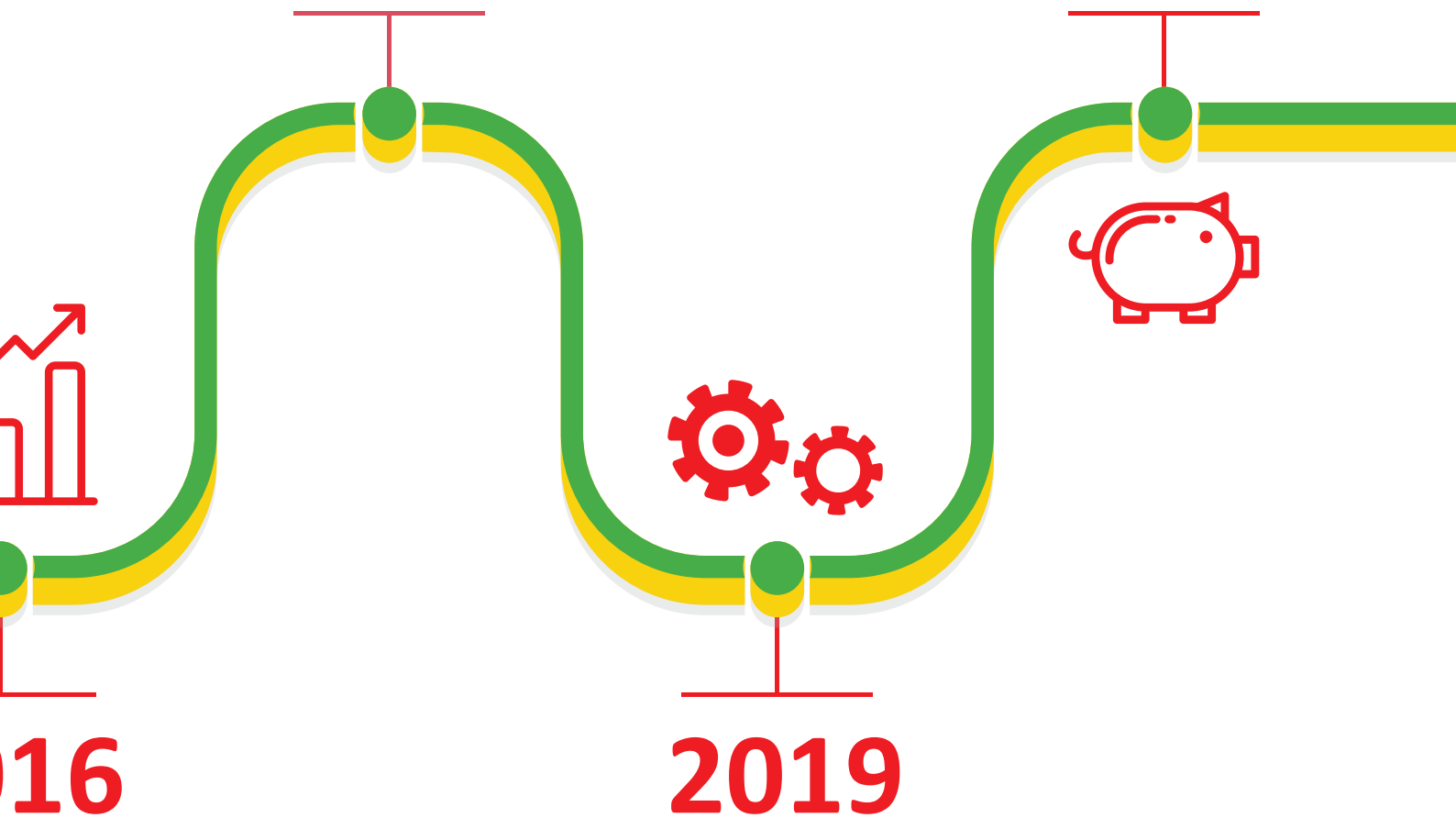
Camma Microfina
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2017

- Camma Microfinance received a license to operate Takmao Branch.
- Camma Microfinance grew its capital to USD 2,103,000 (two million one hundred three thousand United States dollars)

2020

August 11, 2020, CAMMA Kong Pisey branch granted a permit.



2016

Camma Microfinance received a license to operate AngkSnuol Branch.

2019

Camma Microfinance grew its capital to USD 3,593,000 (three million five hundred ninety-three thousand United States dollars)

Lenders and Partners



ធនាគារវឌ្ឍនៈអាស៊ី ចំកាត់



ធនាគារ អេស៊ីលីដា ភីអិលស៊ី



ធនាគារ អ អេច ប៊ី ឥណ្ឌូនេស៊ា



Cathay United Bank



ធនាគារ វឌ្ឍនៈ



ក្រុមហ៊ុនប្រឹក្សាវិនិយោគ (ស៊ីប៊ីស៊ី)



ធនាគារឯកទេសវីង
(ខេមបូឌា) លីមីតធីត



BDtruS



សមាគមមីក្រូហិរញ្ញវត្ថុកម្ពុជា
(ស៊ីអិមអេ)





Foreword by Chairman of the Board

Mr. Thoun Vathana
Chairman of the Board

Cambodia has seen remarkable developments in the past two decades, was categorized as a low-middle income economy in 2015 and is expected to become a high-middle income economy by 2030. The increase in exports of textile products, and in tourism have enabled the country's economic growth rate to stay at an average of 7.7% between 1998 and 2019. The global crisis resulting from the COVID-19 pandemic caused annual growth to plummet to only 3.1% in 2020. This pandemic severely disrupted the tourism industry as well as exports of industrial and construction products. Nevertheless, data compiled by the Asian Development Bank (ADB) forecast that the economic growth will increase again to 4.0% in 2021. In spite of this forecast, Cambodia might not achieve such growth due to the worsening COVID-19 pandemic.

Banking and finance play a significant and truly in-

dispensable role in the country's development in the form of providing credit to the smallest, small, medium, and large enterprises. Relatively obscure prior to development and evolution of the COVID-19 pandemic, CAMMA Microfinance Ltd. has contributed to the government's efforts in as many aspects as possible and eased the burden of customers by various means with an open mind and creativity as guiding principles.

