

ANNUAL REPORT 2023



Contents

Vision, Mission, Strategic Goal and Core Values 1

Corporate History Milestones 2

Chairman’s Message 3

CEO’s Message 4

Performance Highlights 5

People 8

Social Performance Management..... 20

Financial Statements 24

OPERATING AREA 36

VISION

To be the leading microfinance institution with the most innovative and efficient services which are continuously the best choice for clients and brightest talents.

MISSION

To provide inclusive financial solutions to low-income households and SMEs for improving their socio-economic standards in a sustainable way.

STRATEGIC GOAL

To serve 150,000 customers by the end of 2025 using a client centric approach, by integrating the diverse channels and products/services leveraging technology and human touch.

CORE VALUES

Empathy

- Care and Respect
- Humanizing
- Genuineness

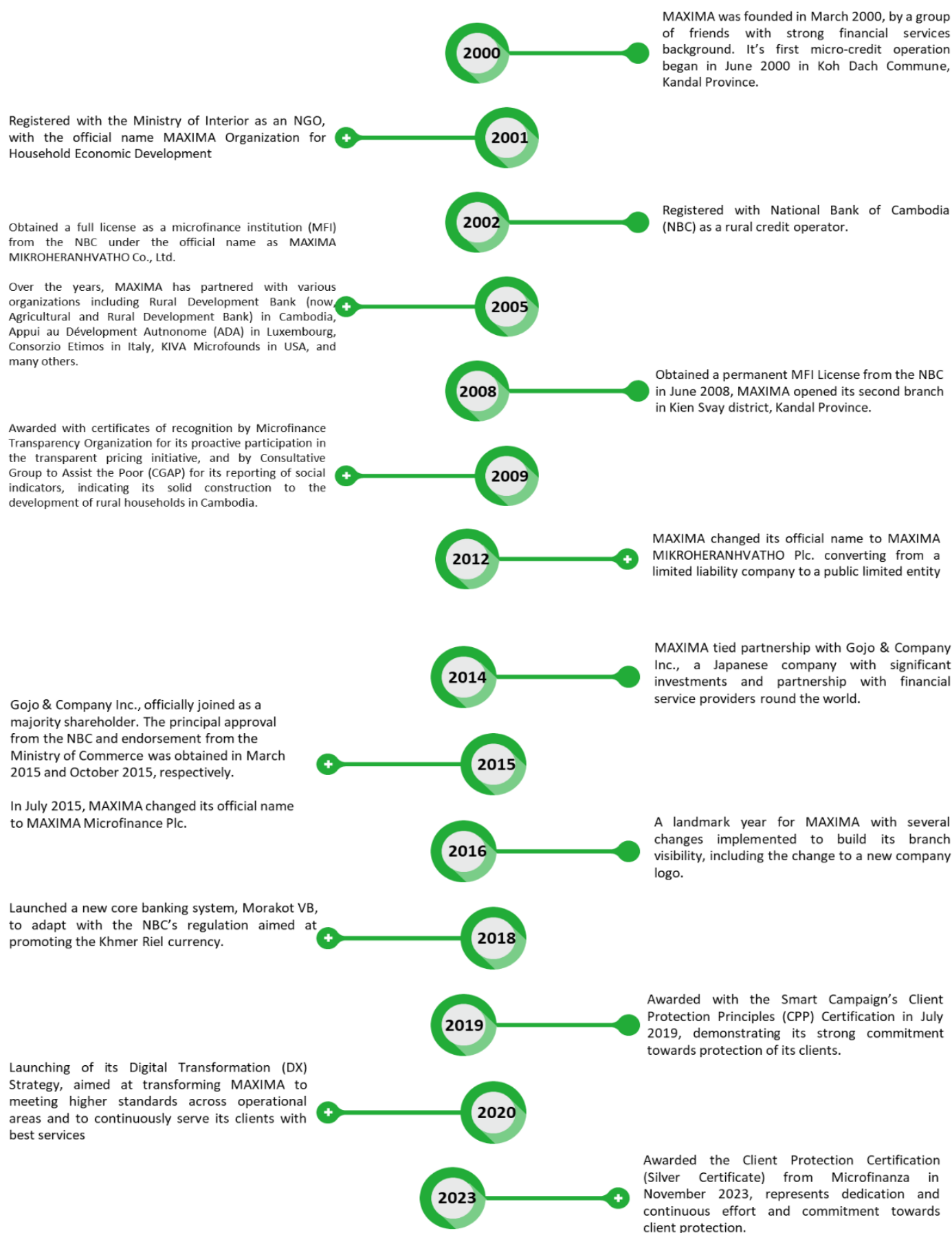
Creativity

- Open mindedness
- Innovator Spirit
- Root-cause oriented

Result Driven

- Thorough accomplishment
- Meritocracy
- Convergence

Corporate History Milestones



Chairman's Message

Cambodia's economic growth remained remarkable despite there is less global demand and slowdown of real estate. Cambodia's economic growth in 2023 will be slightly lower than earlier forecast, down to 5.3% from 5.5%, mainly due to slower-than-expected industry growth in the first half of the year, according to an update in the Asian Development Bank's (ADB) flagship economic report. The National Bank of Cambodia, has raised its forecast to 5.5% in 2023, driven by a return of foreign tourists, agriculture, construction and garment sector.

The loan quality has deteriorated as an effect of the global economic downturn. Some of the clients temporarily lost their job and have reduced income, resulting to having difficulty in loan repayments. Throughout this time, we remained committed to providing responsible finance by working with our clients to come up with plausible repayment options that have helped them to go through this difficult time.



By December 2023, we are able to serve 11,285 clients. Our staff remain committed in providing innovative, responsible, and friendly financial services to our clients especially those in the rural area and the low-income household, upholding the client protection principles as baseline.

The global economy is likely to slow down and remain uncertain throughout 2024. Maxima's management team will further strengthen internal control activities to maintain the quality of Maxima's loan portfolio and at the same time, setting an enhanced strategy to improve its products, delivery channels, pricing, and related services such as initiatives under corporate social responsibility and financial literacy. We set as priority the capacity development of our staff to enhance and attract talented human resources, and further improving the systems and processes. The Board of Directors remains very supportive but prudent in providing guidance to ensure a wholistic, proper and fully functioning governance.

