



អិលអូអិលស៊ី (ខេមបូឌា) ភីអិលស៊ី  
LOLC (Cambodia) Plc.

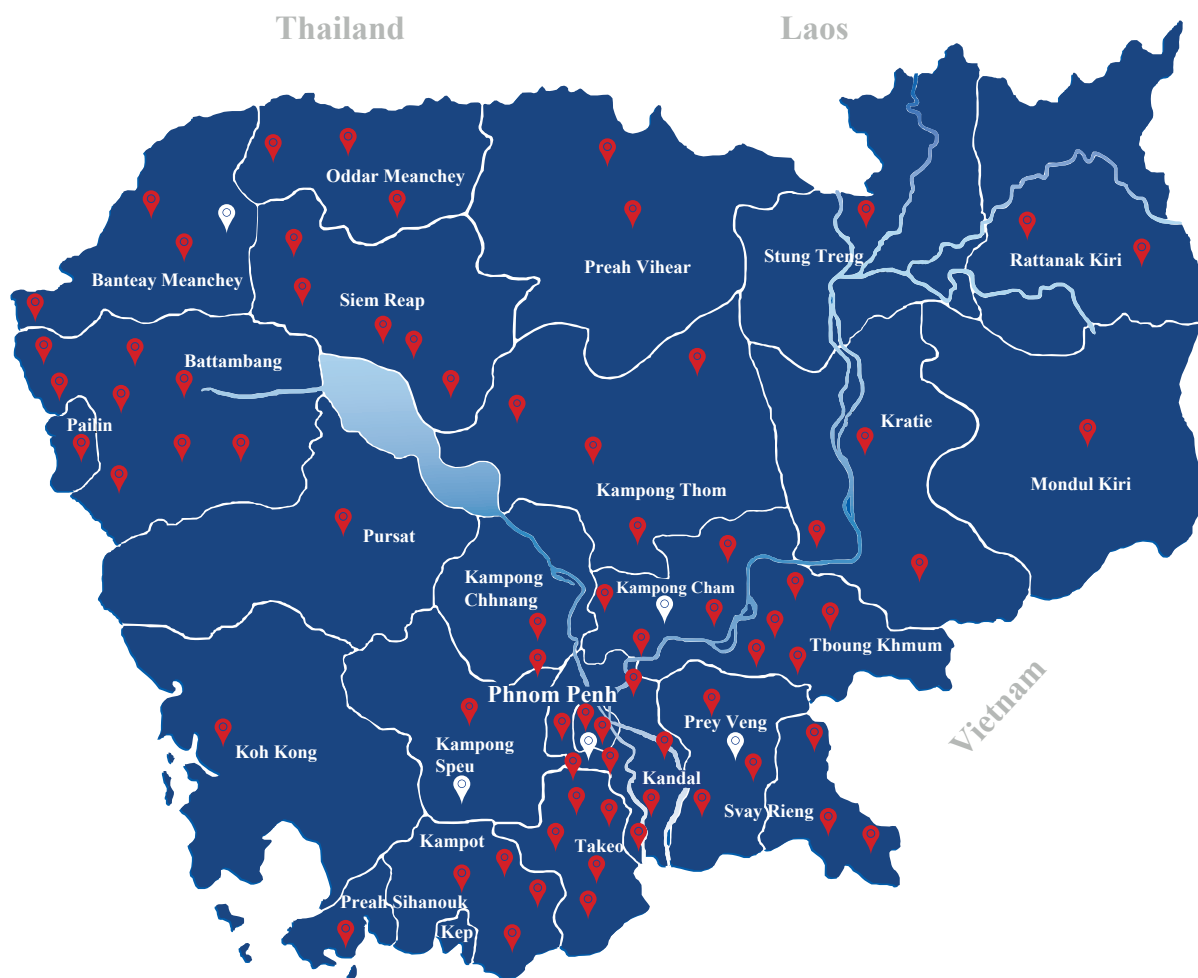
# ANNUAL REPORT 2016



*Ideas for Growth*



# Map of Business Operating Areas



North






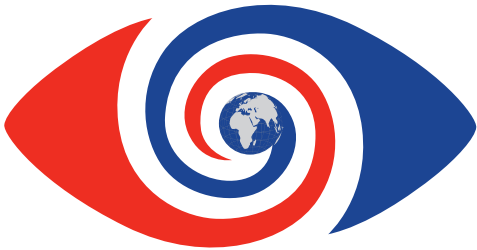
Number of branches : 72

Number of operating provinces : 25

Note : The map is used for LOLC's branch network indication purpose only.