In the meantime, CAMMA received financing of 1 million US dollars to be deployed as a project in support of SMEs for their establishment and expansion in priority areas. As a result, considerable support was given to SMEs by the project.

For the past 10 years, CAMMA has been working rigorously with resounding success, and contributed to providing solutions to different challenges via a channel of honest well-mannered, and serious staff

members. In 2020, I am pleased to present to the public the 2020 Report on CAMMA Microfinance Ltd, which demonstrates our key accomplishments of the year, thanks to the concerted efforts, perseverance, dedication, and commitment of the management and staff members of CAMMA Microfinance Ltd. in contributing to the livelihoods of Cambodian people. The Board and shareholders place tremendous confidence in the leadership of the institution in strategic areas as well as human resource management to yield favorable outcomes. At the same time, we exert our efforts in continual research and study for greater methods, services, and products which can respond even better to the market and contribute to the vision of the government for economic growth and poverty reduction across Cambodia. To this end, on behalf of the Board and shareholders, I hereby wish to extend my profound gratitude to the Royal Government of Cambodia, National Bank of Cambodia, shareholders, customers, and the general public for their trust in CAMMA Microfinance Ltd. Special thanks go to our leadership and staff members for their commitment and the sacrifice of their time and effort to attain the mission of CAMMA. Additionally, I wish to thank our shareholders for their continued support, and constant attention and care for the staff members and customers. We shall continue with the culture of solidarity to en-

sure that CAMMA Microfinance Ltd. will accomplish its mission in providing creative financial services impactful for communities, Small & Medium Enterprises (SMEs), and farmers, notably women, with effectiveness, sustainability, and responsibility.

With appreciation,



Thoun Vathana
Chairman of the Board



Foreword by Executive Director

Mrs. Dit Nita
Executive Director

Like many other countries across the globe in 2020, Cambodia was hit by the COVID-19 pandemic. The tourism industry, exports of textile and footwear products, construction and development, and real estate businesses were all severely affected, and reduced annual economic growth to a mere 3.1% in that year. To counter this economic and financial crisis and to restore people's ability to generate income, the Royal Government of Cambodia issued a number of national policies and channeled them through the National Bank of Cambodia, and the Ministry of Economy and Finance. As a microfinance institution which is part of the country's economy, CAMMA stepped up to aid the implementation of the policies and to ease the burden of Cambodian people and SMEs, and accomplished the following:

The circular No. B7 020-001-C., dated March 27, 2020, promulgating loan restructuring amid the im-

pacts of the COVID-19 pandemic, played a crucial role in easing the burden of debtors who faced a decrease in income. This circular prompted finance institutions to restructure loans in favor of supporting customers badly affected by the COVID-19 pandemic in four Priority Sectors by preserving the loan categorization. Along with the circular and to help people restore their capabilities in generating income during this time, CAMMA Microfinance Ltd. restructured loans for 352 customers, equivalent to 3,647,767 US dollars. Most of the customers were in the tourism, manufacturing, and transportation sectors. Subsequently, with their loans restructured, their capabilities to generate income were replenished, enabling them to repay the debt punctually.

The Royal Government of Cambodia set in motion the SME Co-financing Project with a funding of 100 million US dollars provided via finance institutions

with only a 7% annual interest rate. CAMMA participated in this project, injecting 975,449 US dollars to support six customers, 50% of whom were in the first Priority Sectors (manufacturing products using recycled materials for local uses and tourism purposes). 2020 marks the 10th anniversary of the founding of CAMMA Microfinance Ltd. as well representing the year of hardship in the microfinance sector and of difficulties for people affected by the COVID-19 pandemic. Even so, CAMMA overcame those barriers and launched a new branch in Kong Pisey to celebrate this anniversary and to provide services even faster to customers. As of December 31, 2020, the Kong Pisey branch had served 139 customers with a credit balance of 1,357,393 US dollars.

CAMMA shall continue to implement its 5-Year Strategy (2020-2024) with results listed in the 2020 Financial Report, which has been formulated in conformity to the Certified International Financial Reporting Standards for SMEs (CIFRS for SMEs) with only a few modified methodologies and provisions. Notable results of the CAMMA operation based on the work of independent auditor Ernst & Young are demonstrated as follows:

As of December 31, 2020, CAMMA has four branches, 120 employees, and a portfolio of 1,575 clients, 53% of whom are women. The total credit balance is 13,324,527 US dollars. The credit balance in Khmer

currency is 10% greater than the total credit balance (10.61%), while credit risk is only 5.98%, with total interest revenues of 2,316,529 US dollars, a 14% jump from that in 2019, and after-tax profit of 425,359 US dollars. Profitability to return on equity ratio is 9.12%. In the past 10 years, CAMMA has been a proud service provider to customers with integrity, transparency, and creativity. On behalf of the shareholders, the Board, the management, and all staff members of CAMMA Microfinance Ltd. I hereby wish to deliver my immense gratitude to our customers, who have been providing us with support for the last 10 years. I also wish to thank the National Bank of Cambodia, the Cambodian Microfinance Association, local authorities at all levels, and partners, who have provided us with valuable suggestions and support. Lastly, I thank all staff members at CAMMA, who are committed to their duties with honesty, professionalism, and tireless performance under all circumstances.