I would like to take this opportunity to express my utmost appreciation to all members of the Board for continuing to provide guidance in alignment to Maxima's mission and vision. I thank our institutional partners and shareholders for relentless confidence and trust in MAXIMA; to the management team for the solid dedication and diligent mobilization of Maxima's strategy to achieve our long-term goals; and to all the employees for their effort, contribution, and continuing to uphold MAXIMA's core values. As the Chairman of the Board of Directors, I will continue to put my commitment to fulfill the strategy, steering Maxima to achieve its vision and mission to be the leading microfinance institution in Cambodia.

DR. AN BUNHAK
Chairman

CEO's Message



Cambodia's economy is on the recovery, with the World Bank projecting a 5.4% growth rate in 2023. Yet, the shadows of the recent economic downturn linger, masking the slower pace of recovery in the everyday lives of its people. Not only the impact of the macroeconomic slowdown, the complexity of the situation is due to the context that the Cambodian financial sector has undergone overheated expansion in the past. The recent pandemic-induced income reductions have exposed these risks, necessitating a phase of correction of the leverage as a whole sector. This situation underlines the imperative for financial institutions to collaborate in fostering responsible lending practices and aligning fair actions with lending guidelines.

At MAXIMA, we have always placed a premium on responsible lending, recognizing its critical importance, especially in challenging times. We maintained the outstanding balance of USD 32 million at the end of 2023. We emphasize meticulous loan assessment in alignment with our policies and guidelines, ensuring that our loans not only meet the clients' needs but also contribute positively to their lives. Precisely because these times are challenging, I believe that we must act with integrity and purpose, striving to serve the greater good and make a meaningful difference in the lives of others.

In 2024, we are committed to striking a balance between investing for growth and managing risks in the face of adversity. In detail, our strategic direction will be delineated into the following key areas: 1. Enhance branch productivity and expand our village banking product 2. Strengthen quality and risk management, and reinforce internal controls 3. Advance technology and security measures 4. Develop staff capabilities and attract key talents to ensure sustainable growth and improved loan quality.

We extend our heartfelt gratitude to the National Bank of Cambodia and the Royal Government of Cambodia for their guidance, and to our shareholders, the Chairman, and the Board of Directors for their unwavering support. Their leadership has been instrumental in steering us through these challenging times and positioning us for future success.

The resilience and progress we have achieved are testament to the dedication of our team members and the trust our clients place in MAXIMA's services. As we forge ahead, we remain committed to our mission of providing financial stability and security for individuals and businesses.

On behalf of the management team, I express our deepest gratitude to all our stakeholders for their continued trust and support. United in our efforts, we are poised to navigate the challenges and seize the opportunities that lie ahead, propelling MAXIMA to greater heights in the year to come and beyond.

TOMOHIRO ISOZAKI
Chief Executive Officer



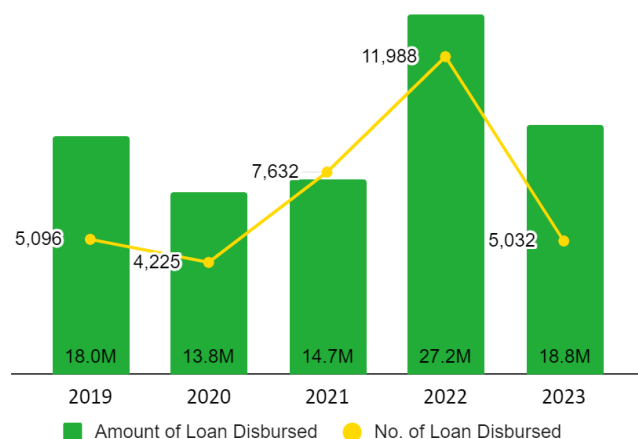
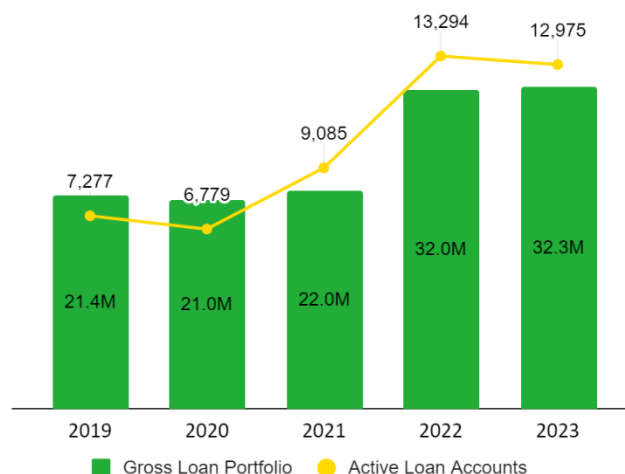
PERFORMANCE HIGHLIGHTS



	31 December 2023	31 December 2022	31 December 2021
FINANCIAL HIGHLIGHTS (CIFRS FOR SME)			
Loan Portfolio (in USD)	32,322,708	32,023,765	21,992,342
Total Assets (in USD)	34,938,716	35,044,977	26,558,544
Borrowings (in USD)	26,134,520	25,078,604	16,793,778
Total Liabilities (in USD)	26,618,095	25,667,657	17,270,925
Total Equity (in USD)	8,320,621	9,377,320	9,287,619
Total Income (in USD)	6,202,995	4,902,863	3,936,064
Net Profit (in USD)	(1,056,699)	89,701	115,327
Return on Equity	-11.94%	0.96%	1.25%
Return on Assets	-3.02%	0.29%	0.45%
HUMAN RESOURCE HIGHLIGHTS			
Number of Loan Officers	137	177	109
Number of Agents (MBelas)	-	230	186
Total Staff	286	311	232
OPERATIONAL HIGHLIGHTS			
Active Loan Accounts	12,237	13,294	9,085
Ave. Loan Size (in USD)	2,641	2,409	2,421
Active Borrowers	11,285	12,136	8,035
Borrowers per Loan Officer	82	69	74
Ave. Loan Portfolio per Loan Officer (in USD)	235,932	180,925	201,765
Amount of Loans Disbursed (in USD)	18,830,389	27,181,641	14,708,283
Number of Loans Disbursed	5,032	11,988	7,632
Ave. Loan Disbursed (in USD)	3,742	2,267	1,927
Portfolio at Risk (PAR) >30	9.04%	2.99%	1.76%
SERVICE OUTREACH			
Number of Branch Offices	18	18	14
Number of Provinces Covered	14	14	9
Number of Districts Covered	108	88	44
Number of Communes Covered	584	454	226
Number of Villages Covered	2,775	1,689	1,019