## Note

-  LOLC operating offices
-  Office opening in 2017
-  LOLC operating areas



## Vision Statement

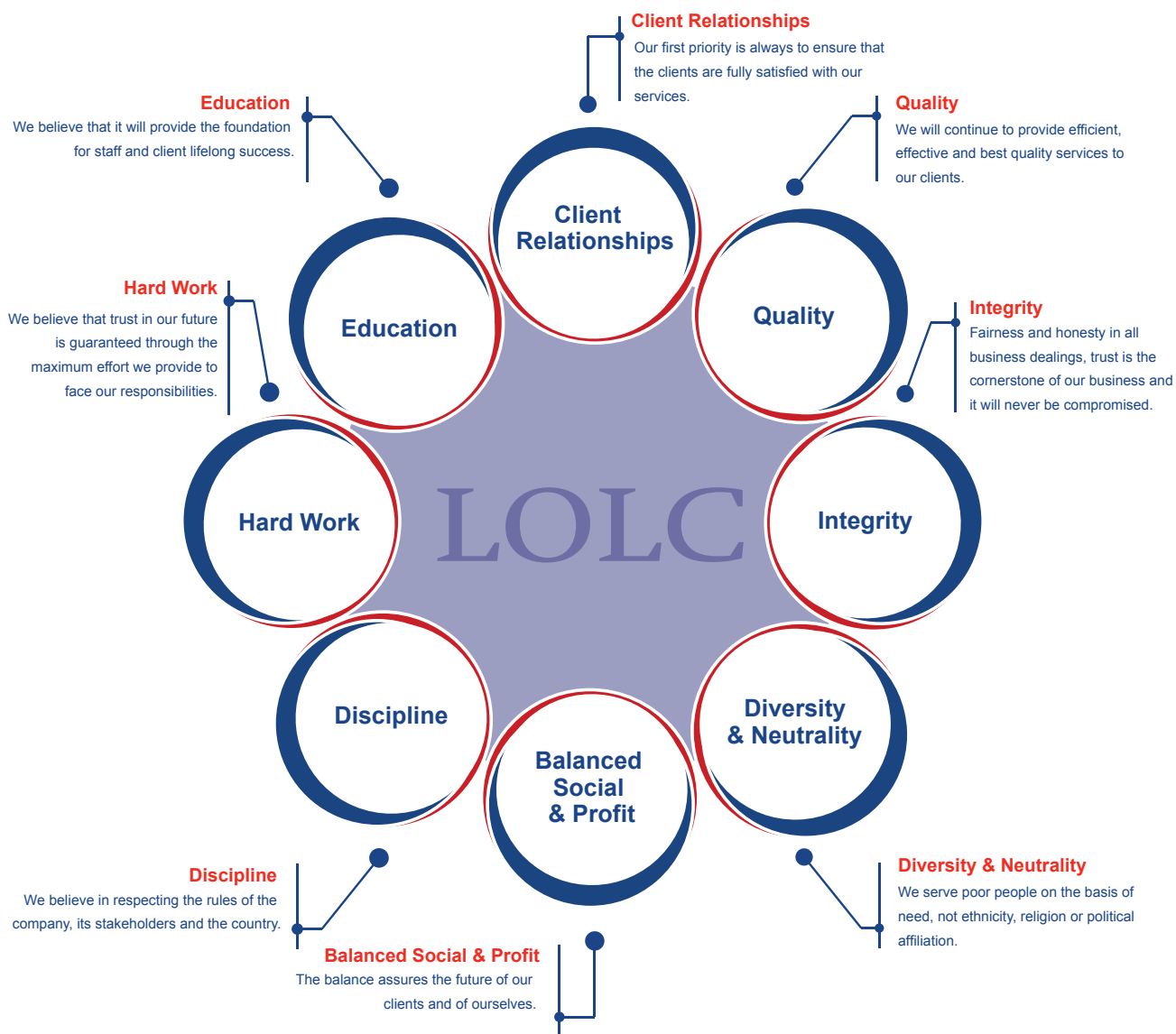
Families at the base of the socio-economic pyramid are empowered to live their lives with dignity, social and economic security and justice.

## Mission Statement

LOLC (Cambodia) Plc. ("LOLC") is a microfinance institution with a social vision and a business orientation that provides entrepreneurs and families at the base of the socio-economic pyramid with the economic opportunities to transform the quality of their lives and their communities through the provision of effective and sustainable client empowering financial services.



# Core Values



# Lenders and Partners

|   |   |
|---|---|
|    | Foreign Trade Bank                              |
|    | Industrial and Commercial Bank of China Limited |
|    | Sathapana Bank                                  |
|    | Phillip Bank                                    |
|    | Advanced Bank of Asia Limited                   |
|    | Phnom Penh Commercial Bank                      |
|    | Vattanac Bank                                   |
|    | responsAbility                                  |
|    | Oikocredit                                      |
|    | Cyrano-Management                               |
|    | Overseas Private Investment Corporation         |
|  | Synergiotics SA Information                     |
|  | Incofin   |
|  | Instituto de Crédito Oficial                    |
|  | BlueOrchard                                     |
|  | Calvert Foundation                              |
|  | Cambodia Microfinance Association               |
|  | Good Return                                     |
|  | Credit Bureau Cambodia                          |
|  | The Smart Campaign                              |
|  | Agence Française de Développement               |
|  | Water.org                                       |

|   |  |
|---|--|
|    | PPB (People's Bank)                    |
|    | MicroVest                              |
|    | Fonds Desjardins                       |
|    | KCD Mikrofinanzfonds                   |
|    | Developing World Market                |
|    | Grameen Credit Agricole                |
|    | Agence Française de Développement      |
|    | FMO                                    |
|    | International Finance Corporation      |
|    | Good Return                            |
|    | MCE Social Capital                     |
|  | Triple Jump BV                         |
|  | Hatton National Bank                   |
|  | Deutsche Bank                          |
|  | Invest In Vision Microfinance Fund     |
|  | Alterfin c.v.b.a                       |
|  | Banking With The Poor Network          |
|  | Microcredit Summit Campaign            |
|  | USAID                                  |
|  | Wing Cambodia Limited Specialised Bank |
|  | MIX Market                             |

# Awards, Recognitions and Achievements

1



2



3



4



5



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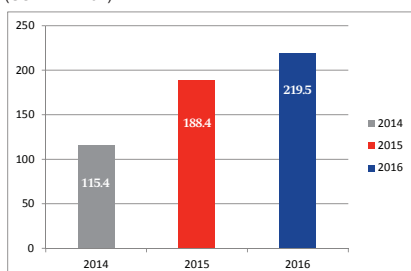