Respectively



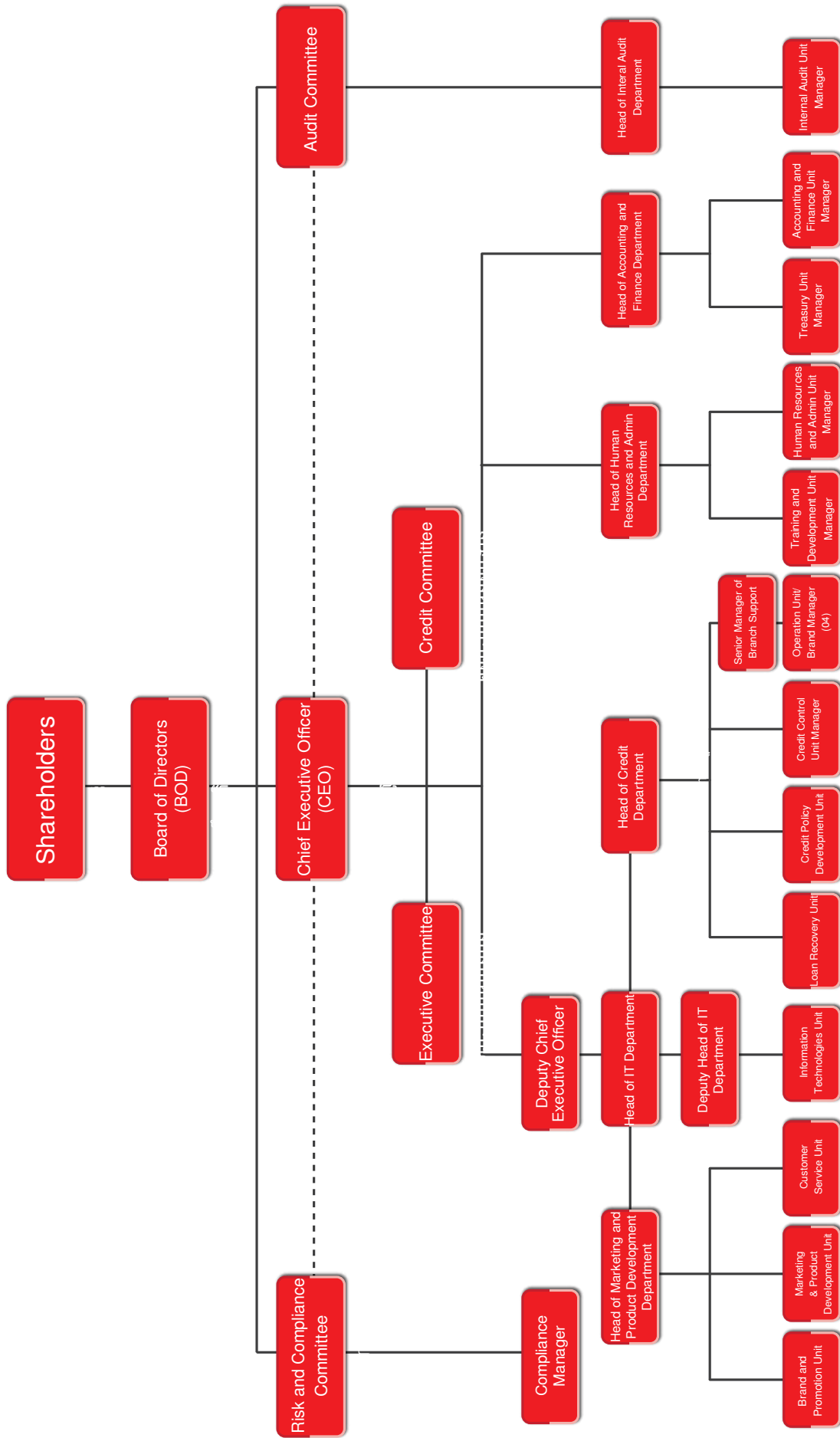
Dit Nita
Executive Director

Corporate Governance



- **Management Teams**
- **Organizational Chart**
- **Products and Services**
- **Risk Management and Internal Control**

Organization Chart



Management Teams



Mrs. Dith Nita
(Chief Executive Officer)

Mrs. Dith Nita graduated in her Bachelor degree of Commerce in 2003 and Master degree of Financial Management in 2005 at Australian National University. She has experience in business management and credit management since 2008. Prior to establish CAMMA Microfinance Limited. She owned and managed the Construction Company. At the same time, she also operated the Credit Operator and then registered it as Microfinance Institution, which recognized officially by National Bank of Cambodia since 2010



Mrs. Ouk Suntheary
(Head of Accounting & Finance Department)

Mrs. Ouk Suntheary graduated Bachelor Degree of Accounting in 2001 and Master of Finance in 2004 at the National University of Management. She has more than 17 years of experiences in accounting, finance, and budget management, with a number of institutions such as foreign bank, State-Owned Enterprises under the cooperation of the United Nations and private company. She joined with CAMMA Microfinance Limited in December 2016 as a Deputy Head of Accounting and Finance department and was promoted to be the Head of Accounting and Finance department in June 2018 to present.



Mr. Ly Chheang
(Head of Credit Department)

Mr. Ly Chheang graduated in Master degree of Business Administration in major of General Management at Royal University of Law and Economics in 2009. He has more than 10 years of experiences in bank and microfinance sector. He help various positions with other Banks including Micro loan, small loan, medium loan, housing loan, Deputy Branch Credit Manager and Chief of Branch Credit Manager. Before joining to serve Camma Microfinance Limited as the Operation Unit Manager in 2015 and then was promoted to Head of Credit Department in March 2016 till now.



Mr. Yiang Hai
(Head of Internal Audit Department)

Mr. Yiang Hai obtained his Master degree of Finance and Banking at Build Bright University in 2010 and Bachelor degree of Accounting and Finance at National Institute of Management in 2003. He has attended numerous training courses such as effective internal control, internal audit, advance credit risk management, report writing, leadership skill, Cambodian Taxes, International Financial Report Standard (IFRS) and Fraud. He has more than ten years experiences worked with Prasac and LOLC as credit officer, internal audit officer, senior internal auditor and operation audit unit manager. He starts working at CAMMA as Head of Internal Audit Department in November 2015.

Management Teams



Mr. Tith Vannarith
(Head of IT Department)

Mr Tith Vannarith, He graduated in master degree of finance at National University of Management in 2008 and he also has IT skills on Programing VB6, VB.Net and Sql Server Database Management. He 19 years of experiences in retail banking specialized in Accounting Finance, Treasury and Information Technology. Now he is holding the position of Head of IT Department at Camma Microfinance Limited.



Mr. Thi Bunheng
(Head of Marketing and Product Development Department)

Mr. Thi Bunheng graduated the Master in Development Management (MDM) at Norton University of Cambodia in 2014 and graduating the bachelor degree in agronomy at Maharishi Vedic University (MUV) in 2005. He has experienced more than 14 years in NGOs, UN agency and MDI Before joining CAMMA Microfinance Limited, he had worked for AMRET Microfinance for many years in product development. He has joined CAMMA Microfinance Limited in 2019 as a head of marketing and product development department up to now.