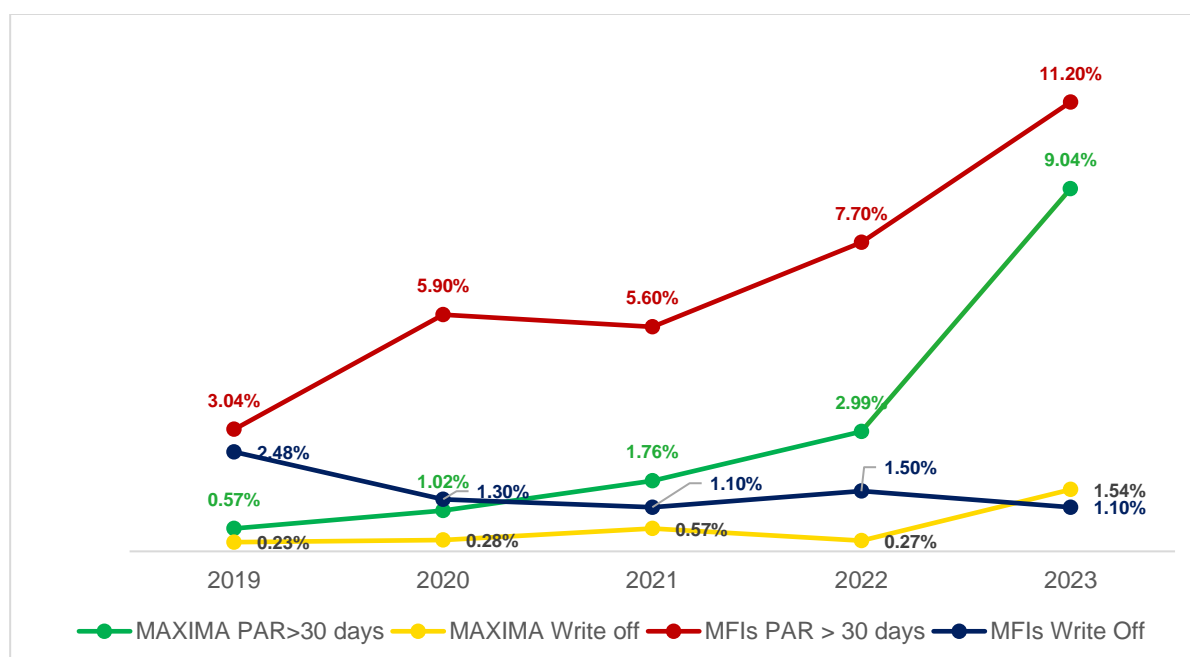
Loan Performance

Maxima recorded only a 1% portfolio growth in 2023 showing its focus to balance its investment for growth and managing heightened risks. The loan accounts have decreased due to drop-outs of ceased MBela operations.



Maxima has strengthened its loan assessment to conservatively address expanding market-wide delinquency. This resulted to condensed loan disbursements through-out the year.

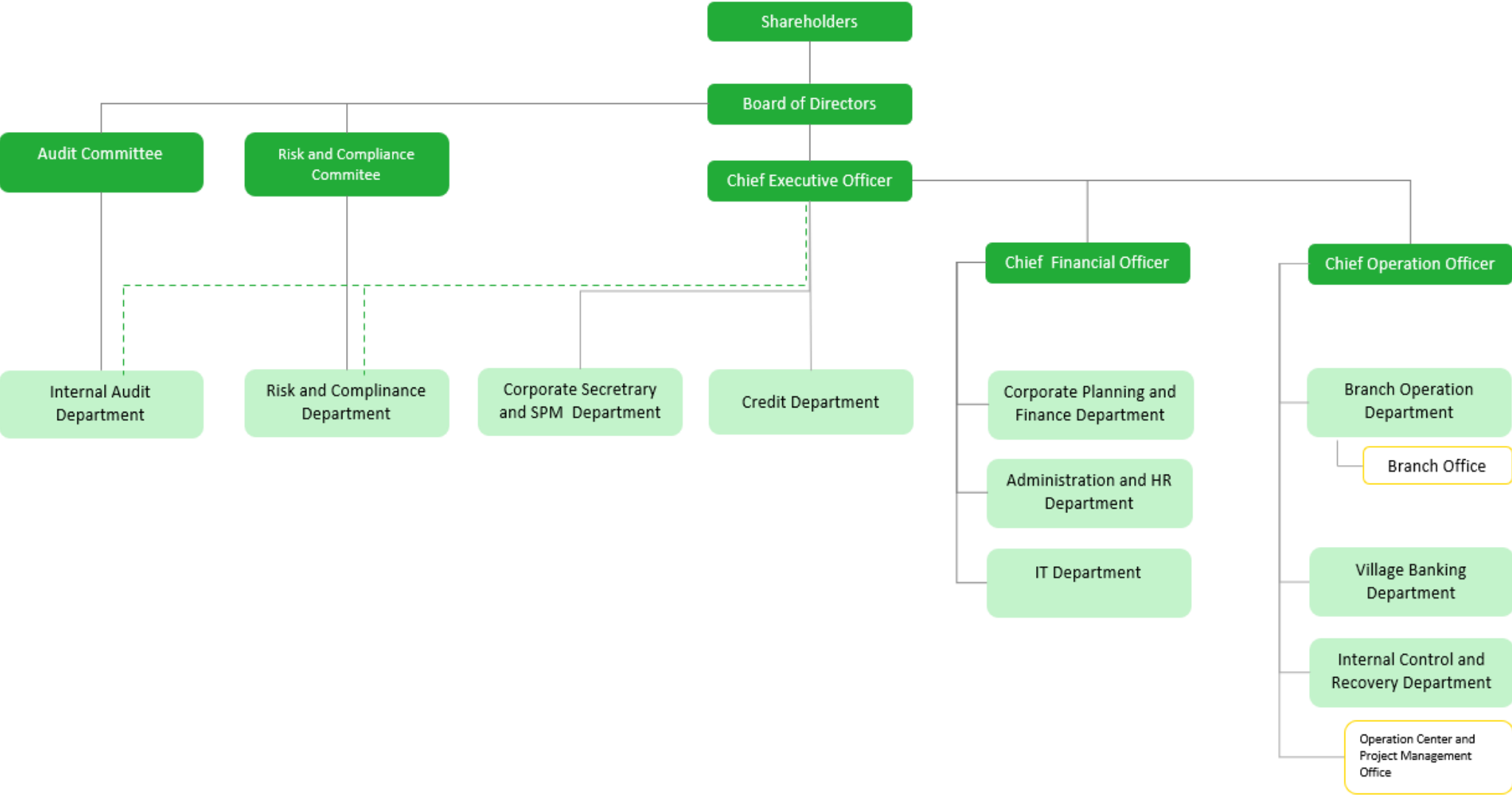
Maxima experienced deterioration in loan quality although still better than the industry's average. The write-off is mainly for unrecoverable MBela accounts.