1. License to Conduct Deposit Taking Business certificate from NBC
2. Client Protection Certification from Smart Campaign
3. MIX STAR MFI certificate from MIX
4. Progress Out of Poverty Index certificate from Grameen Foundation and MicroFinanza
5. Basic and Advanced certificate on Progress Out of Poverty Index (POPI) compliance
6. Seal of Pricing Transparency from Microfinance Transparency

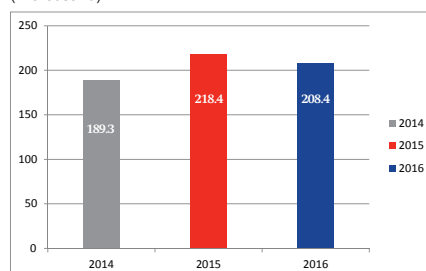
# Key Performance Highlights

|   | 2014          | 2015          | 2016          |
|---|---------------|---------------|---------------|
| Total Assets                                | \$134,325,226 | \$222,455,440 | \$253,149,726 |
| Gross Loan Portfolio                        | \$115,372,296 | \$188,354,835 | \$219,538,796 |
| Equity                                      | \$23,801,643  | \$36,000,313  | \$48,529,747  |
| Net Income                                  | \$7,468,659   | \$12,051,747  | \$13,622,724  |
| Number of Active Borrowers                  | 189,345       | 218,411       | 208,393       |
| Deposit Balance                             | -             | \$275,219     | \$19,361,702  |
| Deposit Account                             | -             | 418           | 27,307        |
| Depositors                                  | -             | 361           | 25,974        |
| Number of Offices (Including Head Office)   | 54            | 67            | 73            |
| Number of Personnel                         | 1,156         | 1,498         | 1,873         |
| Operating Expense/Loan Portfolio            | 10.74%        | 9.85%         | 9.25%         |
| PAR≥30 Days                                 | 0.10%         | 0.24%         | 1.37%         |
| Gross Write-offs                            | 0.09%         | 0.07%         | 0.52%         |
| Capital Adequacy Ratio (CAR)                | 17.77%        | 18.75%        | 23.16%        |
| Debt-to-Equity Ratio                        | 4.6 x         | 5.2 x         | 4.2 x         |
| Cost-to-Income Ratio (Including Provisions) | 66.39%        | 64.91%        | 70.85%        |
| Return On Assets                            | 6.71%         | 6.96%         | 5.61%         |
| Return On Equity                            | 37.14%        | 40.92%        | 31.98%        |

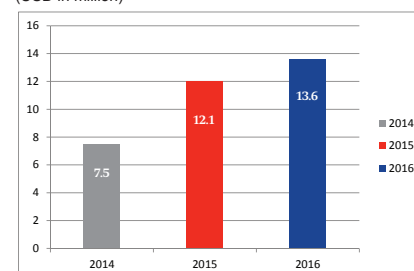
Gross Loan Portfolio  
(USD in million)



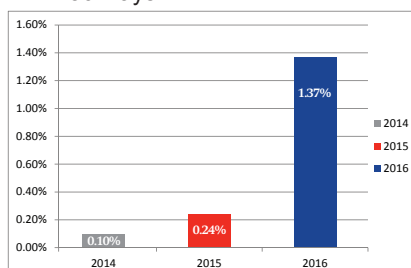
Active Borrowers  
(in thousand)



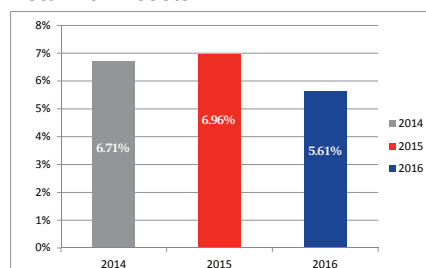
Net Income  
(USD in million)



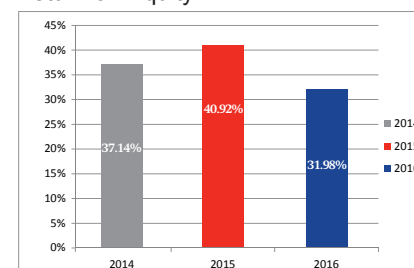
PAR≥30 Days



Return on Assets



Return on Equity



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## Chairperson's Statement



On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements of LOLC Cambodia for the financial year 2016. The Company's performance during the year under review was highly commendable. It is encouraging to note that with the leadership, guidance & direction of the Board, the Management and Staff of the Company have shown resilience and the ability to adjust to macroeconomic changes in Cambodia. LOLC Cambodia continued its innovative spirit and quest for diversification in obtaining approval to offer leasing facilities. The launch of leasing products during the 1<sup>st</sup> quarter of 2017, ably supported by the LOLC Group 'the pioneers in leasing in Sri Lanka' will open a window of untold opportunities.

During the year under review, the microfinance sector in Cambodia underwent a major shift with portfolio growth slowing due to fears of over-indebtedness. Although industry PAR is relatively high, its overall level remains modest. Fortunately, this slowdown in growth did not trigger a sector-wide crisis. It is important that the limited nature of over-indebtedness in Cambodia is better understood to ensure sustained growth in the MFI sector.

Global output growth remained broadly unchanged during 2016, supported by stronger than expected pickup in growth in advanced economies. In contrast, there has been an unexpected slowdown in some emerging market economies. The global outlook for 2017 is strong due to the projected growth in EMDEs and the gradual normalization of conditions in a number of large economies. Growth prospects for the ASEAN

region are brighter with solid domestic demand, although risks linger from the likelihood that U.S. trade policy will become more protectionist.

In 2016, the economy in Cambodia continued to grow at a robust pace, fueled by strong domestic demand which has supported credit growth and the expansion of exports from the textile industry. Construction activity was propelled by the growing tourist sector and housing market.