Mr. PHENG Putmetrey

(Head of Human Resources & Administration Department)

He obtained a Master Degree in Business Administration and Bachelor Degree in English with an High Diploma of Intensive English Academic Program (IEAP) at Paññāsāstra University of Cambodia (PUC) . He has more than 10 years diversity of experiences in Human Resources & Administration, Customer Service and Advertising Marketing with local & international companies and various financial institutions. During his journey of employment, he had received many professional training courses in Human Resource Managements, General Administration Management, Leadership & Management, Team buildings and others. He has joined CAMMA Microfinance Limited in 2019 as Head of Human Resources & Administration Department.



Mr. Vaung Chansomean

(Compliance Manager)

Mr. Vaung Chansomean holds a Bachelor's degree in Banking and Finance from Build Bright University in 2016 and he also obtained a Diploma in Business law from CamEd Business School in 2019. He has attended several training courses relate to Compliance and risk management both locally and internationally. In November 2019, He joint with CAMMA Microfinance Limited as a Compliance Manager. He has 7 years of experience in Financial Sector before joining CAMMA Microfinance Limited; he has worked for another Microfinance deposit taking institution through various positions such as Credit Officer, Chief Credit Officer, Risk Officer and Compliance Officer.

Products and Services

The products of Camma Microfinance Limited are loan products. These loans are provided to customers for general use, such as to purchase household goods and personal vehicles, or to fund micro, small and medium enterprises. In providing these services, Camma has set the following customer service standards:

- **Quick and Effective Loan Processing:** For new customers, loan is disbursed within three days the latest, given the customer provides sufficient documents. For existing customers who have taken Camma's loan, loan is disbursed within two days.
- **Services on the Spot:** Camma's staff will be servicing their customers to customers' own places.
- **Customer Service Monitoring:** Camma's Marketing Department will conduct surveys and interview customers about services of the institution. Customer complaints or suggestions are recorded and reported to management and used to improve service provision.

Group Loan

Group Loans are provided in KHR to the poor or poorest customers whose livelihoods are in agriculture, such as farming, animal husbandry and agriculture-related micro businesses. These loans require customers to form a group of 2 to 5 members. Loan amount is up to KHR 2,000,000 per member for a 24-month loan tenure and interest rate of 18% per annum. Loan Repayment: Monthly payments of principal + interest.

There are three types of Individual Loans and Package Loans:

- ✓ Micro Business Loan
- ✓ Small Business Loan
- ✓ Medium Business Loan

Micro Business Loan

Micro Business Loan is provided to serve the market needs in rural areas, cities, towns and other areas in the Kingdom of Cambodia. Micro Business loan amount is provided in USD and KHR up to USD 4,000 or its KHR equivalence with a loan tenure of up to 36 months with interest rate of 18% per annum. Loan repayment: Declining monthly payments of principal + interest and equal monthly payments of principal + interest.

Small Business Loan

Small Business Loan is designed to provide fund to borrowers to finance all types of business needs, including production, trade, agriculture, services and tourism, so that these small business owners can improve their income. Small Business loan is provided in USD and KHR with loan size from USD 4,001 up to USD 10,000 or its KHR equivalence for a loan tenure of up to 60 months with interest rate of 18% per annum. Loan repayment: Declining monthly payments of principal + interest and equal monthly payments of principal + interest.

Medium Business Loan

Medium Business Loan is designed to provide fund to borrowers to finance all types of small and medium enterprises, including in production, agriculture, services and tourism, with reliable and legitimate employment and good reputation and relationships in the society. Medium Business Loans are provided in USD and KHR with loan size from USD 10,001 to USD100,000 or its KHR equivalence for a loan tenure of up to 60 months with interest rates ranging from 13.2% to 18% per annum. Loan Repayment: Declining monthly payments of principal + interest and equal monthly payments of principal + interest.

Quick Loan

Camma offers Quick Loans to customers who are legal persons in the fields of agriculture, trade, services, handicrafts, industries, family business, etc. The interest rate is 18% per annum with loan amount up to USD 1,000 or its KHR equivalence for a loan tenure of up to 18 months. Repayment Methods: Declining monthly payments of principal + interest and equal monthly payments of principal + interest.

Staff Loan

Camma provides staff loans to help staff meet their financial shortcomings in purchasing household essentials, and funding necessities of their daily living. Loan amount (calculated based on staff repayment ability) 40% to 80% of total salary plus equipment rental income with Camma. Loan tenure is up to 60 months with annual interest rates from 13.2% to 15.6%. Repayment Methods: Declining monthly payments of principal + interest and equal monthly payments of principal + interest.

Vehicle Loan

Camma focuses on physical persons with regular income who have confidence and need to buy motorbikes or 3 wheels for personal or business use in line with the law, such as company employees, civil servants, business owners or other customers. With the interest rate of 18% per annum, vehicle loan amount for purchasing motorbikes is up to USD 2,000 or KHR 8 million, and vehicle loan amount for purchasing 3 wheels is up to USD 3,000 or KHR 12 million for a loan tenure of up to 36 months. Repayment Methods: Equal monthly payments of principal + interest, and customers can decide on the first repayment date as they so desire.

Property Loan

Camma provides Property Loans for customers who have a clear plan to buy land and concrete flats, to buy land to build a house or build rooms for rent, to buy land as business premises or to fund a building on their existing land. Camma provides customers up to 80% of the market value of the property, mortgaged the purchase or the construction with the Property Loan (up to 80% of the market value of the property mortgaged with Camma for Property loans for building houses). Camma provides Property loans in KHR and USD with loan amount of up to USD 100,000 or its KHR equivalence for a loan tenure of up to 120 months with interest rates ranging from 13.2% to 18% per annum. Repayment Methods: Declining monthly payments of principal + interest and equal monthly payments of principal + interest.

Risk Management and Internal Control

Internal control is fundamental to successful day-to-day operations. It assists the institution in achieving its business objectives. Weak or ineffective internal control has caused losses in many financial institutions.