* MFIs data is retrieved from Cambodia Microfinance Association (CMA) report of each quarter. The data pertains to that of MFI sector which excludes MDIs.

People

Organizational Chart



Shareholders

The details of Maxima's shareholding are as follows:

	Registered Capital	No. of Shares	Share Percentage
Gojo & Company, Inc.	3,140,290	314,029	61.63%
Mr. An Bunhak	1,000,000	100,000	19.63%
Ms. Sreng Sivechheng	430,000	43,000	8.44%
Ms. Sarun Vithourat	420,000	42,000	8.24%
Mr. Chet Chanprasoeur	55,000	5,500	1.08%
Mr. Pa Ponnak Rithy	43,850	4,385	0.86%
Mr. Pa Ponnak Rithy (staff representative)	6,150	615	0.12%
	5,095,290	509,529	100.00%

Board of Directors

Maxima's Board of Directors is composed of six (6) members, two (2) of whom are independent in compliance with the National Bank of Cambodia (NBC) regulations.



Dr. An Bunhak
Chairman

Bunhak is a founding member of Maxima, and was appointed as Chairman of the Board since 2000. Prior to working at MAXIMA, Bunhak served as Chief of Finance at Pacific Commercial Bank from 1995 to 2000.

He earned a Doctoral Degree of Business Administration (DBA) in Management from Preston University, USA in 2009. He also holds a Master of Banking and Finance at Norton University, Cambodia, and Ateneo De Zamboanga University, the Philippines, in 2003. He obtained a Bachelor of Business Administration from the Faculty of Business, Cambodia in 1995.



Taejun Shin
Representative of Gojo & Company, Inc / Director

Taejun is a co-founder and the CEO of Gojo & Company, Inc., Maxima's majority shareholder. He started his career at Morgan Stanley and Unison Capital as an investment professional. While working in the sector, Taejun founded Living in Peace, an NGO, in 2007, and created the first microfinance investment fund in Japan's history in 2009. He is the Young Global Leader of the World Economic Forum and the youngest founding member of Endeavor Japan. The Harvard Business Review Japan Edition selected him as the 20 best CEOs under age 40.

He holds a Master of Finance, Accounting and Law from Waseda Graduate School of Finance of Waseda University, and obtained a Bachelor of Law from the Faculty of Politics and Economics of Korea University.



Sanjay Gandhi
Director

Sanjay is a co-founder and the Chief Investment Officer of Gojo & Company, Inc. He started his career as an Audit Manager in early 1900's and afterwards, led the corporate banking at one of the largest finance companies in India for 8 years. He then joined the MFI industry in 2003, gaining significant expertise in all aspects of microfinance operations. He has conducted close to 125 MFI ratings and assessments in 29 countries and has approved more than 400 MFI rating reports, some of which were for World Bank, ADB, UNDP, Cordaid and Mercy Corps. He also has trained and mentored a number of credit and rating analysts in various parts of the world, and has held training workshops on Risk Management for many Cambodian MFI staff.

He graduated from Delhi University and holds a Chartered Accountant (CA) qualification in India.

Pa Ponnak Rithy

Director

Rithy joined Maxima in December 2000 and has further led the institution in its now more than 20 years of stability and successes as the Chief Executive Officer since 2015. Before joining Maxima, he was an Accounting and Administration Assistant in LWS (1998-2000), a Chief of Accounting at Pacific Commercial Bank (1995-1998), and a Deputy Chief of Credit Office of the National Bank of Cambodia in Kampot province (1980-1995).

He completed his degree in Accounting, Finance and Banking in Cambodia and obtained a Bachelor of Business Administration in 1986.

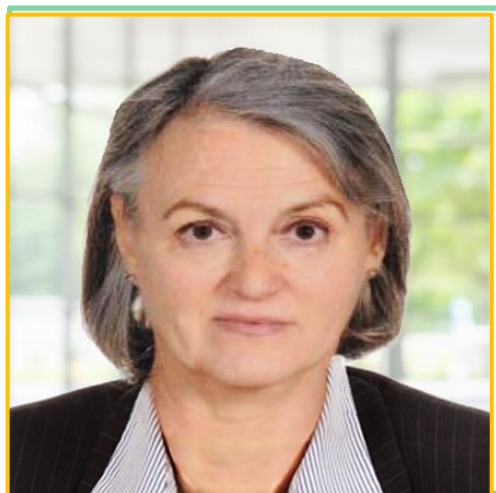


Ewa Janikowska

Independent Director

Ewa has over 20 years of experience in executive and advisory roles in the financial sector, focusing on operational, quality, risk compliance and internal audit management. She has provided services to large financial groups, banks and investment firms, and has worked for public and NGO entities. She was previously the Chief Risk Officer of Azizi Bank (2017-2020) and The First Microfinance Bank (2016-2017), both in Afghanistan.

She holds a Master of Business Administration at University of Illinois, USA and Master in Management and Marketing from Warsaw University, Poland. She is also a Certified Fraud Examiner, Risk Manager, and Quality Manager and Auditor.



Christophe Forsinetti

Independent Director

Christophe is a serial entrepreneur who has founded more than 10 companies across investment, hospitality and finance sectors. His landmark projects include GL Finance which he developed into the leading leasing company in Southeast Asia, opening 250 branches with 800 employees in 3 years. He is currently the Managing Director of Strategic Hospitality REIT, a US\$150m vehicle listed on the Stock Exchange of Thailand, and Founder/Chairman of OBOR Capital Co., Ltd and OBOR Management Co., Ltd.