The company continued to maintain its outstanding financial performance and social results during 2016. The branch network expanded from 67 to 73 spanning 25 provinces, while staff numbers saw a 25% growth reaching 1,873. With the increase of income levels in Cambodia, the demand for larger loans resulted in the average loan size breaching the USD 1,000 barrier. To cater to this demand, new loan products for home improvement and purchase of tractors were developed. Continuing with the social aspect of our business, two loan products were launched in September 2016 to provide water and sanitation to the estimated 25% of Cambodian households that do not have access to clean water.

With a return on assets of 5.6%, the company has outperformed all its peers and the ROE of 32% is only second compared to the largest MFI in the country. It has consolidated its position as the country's 4<sup>th</sup> largest MFI in terms of total assets and gross loan portfolio, while being the 3<sup>rd</sup> most profitable MFI in Cambodia. Despite a marginal deterioration of credit quality, the PAR<sub>30</sub> days of 1.37% is better than the industry average. The deposit balance has increased by 70% to approximately USD 20 million, up from USD 275,000 in 2015.

With focus on digitalizing the financial services provided along with the migration to the new MIS system and the launch of Leasing Products, LOLC Cambodia looks at 2017 with renewed optimism.

I take this opportunity to thank all of our stakeholders including our customers, investors, regulators, banks and funding partners-both here and abroad-for their trust, confidence and cooperation in supporting our exponential growth over the years. I extend my appreciation to my colleagues on the Board for their guidance, and to the entire team at LOLC Cambodia led by a very capable management team for their commendable performance during these turbulent times. With LOLC Cambodia consolidating its position as one of Cambodia's leading deposit-taking microfinance institutions, I look forward to being an integral part in its quest to provide endless opportunities to its clients in particular and all Cambodians in general.



**Brindley de Zylva**  
Chairperson

# CEO's Report



Cambodia's microfinance sector saw a marginal slowdown in 2016, with the top 7 MDIs achieving an average loan portfolio growth of 22% and the sector overall having outstanding loans totalling to USD 4.8 billion (data calculated 51 MFIs, including Acleda and Sathapana Bank small loans and 8 NGOs) at the end of 2016, up from USD 4.1 billion at the end of 2015. This slowdown was partially due to impacts of climate changes in the first half of 2016, which affected clients' crops and their incomes. Also, the second half of 2016 saw a fluctuation of agricultural price which affected some clients' ability to repay their loans.

Though there are some impacts on the agricultural sector, Cambodia could still achieve its anticipated 7% GDP growth thanks to the continued good performance of its garment, tourism, construction and real estate sectors. Cambodia's GDP is projected to maintain its growth rate of 7.1% in 2017, meanwhile the National Bank of Cambodia (NBC) released its review of 2016 and outlook for 2017, highlighting the continued large growth of the banking sector while warning that the Kingdom was still vulnerable to external economic factors.

## LOLC Performance in 2016

### Loan Portfolio

LOLC maintained quality growth in 2016, increasing its loan portfolio by 17% (averaging 47% annually over the last 5 years) to reach USD 219.5 million, while its number of borrowers decreased by 5% to over 208,000. The portfolio consists of group and individual loans, representing 24% and 76% respectively. Among these, 0.5% of the portfolio is in Life Improvement Asset Backed and 0.35% of the portfolio is in Wash Individual

Loan, which has been rolled out in the last quarter of 2016. To meet demand, management expanded LOLC's employee base and geographic footprint, opening 6 new branches while maintaining high productivity standards and strong risk control.

### Active Borrowers

As of December 31, 2016, LOLC served more than 208,000 active borrowers. The borrowers are of groups and individuals, representing 63% and 37% respectively. The vast majority of loans outstanding are individual and group loans going to low-income clients, reflecting LOLC's mission to serve rural entrepreneurs and families at the base of socio-economic pyramid.

### Loan Portfolio Quality

Despite big impact from the bad weather which affected loans for agriculture in 2016, LOLC maintained its loan portfolio growth with quality and risk control and achieved a better performance than the industry average. LOLC's Board of Directors and management team have worked together closely to strengthen LOLC's credit processes, credit control and risk management practices, including:

- Strengthening credit risk management and internal controls by using risk mapping and risk matrices;
- Improving employees' incentive structures, particularly for credit officers and other field staff;
- Integrating Client Protection Principles as a core part of risk management;
- Effectively implementing the Financial Literacy Training Program with Good Return Australia to provide clients, university students and other community members with the skills to manage their finances;
- Requiring that the Credit Bureau of Cambodia checks 100% of borrowers across all branches to supplement rigorous in-person loan evaluations;
- Conducting training and retaining sessions to strengthen staff productivity;
- Partnering with USAID Cambodia in the HARVEST Program to provide agricultural training and technical assistance to LOLC's credit officers and branch management.

### Deposit Collection

LOLC was granted a deposit-taking license from the National Bank of Cambodia and started pilot testing deposit product at some branches in October 2015. In 2016, LOLC rolled out deposit product to all branches nationwide, achieving a significant deposit growth of 70% to reach a deposit balance of almost USD 20 million in December 2016, up from USD 275,000 at the end

of 2015. The fast growth of deposit balance indicates that LOLC is a trustworthy microfinance institution offering excellent customer service, guaranteeing client protection and providing competitive and innovative deposit and loan products. LOLC has the objective to almost triple its deposit balance to catch up with peers by the end of 2017.