CAMMA has established a strong internal control system to facilitate customer service improvements, guard against intentional or unintentional errors, and to ensure staff adherence to policies and guidelines. CAMMA's policies and procedures are embedded in the internal control system to prevent risks. Proper segregation of duty and dual control means that an employee cannot process the whole transaction. Every staff member takes responsibility to follow and apply the internal control policies. At the same time, they have to communicate upward about any problems of non-compliance or policy violations.

CAMMA's Internal Audit is responsible for assessing the adequacy and accuracy of the internal control system, including reviewing the institution's compliance with regulatory requirements, and reporting independently to the Audit Committee of Board.

Internal audit activities are independent, assertive, and consultative, designed to further enhance and improve CAMMA's operations. Internal Audit assists in achieving the purpose by providing a systematic and disciplined assessment approach and enhances the effectiveness of risk management, monitoring and corporate governance.

Internal Audit activities will not be blocked from any part of the institution, including chosen to conduct an audit, scope, procedure, frequency, timeliness or content of the report to maintain independence and accuracy as required. Internal auditors must not inspect the section or department where their relative is working or where the internal auditor has been employed for at least six months. Internal auditors must be independent of daily operations and must avoid engaging in activities that may be seen to affecting their ability to provide services independently and consistently. In conducting the audit, the internal auditor has no role or authority beyond any activity to be supervised.



Cambodia Airways Stadium



Capacity Building



- **Performance compensation**
- **Staff Competency Development**
- **Staff Welfare**
- **Internship for Students**
- **About Customer**

Performance Compensation

To ensure the quality of the products and services to our customers, CAMMA Microfinance Ltd. pays considerable attention to human resource development and invests both time and financial resources to fund capacity-building programs and opportunities for staff members to participate in both internal and external sessions. Fifteen courses of internal training programs for the development of technical know-how and relevant skills for day-to-day work and policies of the institution have been provided to 441 trainees, 65 of whom were female. These training programs aim to develop knowledge, skills, and the mindset of employees at all levels to comply with the current banking and microfinance sector requirements in the context of CAMMA Microfinance Ltd. Additionally, CAMMA sent 67 staff members to participate in 15 external soft and hard skill training courses, and to pursue Bachelor's degrees, and Master's degrees to further ameliorate their capabilities in smoothly and effectively leading the institution.

Indicators	2017	2018	2019	2020
No. of all staff members	94	95	103	120
No. of all COs	48	46	47	54
% of female	28%	28%	28.16%	30%
% of male	72%	72%	71.84%	70%



Staff Competency Development

The growth and accomplishments of the entire entity are the result of the efforts of the management and staff members of CAMMA Microfinance Ltd. Thanks to such growth and efforts, the management decided to amend and increase benefits to staff members as incentives. Furthermore, the management also decided to award COs with quarterly bonuses, and annual incentive/bonus to all branches which reached the target. Lastly, eight (6.67%) staff members were promoted in 2020.

Staff Welfare

One part of CAMMA's vision is to bring about harmony in an exciting workplace where people can develop and grow alongside the organization with a motivating culture to uphold teamwork by means of important activities conceived every year.

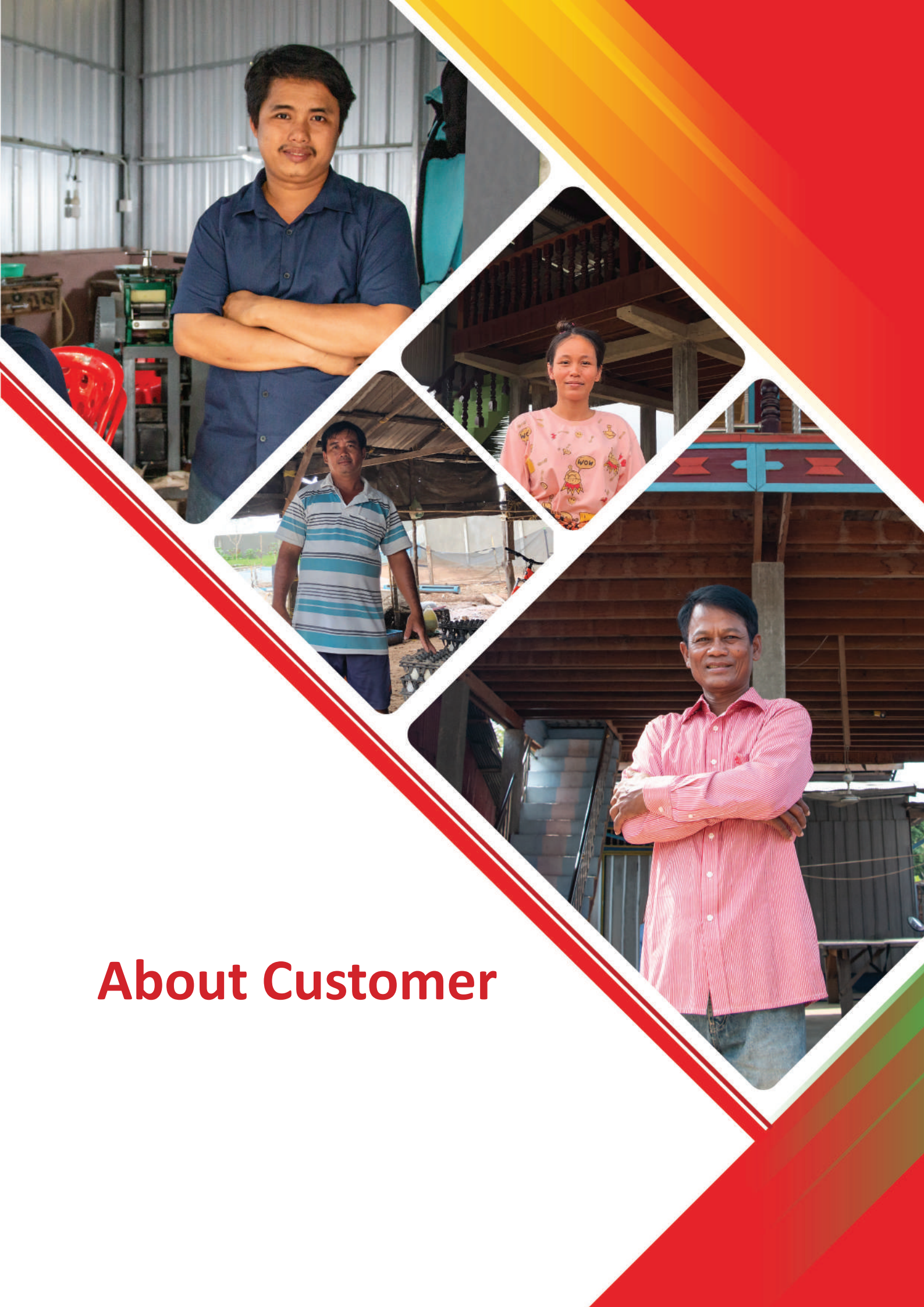
Moreover, the institution also organizes events, solidarity luncheons, and year's end parties at respective offices/branches, as well as annual trips, and workshops to consolidate interpersonal relations and closeness among the management, staff members of the central office, and those of all branches.