He obtained a Doctoral Degree and a Master Degree in Geopolitics from the University of Paris.



Board Committees

Currently, Maxima has two (2) Board-level committees, namely Risk and Compliance Committee and Audit Committee, which were delegated with specific responsibilities to address and report on issues that require Board decision and approval. Each of the committee's duties and responsibilities, purposes, compositions, reporting process and other relevant information are detailed in their respective charters.

Risk and Compliance Committee

The Risk and Compliance Committee assists the Board in its oversight function over Maxima's risk and compliance management framework. The Risk function includes credit and concentration risks, market risks (i.e., foreign exchange and interest risks), liquidity, capital adequacy and operational risks (including Technology Risk Management, outsourcing and new products/activities risk). The Compliance function includes AML/CFT and "Know Your Customer" programs, "whistle blowing" policy and procedures, prevention and resolution of the conflict-of-interest situations, and compliance with prevailing laws and regulations, professional and ethical standards, specific regulations issued by authorities and MAXIMA's internal policies and instructions.

The Committee is composed of non-executive directors, the majority of which are independent directors including the chairman. The members possess a range of finance and risk management expertise and adequate knowledge of Maxima's risk exposures and overall regulatory environment. The Committee meets on a quarterly basis and as needed.

Members of the Risk and Compliance Committee are as follows:

Members	Role/Function
Ewa Janikowska, Independent Director	Chairman
Sanjay Gandhi, Non-Executive Director	Member
Christophe Forsinetti, Independent Director	Member

The Head of Compliance Department acts as the committee secretary. The achievement of Risk and Compliance Committee in 2023 includes:

- Convened 4 times during the year
- Oversee the implementation of a comprehensive monitoring tool for covenant and financial risks
- Oversee MAXIMA's compliance with relevant laws and regulations
- Oversee that all existing internal documents have been updated to reflect requirements of new laws and regulations
- Oversee all staff receive proper training and fully understand client complaints, whistleblowing and Anti Money Laundering (AML) and Combating Financial of Terrorism (CFT).

Audit Committee

The Audit Committee assists the Board in reviewing and monitoring the effectiveness of the internal audit function responsive to Maxima's overall internal control and risk management systems, the integrity of the financial statements as well as the accounting and financial reporting processes, that Maxima's policies are aligned with regulations, and the independence of the internal and external auditors.

The Committee is composed of three members, the majority of which are independent directors including the chairman. The members possess relevant financial knowledge and experience. The committee holds a meeting on a quarterly basis and as needed.

Members of the Audit Committee are as follows:

Members	Role/Function
Christophe Forsinetti, Independent Director	Chairman
Mr. Pa Ponnak Rithy, Director	Member
Ewa Janikowska, Independent Director	Member

The Head of Internal Audit Department acts as the committee secretary.

The achievements of the Audit Committee in 2023 include:

- Convened 4 times during the year
- Approved on internal audit plan and schedule for the year
- Reviewed the internal audit annual report, annual internal control system report and audited annual financial statements prior to submission to relevant authorities
- Reviewed all key operational, business, and management processes and ensured these were audited according to risk-based methodologies
- Ensured that the internal audit discussed the result of all assessments with management, and reported its observations/findings, and recommendations and opinions via a structured process.

Management Team



Tomohiro Isozaki
Chief Executive
Officer

Tomo officially joined MAXIMA in January 2022. Prior to joining Maxima, he has been appointed as country representative in Cambodia of Gojo & Company, Inc. since 2018, providing technical and managerial advisory for the design and implementation of strategy by which MAXIMA will achieve its growth and improvement of its operational quality. As the CEO, he provides overall management and direction of the Company and is directly accountable to the Board of Directors.

He has previously worked for Mitsui & Co, Ltd. and McKinsey & Company.

He obtained a Bachelor of Sociology of Education from University of Tokyo.



Sreng Sivechheng
Chief Financial Officer

Sivechheng has been with MAXIMA since its inception in 2000. She provides overall leadership, direction and management of the Finance and HR teams, provides strategic recommendations to the CEO and Executive Management team, and is responsible in obtaining funding for various initiatives.

Prior to Maxima, she has worked as Chief of Remittance at Pacific Commercial Bank from 1995 to 2000.

She obtained a Bachelor of Business Administration specializing in Management at the National Institute of Management, and has completed her Master of Financial Management at the Royal University of Law and Economics.



Nhean Virak
Chief Operation Officer

Virak has joined MAXIMA in July 2021. He provides overall leadership, direction and management of the branch, village banking operations, recovery and internal control as well as operation center.

His previous work experiences include as CEO at Bayon Credit Plc, Deputy CEO at Cheng Fung Investment Co., Ltd, CEO at Family Microfinance Plc, Head of Marketing and Product Development at Cambodian Post Bank Plc., and Assistant President and CEO at Hattha Kaksekar Limited.

He holds a Bachelor of Business Administration at University of Management and Economics, and has completed a Master of Business Administration specializing in Human Resource Management at Western University, Cambodia.



Eduardo Boyose Jr.
Head of Corporate
Planning and Finance

Eduardo joined MAXIMA in January 2021 providing technical support on IFRS-related matters, and was progressed to the current role in October 2021. He supports the top management in overall strategic planning and financial analysis, and preparation of the business plan, and overall in charge of Corporate Planning and Finance Department.

He previously held management positions in Corporate Planning, Finance, External Audit, and Risk Consultancy in leading organizations in Cambodia, Qatar and the Philippines.

He obtained a Bachelor of Science in Accountancy from the University of Cebu, and holds a Certified Public Accountant license in the Philippines.



Yang Ra
Head of Recovery and
Internal Control

Ra started working for MAXIMA since 2008 as a Credit Officer. He has since held several positions including as Assistant Credit Manager, Branch Manager of Kien Svay Branch, Deputy Head of Credit, Acting of Head of Credit and Co-Head of Credit, and Head of Branch Operation. Currently, he is overall responsible for managing and overseeing Maxima's loan quality and internal control.

He obtained a Bachelor's Degree in Marketing at Asia Euro University, Cambodia, and holds a Master's Degree in Financial Management from Royal University of Law and Economics.



Sok Kosal
Head of Village Banking

Kosal joined MAXIMA as Credit Officer in 2011. Since then, he held various positions including Chief of Service Officer at Chom Chao Branch, Deputy Head of Credit in charge of lending support and of regional performance, Digital Project Manager, and Head of CVA Operation. Currently, he leads the Village Banking Department.