### Return on Assets and Return on Equity

LOLC's ROA and ROE slightly decreased compared to last year due to bad impact of weather on agricultural loans, making them 5.6% and 32% respectively as of December 2016. However, compared to peers, LOLC's ROA is the leading among the top 7 MDIs, while ROE was ranked 2nd both in 2015 and 2016. LOLC has consolidated its position as the country's 4th largest MFI in terms of total assets and gross loan portfolio, while being the 3rd most profitable MFI in Cambodia.

### Social Performance

LOLC is committed to providing inclusive, responsible and environmentally financial services for rural families and active entrepreneurs. Over 82% of clients are women; about 36% of new clients live below 150% of the national poverty line and 60% of clients work in agriculture. LOLC's social performance achievements for 2016 were formalized by the implementation of environmental footprint, environment and social assessments for SME loans, Universal Standard of Social Performance (USSPM) and self-assessment SPI4 to determine the next steps of social performance best practices in the company. In the last several years, LOLC has achieved many milestones such as Progress Out of Poverty Index certificates, a SMART Client Protection certificate and GIIRS ratings. Additionally, our financial literacy training, given to over 13,600 Cambodians in 2016 and 28,900 since 2013, is a social activity LOLC provides free-of-charge to improve clients' understandings of financial services.

LOLC Cambodia is fully committed to aligning with the universal standard of social performance management, translating its mission into practice, and aims to grow its business together with its clients by helping them improve their lives and businesses.

### Additional Highlights for 2016

- LOLC opened 6 new branch offices to expand operations and reach more clients who lacked access to microfinance services. With these new branches, LOLC's operations now cover 25 provinces across Cambodia.

- LOLC recruited many new staff with the aim of ensuring excellent customer service, developing human capital and maintaining the business longevity.
- LOLC rolled out new products (such as Payroll Loan, Wash Individual Loan, Home Appliance Loan, Life Improvement Loan Asset Backed and Back to Back Loan) to meet clients' needs.
- LOLC is in the process of changing its core system to a new core banking system which will enable LOLC to provide more flexible and diversified products to Cambodians.
- LOLC produces the radio program "Idea for Growth" which is dedicated to providing financial literacy (savings, cash management, debt management, client protection principle), sharing ideas/ experiences and small business management for the listeners.
- LOLC has continued doing volunteer work in the various communities where we operate, leading numerous community activities, such as repainting public schools and classrooms, planting trees, repairing roads and bridges, building sinks and donating blood, among other such activities.

### Strategic Priorities for 2017

- Group loans and small individual loans are the core business of LOLC.
- Implement next phase of social performance improvements by integrating better practices with business operations by using the USSPM and SPI4. With the alignment on USSPM integration, LOLC is deepening its client-centric approach by continuing to strengthen the client protection principle, consumer protection, market opportunities and quality of services, etc.
- Open offices in four new locations, including Phnom Srouch, Preah Net Preah, Mesang and Prey Chhor. These four locations were picked because they are currently underserved by formal financial service providers, yet are very economically active areas.
- Provide new and diversified products and services to meet clients' needs, including leasing, plan savings account, kid savings account, local money transfer and bill payment service.
- Use technology-oriented delivery channels that would improve customer services and increase efficiency, such as tablet and ATM.

- Build strategic partnerships with reputable counterparts to develop new capabilities and financial services.
- Promote planet conservation through awareness campaigns to become the most environmentally friendly financial institution, both within the institution and in loaning to clients.
- Study market demand for financial services, broadening LOLC's products and services to reach underserved segments of urban and rural populations.
- Continue providing the financial literacy training program and initiatives to improve Cambodians' awareness and understanding of financial literacy, economic and financial sectors.
- Continue focusing on social activities to meet LOLC's core values: "LOLC values the vision of a balanced social and profit organizational agenda."

We will continue to grow and diversify our operations by expanding to new villages in Cambodia with some new and innovative products. We will continue investing in technology, human resources, branding and enhancement of products and services to improve our customer experience. Additionally, we plan on focusing in 2017 to make LOLC a strong microfinance deposit-taking institution.

On behalf of management and staff, I would like to thank our shareholders, the chairperson, directors and committees members for their leadership, support and guidance throughout the year. I would also like to express my sincere gratitude to all LOLC staff. Without the individuals who together make our company great, LOLC would not be able to stand as strong as it does. Additionally, I would like to express my sincere thanks to all of LOLC's clients and business partners for supporting LOLC and being a part of its achievements. To the Royal Government and the National Bank of Cambodia, I offer my sincerest thanks - both for your support in 2016 and in anticipation of a happy and prosperous 2017.



**Sok Voeun**  
Chief Executive Officer

## ABOUT LOLC



- Cambodia at a Glance
- Microfinance Sector
- Brief Overview of LOLC
- Brief History of LOLC

# Cambodia at a Glance

The Kingdom of Cambodia, the descendant of the Khmer Empire, is a tropical country situated at the center of the fertile Mekong delta region. Due to its location, its low plains are abundant and ideal for agricultural activities. Cambodia's other major asset is its demographic. Its population keeps growing fast, at a rate of 1.56% in 2016, but more importantly, it is one of the youngest populations in the world, with over half of its inhabitants under 25. The country's capital, Phnom Penh, counts around 2.5 million inhabitants and is growing fast. However, 80% of Cambodians are still living in rural areas. In Cambodia, 96% of the population speaks Khmer and about 97% consider themselves as Buddhist believers.

The Asian Development Bank refers to Cambodia as Asia's new "Tiger" economy. Indeed, the country experienced a booming economic growth over the last two decades. Its GDP grew at an annual rate of over 8% between 2000 and 2010, and at least 7% from 2011 to 2016. Cambodia's growth is particularly fueled by exports from industrial production (especially garment and footwear products that represent 70% of total exports), which increased to 11.7% in 2015 and of 9.4% in 2016. Construction and tourism are dynamic sectors that also part in the country's rapid growth. Agriculture remains the first occupation of the labor force, but the sector has seen a slowing in growth in the last few years.