Internship for Students

In 2020, CAMMA Microfinance Ltd., in collaboration with universities and institutes, offered scholarships for four academic years to students pursuing Associate degrees and Bachelor degrees. In addition, CAMMA also offered an apprenticeship program for a group of five students (four females), an internship program, and eventual full-time employment opportunities.

One intern in the program at CAMMA who checks all the boxes of honesty, ability, and determination will be upgraded to become a full-time employee.





About Customer



Mr. Yeurn Somin and Mrs. Yem Sovanna
 Business: Jewelers
 Address: Chbar Morn district, Kampong Speu province.

Mr. Yeurn Somin, 31, was born in Samrorng village, Brathous commune, Koh Sotin district, Kampong Cham province. He is married to Mrs. Yem Sovanna, has two children, one male and one female, and is now residing in Pong Ro village, Kandol Dom commune, Chbar Morn district, Kampong Speu province. In the beginning after their wedding, they lived with their parents. The couple started a business as jewelers and continued to live with their parents until 2020. He said that he and his wife had been skilled jewelers for about 10 years and after observing that the business was getting better and better and had three to four employees, he and his wife decided that they

wanted a house and to scale up their business. After their discussion, the couple reached out to CAMMA to enquire about credit and acquired their first loan of 25,000 US dollars as capital for a house and business on April 3, 2020. With their business growing larger, they came to acquire their second loan of 35,000 US dollars in mid-January 2021 to pay off the last one and to use it for construction of houses for their employees.

Mr. Yeurn Somin and his wife thanked CAMMA Microfinance Ltd. for the trust and opportunity to make their family more capable and prosperous.



Mr. Hor Sameurn and Mrs. May Sreymom
Business: Civil Servant & Traditional Performing Artist
Address: Veal commune, Kong Pisey district, Kampong Speu province.

Mr. Hor Sameurn, 51, and Mrs. May Sreymom, reside in Tbong Phnom village, Veal commune, Kong Pisey district, Kampong Speu province. The couple have been married for 30 years and have two daughters. Presently, Mr. Sameurn works as a soldier in Kampong Speu, while his wife is a well-known traditional performing artist. He added that he and his wife had been in the profession for nearly 30 years. Mr. Sameurn emphasized that he and his had worked hard and tried to save money to build a house for a long time, and at such a slow pace, that they needed to save for a lot longer. The couple discussed getting a loan and reached

out to the staff of CAMMA Microfinance Ltd. to request their first loan of 11,000 US dollars on October 16, 2018 to realize their dream of constructing a house. After noting the increasing expenses, he discussed another loan with his wife. On July 10, 2020, they got another loan of 13,000 US dollars to pay off the previous one, add final touches to the house, and buy a motorcycle to travel to work and performance locations.

Lastly, Mr. Sameurn and wife expressed their joy and pride at having been supported by CAMMA with trust and loans to address the needs of family to improve their livelihood.



Mrs. Vong Nacri

Business: Dump Truck Rental Service

Address: Tbaeng commune, Kandal Steung district, Kandal province.

Mrs. Vong Nacri, 57, was born in Kamnodb village, Tbaeng commune, Kandal Steung district, Kandal province. She is married and has two children, one son and one daughter. Her family resides in Kamnodb village, Tbaeng commune, Kandal Steung district, Kandal province.

Having been in the business for years with her son as the operator of a dump truck, she revealed that she took out a loan of 15,000 US dollars with a 4-year term from CAMMA to make the original truck purchase.

With the outbreak of the COVID-19 pandemic,

the business was closed temporarily, causing her income to plummet. Following consultation with the CAMMA team, she decided to apply for loan restructuring on September 4, 2020. With the restructured loan granted, her livelihood saw an improvement amid a new repayment scheme adaptive to the prevailing situation.

She and her husband delivered profound thanks to CAMMA Microfinance Ltd. for the confidence and loan to make their life better again.



Mr. Chheang Bunhak and Mrs. Sok Sopheap
Business: Duck Farming
Address: Khan Pou Senchey, Phnom Penh.

Mr. Cheang Bunhak, 51, originates from Svay Sach Phnom commune, Srey Santho district, Kampong Cham province. He is married to Mrs. Sok Sopheap and has two children. The family reside in Krang village, Trapeang Krasaing quarter, Khan Pou Senchey, Phnom Penh. They are owners of a duck farming business.

Mrs. Sok Sopheap said that she and her husband had been in the duck farming business for many years. Amid the COVID-19 pandemic, the business of raising ducks and selling eggs faced serious setbacks, gravely affecting their income.

Consequently, the couple decided to reach out to CAMMA in Ta Khamo city, which coordinated an application for a loan restructuring. With the restructured loan granted, their family livelihood improved, and their difficulties were eased to an extent, enabling them to repay to CAMMA in amounts they could gather amid the outbreak of the COVID-19 pandemic.

The couple, finally, were happy and grateful to CAMMA Microfinance Ltd. for the loan restructuring and supporting their family to improve their livelihood once again.