He holds a Bachelor's Degree in Management from the Royal University of Law and Economics.



Hai Meangsreang
Head of Branch
Operation

Mengsreang started working for MAXIMA since May 2017 as a Branch Manager at Kang Meas Branch. He has since held several positions including as Deputy Head of Credit Department, and Acting Head of Credit Department. Currently, he is the overall in-charge of Branch Operation Department.

He previously worked at Amret Microfinance Plc., held positions including as Senior Credit Officer.

He obtained a Bachelor's Degree in Finance and Banking at Human Resource University in 2009.



Lay Sineath
Head of Admin and HR

Sineath is MAXIMA's first employee, having joined in December 2001. She is primarily responsible in daily administration and HR-related matters, as well as correspondences with the regulators, the Board of Directors and shareholders.

She holds a Bachelor's Degree in Business Administration major in Accounting from the National Institute of Business, Cambodia.



Khean Darith
Senior Head of IT

Darith joined MAXIMA in 2009. He is overall responsible for managing Maxima's IT operations.

He holds a Bachelor's Degree in Computer Science from the Cambodian University for Specialties, and an Associate Degree in Electronic from the Preah Kossamak Polytechnic Institute. He also completed a course on IT Assurance and Security Audit at Sunrise Institute, Cambodia in 2015.



Met Sovanneath
Head of Compliance

Sovanneath joined MAXIMA in September 2022 as the Head of Compliance Department. She is responsible in overseeing and managing day-to-day compliance activities. She directly reports to the Board's Risk and Compliance Committee to ensure independence of risk and compliance functions.

Prior to joining MAXIMA, she worked as a legal advisor in the banking and finance department of a reputable law firm for five years.

She obtained a Bachelor's Degree in Law and a Bachelor's Degree in Education at the Royal University of Law and Economics and the Royal University of Phnom Penh, respectively.



Chea Sreymom
Head of Internal Audit

Sreymom joined MAXIMA in October 2021 as Deputy Head of Internal Audit. Currently, she is the overall in-charge of Internal Audit Department. She directly reports to the Board's Audit Committee.

Her previous work experiences include as Senior Internal Auditor at CamGSM Co., Ltd (Cellcard Telecom), Supervisor for Financial Audit Unit and Audit Quality Assurance at Amret Microfinance, Audit Supervisor at ADVANS MFI Myanmar Company Limited, and Systems and Methods Supervisor at Canadia Bank.

She holds both a Bachelor's Degree in Accounting at University of Puthisastra, and in Computer Information System at Cambodian Mekong University. She also holds a Master's Degree in Business Management at the Royal University of Law and Economics.



Sim Soupheakna
Head of Corporate Secretary
and SPM

Soupheakna joined MAXIMA in December 2023 as Head of Corporate Secretary and SPM. She supports as secretary of the Board and take leads to support company functions in various aspects including the social performance management tasks. Her previous work experience includes as Staff Capacity Development Officer, Office Manager, Assistant to CEO, Head of HR, Head of Compensation, and Human Resource Specialist.

She holds both a Bachelor's Degree in Finance and Banking, and a Bachelor's Degree in English for Business. She also gets her Master's Degree in Management from Pannasastra University and Master's Degree in Private Law from Royal University of Laws and Economics.



Ear Sokry
Head of Credit

Sokry recently joined MAXIMA on May 2023. He has various experience in many positions as Credit Officer, Deputy Head of Credit Department, and Head of Credit Department at MAXIMA Microfinance from 2005 to 2016. After that, Mr. Sokry worked as Deputy Operation Manager at GL Finance, and as Deputy Head of Micro Credit Department at Vattanac Bank. Currently, Mr. Sokry is overall in-charge of management of Credit Department.

Mr. Sokry hold Master's Degree in Management from National Institute of Business.

Our Partners



ធនាគារជាតិនៃកម្ពុជា
ប្រាក់រៀល, ស្ថិរភាព, អភិវឌ្ឍន៍.



Gojo & Company, Inc.



SOCIAL PERFORMANCE MANAGEMENT



Social Performance Management

MAXIMA has established the social goal for 2023, and takes necessary actions to monitor the progress of the activity under that. As a result, the followings key milestones are marked:

No	Social Goals	Indicators	Target	Actual Performance	% of Achievement
1	Provide financial services to unserved / underserved people	1-1. # of loan clients at end of period	11,793	11,285	96%
		1-2. Number of MBela/Village Banking clients at end of period	4,391	3,261	74%
2	Provide high quality service to clients in line with CPP	2-1. % of satisfied clients	90%	93%	103%
		2-2. % of clients who will recommend our service (NPS)	75%	8%	10%
		2-3. SPI5 Audit Score*	[Not measured]	[Not measured]	[Not measured]
		2-4. % of clients who drop out**	12%	32%	267%
3	Provide positive impact on client's lives	3-1. % of clients who are in control of their money management	[Not measured]	[Not measured]	[Not measured]
		3-2. Number of client financial literacy initiatives/projects***	1	1	100%
4	Assure diversified and enjoyable workplace for staff	4-1. % of female management at Maxima	40%	38%	96%
		4-2. % of female staff at Maxima	25%	23%	92%
		4-3 (a). Employee turn-over - Field Staffs	19%	23%	118%
		4-3 (b). Employee turn-over - HO	24%	17%	71%
		4-4. % of satisfied staff	85%	76%	89%
5	Minimize harm and create positive impact on the environment	5.1 GHG emission	[Not measured]	[Not measured]	[Not measured]
		5.2 Gross Loan Portfolio of wash loan	260,000	173,321	67%
		5-3. Number of environmental initiatives / projects****	1	1	100%

Note:

* Conduct of SPI5 audit was intentionally moved to 2024 as Maxima has just completed SPI4 audit in March 2023.