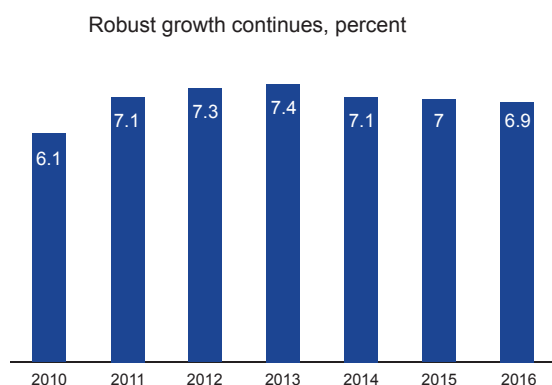
The National Bank of Cambodia policy has succeeded in maintaining a stable monetary environment that has

significantly facilitated the country's strong and rapid growth. Thus, the inflation rate has remained below 5% before 2014, contracted to 1.2% in 2015 and reached 2.8% in 2016. A major factor behind this stability has been the dollarization of the economy, as Cambodian economy operates on both the KHR and the USD. Through a managed float, the exchange rate between KHR and USD for the last decades has been remained stable around 4,000-to-1, and economists expect it to remain so. Government efforts in term of spending, fiscal consolidation and control of the national debt also contributed to boosting development in the last decades.

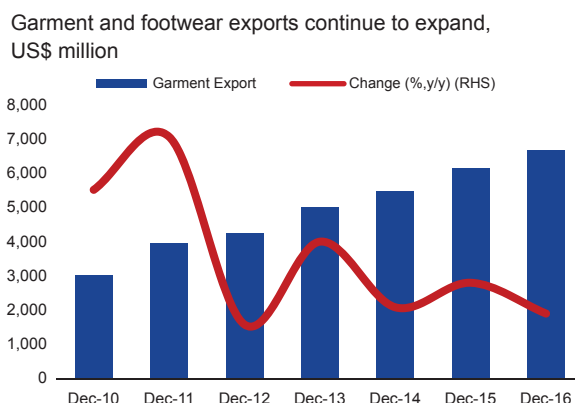
Despite an impressive growth, Cambodia still has a lot of development milestones to achieve. 17.7% of the population was still living below the poverty line in 2012, and 80% of people are living in the countryside nowadays. 58% of the population still does not have access to improved sanitation, and Cambodia has to face major issues related to climate change and environment protection to ensure a sustainable future. The Cambodian government has worked closely with bilateral and multilateral donors, including the Asian Development Bank, the World Bank and the IMF to face these development challenges. At the same time, MFIs engagement, especially in the countryside, contributed to the development of the Kingdom of Cambodia over recent decades.

Sources: Economic data for this section is taken from the CIA, the World Bank, and the ADB.

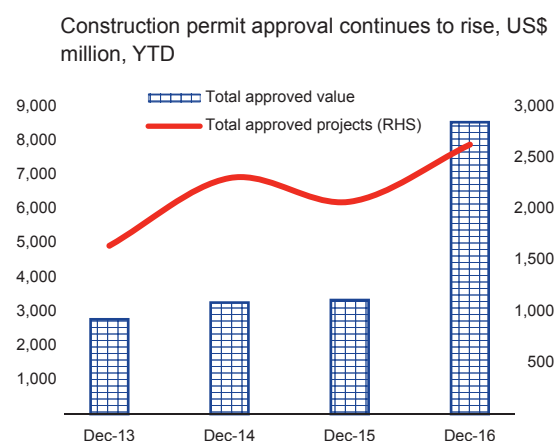
### Cambodia's export-led growth continues...



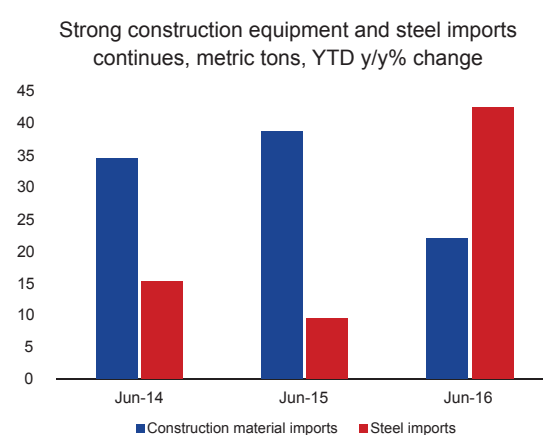
### ...driven by solid garment and footwear exports...



### ...and continued strong construction activity...

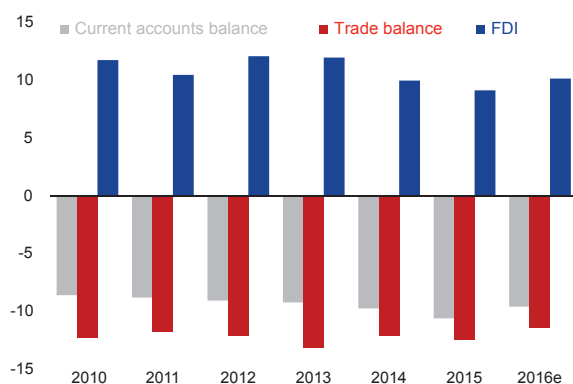


### ...witnessed by rising construction materials imports...



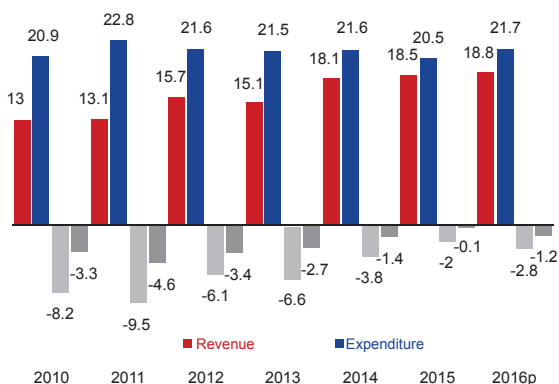
### ...while strong exports support the external position...