Mrs. Mong Sreyneang

Business: Textile Industry Worker

Address: Tbaeng commune, Kandal Steung district, Kandal province.

Mrs. Mong Sreyneang, 32, comes from Kamnob village, Tbaeng commune, Kandal Steung district, Kandal province. She is married and has two children, one son and one daughter. The family reside in Kamnob village, Tbaeng commune, Kandal Steung district, Kandal province. She and her husband work as textile industry workers.

She said that she and her husband had been textile industry workers for ages. They utilized a loan of 13,000 US dollars granted three years ago to construct a house. She added that during the COVID-19 outbreak, their income

saw a huge decline because their workplace was temporarily closed. Because of the worsening livelihood they were enduring, she contacted a staff member at CAMMA in Ta Khmao city and was granted a restructured loan. She said that after the loan, her livelihood got better and she could repay the loan and had some reserve for the family, thanks to the decrease in repayment amount.

To this end, the couple delivered their gratitude to CAMMA Microfinance Ltd. for the trust and loan to improve their family's livelihood.

Financial Reports



- Report of Board Directors
- Independent auditor's report
- Balance Sheet
- Statement of comprehensive income
- Statement of changes in equity
- Statement of cash flows

Report of The Board Directors

The Board of Directors of CAMMA Microfinance Limited (“the Company”) presents its report and the Company’s financial statements as at 31 December 2020 and for the year then ended.

THE COMPANY

The Company is a licensed microfinance institution incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce (“MoC”) as a limited liability company under the Registration No. Co. 0700 KH/2010 dated 6 April 2010. The Company obtained a license from the National Bank of Cambodia (“NBC”) to operate micro-finance services on 29 July 2010.

The Company’s vision is to become a reliable microfinance institution that provides inclusive and innovative financial service to Cambodian and ensure benefit for clients, staffs, shareholders, and society as whole.

The Company’s principal activity is to provide innovative and impactful financial service to communities and, small and medium enterprises in an efficient, sustainable and responsible manner.

The Company’s registered office is located at No.101A, Street 289, Sangkat Boeng Kak I, Khan Toul Kok, Phnom Penh, Cambodia.

FINANCIAL RESULTS

The financial performance of the Company is set out in the statement of comprehensive income.

PAID-UP CAPITAL

There were no movements in the paid-up capital of the Company during the year.

DIVIDENDS

No dividends were declared during the year.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL LOANS AND ADVANCES TO CUSTOMERS

Before the financial statements of the Company were drawn up, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and the making of provisions for bad and doubtful loans, and satisfied themselves that all known bad loans had been written off and that adequate provisions had been made for bad and doubtful loans.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad loans or the amount of the provision for bad and doubtful loans in the financial statements of the Company inadequate to any material extent.

CURRENT ASSETS

Before the financial statements of the Company were drawn up, the directors took reasonable steps to ascertain that any current assets, other than loans, which were unlikely to be realized in the ordinary course of business at their value as shown in the accounting records of the Company, have been written down to an amount which they might be expected to realize.

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 in any material respect.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate in any material respect.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- No charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- No contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of business.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they become due.

EVENTS AFTER THE END OF REPORTING PERIOD

No significant events occurred after the end of reporting period requiring disclosure or adjustment other than those already disclosed in the accompanying notes to the financial statements.

THE BOARD OF DIRECTORS

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

Mr. Thun Vathana	Chairman
Ms. Khat Sokean	Vice-chairwoman
Mr. Khov Soviet	Independent member

AUDITOR

Ernst & Young (Cambodia) Ltd. is the auditor of the Company.

DIRECTORS' INTERESTS

No members of the Board of Directors hold any interest in the equity of the Company.

DIRECTORS' BENEFITS

During and at the end of the year, no arrangement existed, to which the Company was a party, whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

No director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or with a firm in which the director is a member, or with a company which the director has a material financial interest other than those disclosed in the financial statements.

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended. The Board of Directors oversees preparation of these financial statements by management who is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ("CIFRS for SMEs"), or if there has been any departure in the interest of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- Set overall policies for the Company, ratify all decisions and actions that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applicable accounting system. It 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 these requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of 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 CIFRS for SMEs.

On behalf of the Board of Directors



Thun Vathana
Chairman



Dith Nita
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia
19 April 2021

Independent auditor's report

To: The Shareholders of CAMMA Microfinance Limited

Opinion

We have audited the financial statements of CAMMA Microfinance Limited (“the Company”), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of 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 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Prakas on the Code of Ethics for Professional Accountants and Auditors issued by the Royal Government of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information obtained at the date of the auditor’s report comprises the Report of the Board of Directors as set out in pages 1 to 4. Management is responsible for the other information.

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 of financial statements that give a true and fair view 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 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

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.



Sinratana Lan
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia
19 April 2021

Balance Sheet

as at 31 December 2020

Description	2020		2019	
	US\$	KHR'000	US\$	KHR'000
ASSETS				
Cash on hand	270,273	1,093,254	224,616	915,310
Balances with the National Bank of Cambodia	182,298	737,395	181,889	741,198
Balances with other banks	80,837	326,986	11,429	46,573
Loan and advances to customers	13,118,824	53,065,643	12,840,197	52,323,803
Other assets	76,656	310,076	75,367	307,121
Property and equipment	64,226	259,794	27,085	110,371
Software	6,784	27,441	18,727	76,313
Deferred tax assets	5,684	22,992	71,623	291,864
TOTAL ASSETS	13,805,582	55,843,581	13,450,933	54,812,553
LIABILITIES AND EQUITY				
LIABILITIES				
Income tax payable	28,765	116,354	92,621	377,431
Borrowings	9,036,231	36,551,554	8,955,329	36,492,966
Other liabilities	76,861	310,903	164,619	670,823
Total Liabilities	9,141,857	36,978,811	9,212,569	37,541,220
SHAREHOLDERS' EQUITY				
Share capital	3,593,000	14,372,000	3,593,000	14,372,000
Retained earnings	713,131	2,912,314	575,724	2,352,104
Regulatory reserve	357,594	1,452,585	69,640	278,597
Difference on exchange translation	-	127,871	-	268,632
Total shareholders' equity	4,663,725	18,864,770	4,238,364	17,271,333
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,450,933	55,843,581	13,450,933	54,812,553