** During 2023, client drop outs increased mainly due to the strategy exit on Mbela operations.

*** During 2023, Maxima conducted 1 financial literacy event for clients at PER Office.

**** 1 mangrove planting activity was conducted in September 2023.

Social Performance Indicators

	31 December 2023	31 December 2022
GOVERNANCE		
Number of managements	11	12
Number of women in management position	5	5
PRODUCTIVITY		
Average loan portfolio per Loan Officer (in USD)	235,932	180,925
CLIENT OUTREACH		
Percentage of borrowers in rural area	91%	89%
Percentage of women borrowers	83%	80%
Number of new borrowers	2,903	7,204
PORTFOLIO OUTREACH BY LENDING METHODOLOGY		
Number of group loans	1,717	2,221
Number of individual loans	7,194	7,949
Number of SME loans	3,326	3,124
Percentage of group lending	2%	5%
Percentage of individual lending	29%	29%
Percentage of SME lending	69%	66%
HUMAN RESOURCE		
Total staff	286	311
Number of women staffs	66	71
Number of Loan Officers	137	177
SOCIAL RESPONSIBILITY TO CLIENTS		
Client satisfaction	93.00%	86.30%
Client retention rate	69.07%	79.64%

MAXIMA Green Cambodia Campaign



At MAXIMA Microfinance Plc., we believe in growth – not only financially, but also in our commitment to the environment. After a pause due to COVID-19, MAXIMA resumed our “Maxima Green Cambodia Campaign”.

In September 2023, Maxima conducted a Mangrove Planting Activity in Kep province which was attended by 94 staff. In the said activity, a total of 500 mangroves were planted.

Mangrove plays a crucial role in maintaining coastal areas and the ecosystems by absorbing carbon dioxide, protecting the shorelines from flood and soil erosion. This activity reaffirms our dedication to protecting the environment and towards sustainable development.

Client Complaint and Resolution

MAXIMA puts priority on clients' feedback and concern. MAXIMA addressed and responded to clients' complaint appropriately and timely. In 2023, MAXIMA received 6 complaints, and all were resolved within two days in average time of solution.



Financial Statements

EXTRACTED FINANCIAL STATEMENTS



Report of the Directors

The Directors hereby submit their report together with the audited financial statements of Maxima Microfinance Plc. (“the Company”) for the year ended 31 December 2023.

Principal activities

The principal activity of the Company is to provide micro-finance services to the economically active poor population, comprising of granting credit for poor and low-income households and small enterprise operating in the Kingdom of Cambodia.

Financial results

The financial results of the Company for the year ended 31 December 2023 were as follows:

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
(Loss)/Profit before income tax	(1,081,217)	(4,443,803)	91,442	373,724
Income tax credit/(expense)	24,518	100,769	(1,741)	(7,116)
Net (loss)/profit for the year	(1,056,699)	(4,343,034)	89,701	366,608

Share capital

There is no change in shareholders and shareholding structure during the year. Refer to Note 17 for details.

Dividends

No dividend was declared or paid and the Directors do not recommend any dividend to be paid during the year.

Reserves and provisions

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

Bad and doubtful loans

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

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

Assets

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

At the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to the current assets in the financial statements of the Company misleading.

Valuation methods

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

Contingent and other liabilities

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

- (a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of its business operations.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may materially affect the ability of the Company to meet its obligations as and when they fall due.

Events since the reporting date

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

The Board of Directors

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

Mr. An Bunhak	Chairman
Mr. Taejun Shin	Member
Mr. Sanjay Gandhi	Member
Mr. Pa Ponnak Rithy	Member
Mr. Forsinetti Christophe	Independent Director
Ms. Ewa Janikowska	Independent Director

Items of an unusual nature

The results of the operations of the Company for the financial year were not, in the opinion of the Director, materially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect materially the results of the operations of the Company for the current financial year in which this report is made.

Directors' interests

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

	31 December 2023/2022		
	% of ownership	Number of shares	Amount US\$
Mr. An Bunhak	19.63%	100,000	1,000,000
Mr. Pa Ponnak Rithy	0.86%	4,385	43,850

Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Company is a party with the objective of enabling Directors of the Company to acquire benefits by means of share purchase option.

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

Responsibilities of Directors in respect of the financial statements

The Directors are responsible for ascertaining that the financial statements as set out on pages 8 to 50 are properly drawn up so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs"), or if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- oversee the Company's financial reporting process and maintain adequate accounting records and an effective system of internal controls;

- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and
- control and direct the Company effectively in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Approval of the financial statements

I do hereby approve the accompanying financial statements which, in my opinion, present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with CIFRS for SMEs.

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



Mr. An Bunhak

Chairman

Phnom Penh, Kingdom of Cambodia

Date: 29 March 2024

Report of Independent Auditors

To the shareholders of

Maxima Microfinance Plc.

Opinion

We have audited the financial statements of Maxima Microfinance Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2023, 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 50 (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 2023, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Report of the 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

Phnom Penh, Kingdom of Cambodia

29 March 2024

Statement of Financial Position

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
ASSETS				
Cash on hand	21,609	88,273	24,053	99,026
Balances with banks and financial institutions	3,804,435	15,541,117	1,059,846	4,363,386
Balances with the National Bank of Cambodia	309,359	1,263,732	2,490,412	10,253,026
Loans to customers, net	30,434,296	124,324,099	31,161,257	128,290,895
Equity investment	10,000	40,850	10,000	41,170
Other assets	123,674	505,208	60,588	249,441
Property and equipment	85,298	348,442	109,310	450,029
Intangible assets	17,517	71,557	21,501	88,520
Deferred tax assets, net	132,528	541,377	108,010	444,677
TOTAL ASSETS	34,938,716	142,724,655	35,044,977	144,280,170
LIABILITIES AND EQUITY				
Liabilities				
Borrowings	26,134,520	106,759,514	25,078,604	103,248,613
Employee benefit obligations	18,230	74,470	27,971	115,157
Other liabilities	465,345	1,900,934	556,064	2,289,316
Minimum tax liability	-	-	5,018	20,659
Total liabilities	26,618,095	108,734,918	25,667,657	105,673,745
Equity				
Share capital	5,095,290	20,569,686	5,095,290	20,569,686
Share premium	1,538,174	6,209,608	1,538,174	6,209,608
Regulatory reserves	152,502	612,673	324,126	1,318,048
Revenue reserves	133,424	538,428	133,424	538,428
Retained earnings	1,401,231	5,611,148	2,286,306	9,248,807
Currency translation reserves	-	448,194	-	721,848
Total equity	8,320,621	33,989,737	9,377,320	38,606,425
TOTAL LIABILITIES AND EQUITY	34,938,716	142,724,655	35,044,977	144,280,170