Narrowing current account deficits financed largely by FDI, percent of GDP



### ...and good collection partly offsets impacts of the fiscal expansion.

After several years of fiscal consolidation, expansionary fiscal policy starts in 2016, percent of GDP



Source: The World Bank

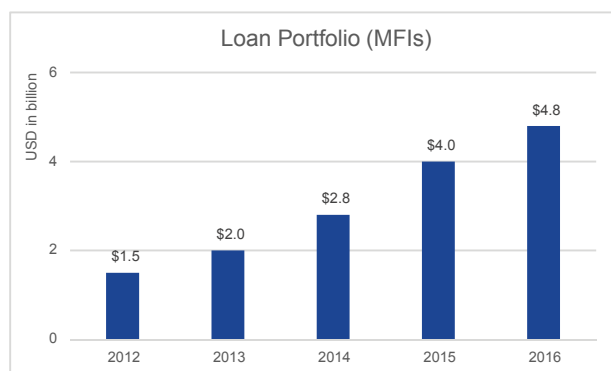
# Microfinance Sector

Microfinance tremendously expanded in recent years as a direct result of Cambodia's economic growth and rising household incomes. In 2014, there were 39 licensed microfinance institutions serving in Cambodia. Nowadays, 51 licensed microfinance institutions are serving a wide range of products, from agricultural loans, SMEs loans, Home Improvement loans, Payroll loans, Savings, Deposits and Group loans to Fund transfers. The growth of the industry-wide gross loan portfolio was around USD 4.8 billion (including ACLEDA & Sathapana Bank small loan portfolio, and 8 NGOs) at the end of 2016, up 20% since 2015. The microfinance sector, through diversification, develops deposit products. Indeed, 7 MFIs received a license from the National Bank of Cambodia and turned to Microfinance Deposit taking Institutions (MDIs) to offer deposit products, and now the industry-wide deposit balance is estimated around USD 1.49 billion in 2016. LOLC (Cambodia) Plc. is now the 4<sup>th</sup> largest MDI in Cambodia in terms of gross loan portfolio and the 5<sup>th</sup> largest in terms of the number of active borrowers.

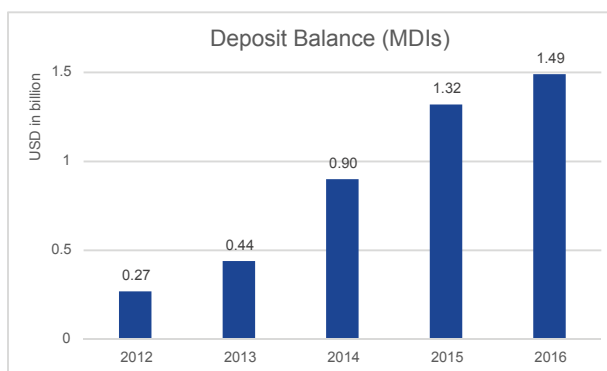
The microfinance industry provided financial products and services to the bulk of Cambodians in recent decades, and particularly in the past five years. As a result, the industry has played an essential role in developing the country's economy by increasing

domestic investment and demand. Microfinance institutions largely diversified their offerings to provide a wide range of financial products and services and also innovative ways to get financial access.

The National Bank of Cambodia has acted as an independent regulator to the microfinance industry, conducting on-site visits to microfinance institutions, monitoring their banking practices and the quality of their loan portfolio and taking steps to prevent systemic risk. Additionally, the Credit Bureau of Cambodia, founded in 2012, plays a significant role in monitoring the over-indebtedness and multiple loans held by clients and potential clients at different microfinance institutions, providing information on these subjects to microfinance institutions for their internal performance analysis as well as loan application assessment. Moreover, the Cambodia Microfinance Association, founded in 2002, through cooperation played a crucial role in preventing systemic risk to ensure future growth of the microfinance industry. These actions and regulations ensured a responsible and sustainable growth for the microfinance sector in a market-orientated environment, providing borrowers and savers competitive interest rates and service quality.



(Include ACLEDA and SATHAPANA small loan)



Source: Cambodian Microfinance Association (CMA)

# Brief Overview of LOLC

LOLC (Cambodia) Plc. ("LOLC") is a microfinance deposit-taking institution regulated by the National Bank of Cambodia that focuses on serving entrepreneurs and families at the base of the socio-economic pyramid with the economic opportunities to transform the quality of their lives. Currently, LOLC Micro Investment Ltd. ("LOMI") owns 60% of LOLC, Developing World Market ("DWM") owns 36.97% and LOLC staff own the remainder through an Employee Stock Ownership Plan (TPC-ESOP).

LOLC was established by the Catholic Relief Services ("CRS") in 1994 and incorporated as Thaneakea Phum (Cambodia) Ltd. ("TPC") in 2002. The National Bank of Cambodia then licensed TPC as a microfinance institution in 2003. With two strong shareholders, DWM and LOMI, in 2015 Thaneakea Phum (Cambodia) Ltd. changed its name to a more international name, LOLC (Cambodia) Plc. ("LOLC") and obtained a microfinance deposit-taking license from the National Bank of Cambodia at the same time.