Statement of comprehensive income

AS AT 31 DECEMBER 2020

Description	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Interest income	2,316,529	9,444,489	2,034,345	8,243,166
Interest expenses	612,511	2,497,207	(573,401)	(2,323,421)
Net interest income	1,704,018	6,947,282	1,460,944	5,919,745
Other operating income	145,868	594,704	95,928	388,700
Total operating income	1,849,886	7,541,986	1,556,872	6,308,445
Personnel expenses	821,466	3,349,117	(652,387)	(2,643,472)
Depreciation and amortization	46,524	189,678	(33,496)	(135,726)
Other operating expenses	379,629	1,547,747	(408,112)	(1,653,670)
Provision for loan Losses	59,235	241,501	(66,311)	(268,692)
Income before income tax	543,032	2,213,943	396,566	1,606,885
Income tax expense	117,673	479,753	(93,713)	(379,725)
Net income for the year	425,359	1,734,190	302,853	1,227,160
Difference on exchange translation	-	140,761	-	249,290
Total comprehensive income	425,359	1,593,429	302,853	1,476,450

Statement of changes in equity

as at 31 December 2020

Description	Share capital		Retained earnings	
	US\$	KHR'000	US\$	KHR'000
As at 1 January 2020	3,593,000	14,372,000	575,726	2,352,112
Net income	-	-	425,359	1,734,190
Transfer from regulatory reserve	-	-	(287,954)	(1,173,988)
Difference on exchange translation	-	-	-	-
As at 31 December 2020	3,593,000	14,372,000	713,131	2,912,314
As at 1 January 2019	2,103,000	8,412,000	741,526	2,997,963
Capital Injection				
Cash	1,000,000	4,000,000	-	-
Appropriation from retained earnings	490,000	1,960,000	(490,000)	(1,960,000)
Net income	-	-	302,853	1,227,160
Transfer from regulatory reserve	-	-	21,347	86,989
Difference on exchange translation	-	-	-	-
As at 31 December 2019	3,593,000	14,372,000	575,726	2,352,112

Regulatory reserve		Cummulative exchange diff. on translation	Total	
US\$	KHR'000	KHR'000	US\$	KHR'000
69,640	278,597	268,632	4,238,366	17,271,341
-	-	-	425,359	1,734,190
287,954	1,173,988	-	-	-
-	-	(140,761)	-	(140,761)
357,594	1,452,585	127,871	4,663,725	18,864,770
90,987	365,586	19,342	2,935,513	11,794,891
-	-	-	1,000,000	4,000,000
-	-	-	-	-
-	-	-	302,853	1,227,160
(21,347)	(86,989)	-	-	-
-	-	249,290	-	249,290
69,640	278,597	268,632	4,238,366	17,271,341

Statement of cash flows

Description	2020		2019	
	US\$	KHR'000	US\$	KHR'000
OPERATING ACTIVITIES				
Income before income tax	543,032	2,213,943	396,566	1,606,885
Adjustments for:				
Depreciation	34,581	140,987	21,139	85,655
Amortization	11,943	48,692	12,358	50,075
Provision for losses on loans and advances	59,235	241,501	66,200	268,242
Movements in operating assets and liabilities:				
Loans and advances to customers	(337,862)	(1,377,463)	(2,787,092)	(11,293,297)
Other assets	(24,232)	(98,794)	17,249	69,893
Statutory deposit	-	-	(74,500)	(301,874)
Other liabilities	(87,757)	(357,785)	70,265	284,714
Cash used in operations	198,940	811,081	(2,277,815)	(9,229,707)
Income tax paid	(92,646)	(377,718)	(87,921)	(356,256)
Net cash used in operating activities	106,294	433,363	(2,365,736)	(9,585,963)
INVESTING ACTIVITIES				
Acquisition of property and equipment	(71,722)	(292,411)	(18,019)	(73,013)
FINANCING ACTIVITIES				
Proceeds from borrowings	12,490,570	50,924,054	6,625,042	26,844,670
Repayments of borrowings	(12,409,668)	(50,594,216)	(5,860,411)	(23,746,385)
Cash proceeds from capital injection	-	-	1,000,000	4,052,000
Net cash generated from financing activities	80,902	329,838	1,764,631	7,150,285
Net (decrease) increase in cash and cash equivalents	115,474	470,790	(619,124)	(2,508,691)
Cash and cash equivalents at beginning of year	238,284	971,007	857,408	3,445,066
Difference on exchange translation	-	(10,846)	-	34,632
Cash and cash equivalents at end of year	353,758	1,430,951	238,284	971,007

Branch Networks

Phnom Penh

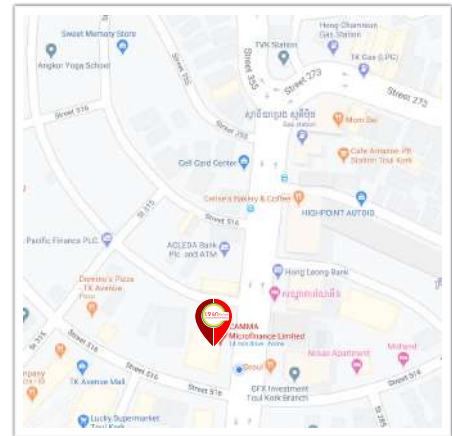
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Tel: (+855)89 999 174



TaKhmau Branch

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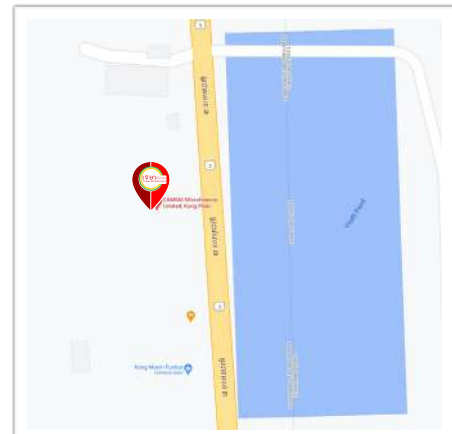
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