Statement of Comprehensive Income

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
		(Note 5)		(Note 5)
Interest income	5,695,431	23,408,221	4,571,857	18,685,180
Interest expense	(2,540,824)	(10,442,787)	(1,339,683)	(5,475,284)
Net interest income	3,154,607	12,965,434	3,232,174	13,209,896
Fee and commission income, net	319,203	1,311,924	178,887	731,111
Other income	188,361	774,164	152,119	621,710
Foreign exchange gain/(loss)	45,681	187,749	(40,269)	(164,579)
Net operating income	3,707,852	15,239,271	3,522,911	14,398,138
Net impairment loss on financial assets	(1,605,478)	(6,598,515)	(360,358)	(1,472,783)
Personnel expenses	(2,222,014)	(9,132,478)	(2,066,008)	(8,443,775)
Depreciation and amortisation	(66,875)	(274,856)	(65,837)	(269,076)
Operating expenses	(894,702)	(3,677,225)	(889,318)	(3,634,643)
Minimum tax expense	-	-	(49,948)	(204,137)
(Loss)/Profit before income tax	(1,081,217)	(4,443,803)	91,442	373,724
Income tax credit/(expense)	24,518	100,769	(1,741)	(7,116)
Net (loss)/profit for the year	(1,056,699)	(4,343,034)	89,701	366,608
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Currency translation differences	-	(273,654)	-	402,055
Total comprehensive (loss)/income for the year	(1,056,699)	(4,616,688)	89,701	768,663

Statement of Changes in Equity

	Share capital		Share premium		Regulatory reserves		Revenue reserves		Retained Earnings		Currency translation reserves	Total equity	
	USD	KHR'000 (Note 5)	USD	KHR'000 (Note 5)	USD	KHR'000 (Note 5)	USD	KHR'000 (Note 5)	USD	KHR'000 (Note 5)	KHR'000 (Note 5)	USD	KHR'000 (Note 5)
At 1 January 2023	5,095,290	20,569,686	1,538,174	6,209,608	324,126	1,318,048	133,424	538,428	2,286,306	9,248,807	721,848	9,377,320	38,606,425
Transactions with the shareholders:													
Transferred to regulatory reserves	-	-	-	-	(171,624)	(705,375)	-	-	171,624	705,375	-	-	-
	-	-	-	-	(171,624)	(705,375)	-	-	171,624	705,375	-	-	-
Total Comprehensive Income													
Net loss for the year	-	-	-	-	-	-	-	-	(1,056,699)	(4,343,034)	-	(1,056,699)	(4,343,034)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	(273,654)	-	(273,654)
	-	-	-	-	-	-	-	-	(1,056,699)	(4,343,034)	(273,654)	(1,056,699)	(4,616,688)
At 31 December 2023	5,095,290	20,569,686	1,538,174	6,209,608	152,502	612,673	133,424	538,428	1,401,231	5,611,148	448,194	8,320,621	33,989,737
At 1 January 2022	5,095,290	20,569,686	1,538,174	6,209,608	33,497	130,247	133,424	538,428	2,487,234	10,070,000	319,793	9,287,619	37,837,762
Transactions with the shareholders:													
Transferred to regulatory reserves	-	-	-	-	290,629	1,187,801	-	-	(290,629)	(1,187,801)	-	-	-
	-	-	-	-	290,629	1,187,801	-	-	(290,629)	(1,187,801)	-	-	-
Total Comprehensive Income													
Net profit for the year	-	-	-	-	-	-	-	-	89,701	366,608	-	89,701	366,608
Currency translation differences	-	-	-	-	-	-	-	-	-	-	402,055	-	402,055
	-	-	-	-	-	-	-	-	89,701	366,608	402,055	89,701	768,663
At 31 December 2022	5,095,290	20,569,686	1,538,174	6,209,608	324,126	1,318,048	133,424	538,428	2,286,306	9,248,807	721,848	9,377,320	38,606,425

Statement of Cash Flows

	2023		2022	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Cash flows from operating activities				
Net (loss)/profit for the year	(1,056,699)	(4,343,034)	89,701	366,608
<i>Adjustments for:</i>				
Income tax (credit)/expense	(24,518)	(100,769)	1,741	7,116
Minimum tax expense	-	-	49,948	204,137
Net interest income	(3,154,607)	(12,965,434)	(3,232,174)	(13,209,896)
Net Impairment loss on financial assets	1,605,478	6,598,515	360,358	1,472,783
Depreciation and amortisation	66,875	274,856	65,837	269,076
	(2,563,471)	(10,535,866)	(2,664,589)	(10,890,176)
<i>Changes in:</i>				
Loans to customers – gross	(793,460)	(3,261,121)	(10,069,192)	(41,152,788)
Short-term term deposits	2,997	12,318	-	-
Other assets	(63,086)	(259,283)	46,341	189,396
Other liabilities	(90,719)	(372,855)	155,787	636,701
Cash used in operations	(3,507,739)	(14,416,807)	(12,531,653)	(51,216,867)
Interest received	5,607,377	23,046,318	4,625,969	18,906,336
Interest paid	(2,303,266)	(9,466,423)	(1,536,047)	(6,277,824)
Employee benefit obligation paid	(9,741)	(40,036)	(12,209)	(49,898)
Minimum tax/income tax paid	(5,018)	(20,624)	(81,620)	(333,581)
Net cash used in operating activities	(218,387)	(897,572)	(9,535,560)	(38,971,834)
Cash flows from investing activities				
Acquisition of :				
Property and equipment	(21,362)	(87,798)	(50,003)	(204,362)
Intangible assets	(17,517)	(71,995)	(20,350)	(83,170)
Net cash used in investing activities	(38,879)	(159,793)	(70,353)	(287,532)
Cash flows from financing activities				
Proceed from borrowings	12,250,000	50,347,500	15,250,000	62,326,750
Repayment of borrowings	(11,431,642)	(46,984,049)	(6,768,810)	(27,664,126)
Net cash generated from financing activities	818,358	3,363,451	8,481,190	34,662,624
Net increase/(decrease) in cash and cash equivalents	561,092	2,306,086	(1,124,723)	(4,596,742)
Cash and cash equivalents at 1 January	3,319,546	13,666,570	4,444,269	18,105,952
Currency translation differences	-	(120,249)	-	157,360
Cash and cash equivalents at 31 December	3,880,638	15,852,407	3,319,546	13,666,570



OPERATING AREA

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