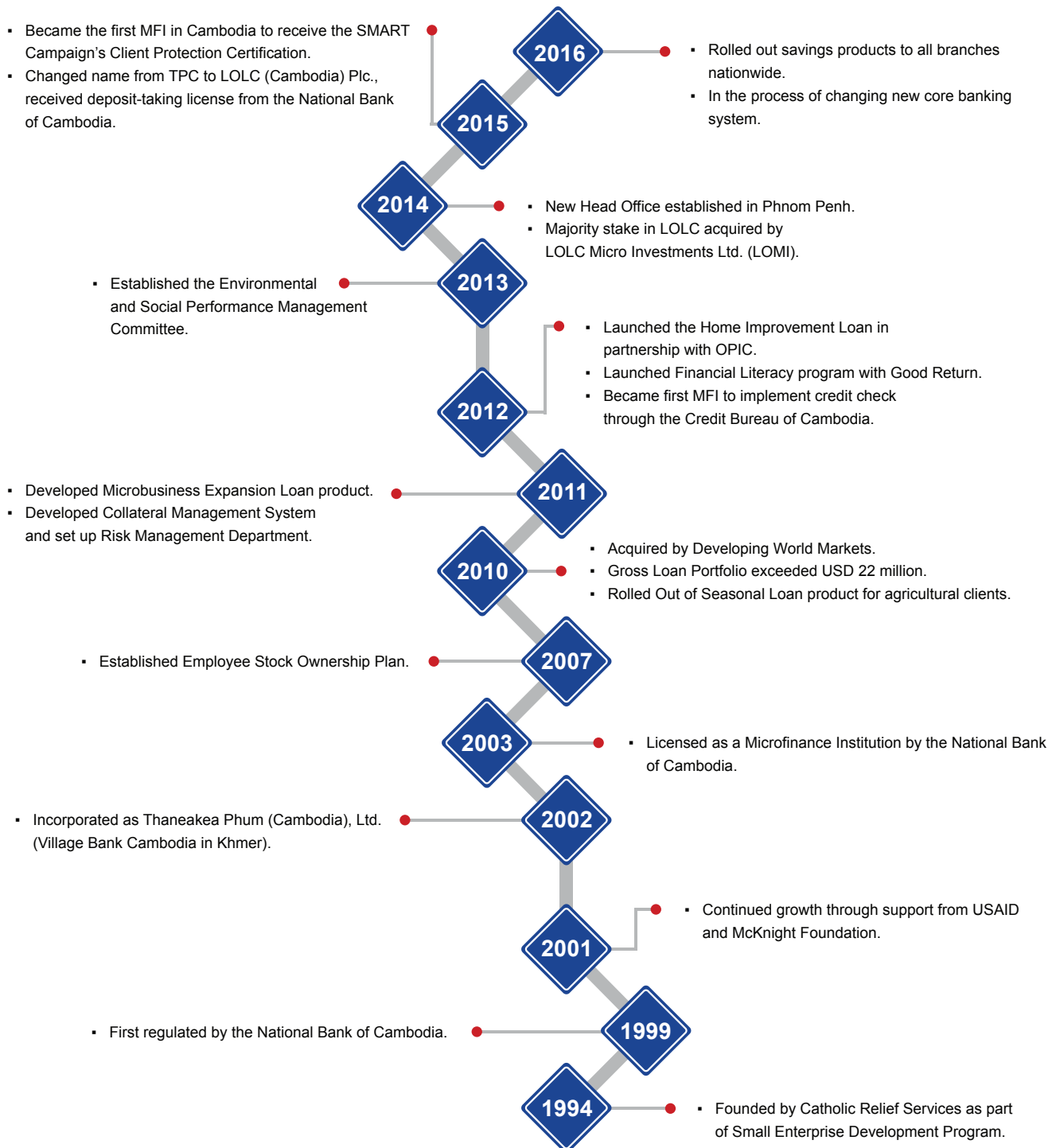
Currently, LOLC is the 4<sup>th</sup> largest MDI/MFI in Cambodia by GLP and assets. Through its network of 73 offices nationwide, LOLC serves more than 208,000 clients with a loan portfolio of more than USD 219 million. Since receiving a deposit-taking license in 2015, LOLC has broadened its financial products and services to include savings and fixed deposit products. LOLC is now happy to encourage clients, as well as Cambodians more generally, to save income for future purposes. LOLC believes that through its loan and savings products, clients will be able to improve their living standards year after year.

Going forward, LOLC will continue its expansion in rural and urban areas, developing new and innovative financial products and services for its clients. With an experienced management team, strong governance and social commitment, LOLC is well positioned to further broaden its outreach and impact across Cambodia.



# Brief History of LOLC

## 22-year track record of providing socially responsible microfinance services in Cambodia



# BUSINESS REVIEW



- Responsible Growth
- Trend in Product Mix
- Business Performance
- Risk Management

# Responsible Growth

LOLC (Cambodia) Plc. (“LOLC”) is a rapidly growing, regulated microfinance institution with a focus on serving entrepreneurs and families at the base of the socio-economic pyramid with the economic opportunities to transform the quality of their lives. With LOLC, families at the base of the socio-economic pyramid are empowered to live their lives with dignity, social and economic security and justice. LOLC is currently the 4<sup>th</sup> largest MDI/MFI in Cambodia by total assets and GLP. Due to its commitment to serving clients responsibly, focusing on customer service, innovating products and maintaining fair and transparent pricing, LOLC has become a trusted provider of financial services for Cambodians. Our long-term commitment to empower entrepreneurs and families at the base of the socio-economic pyramid in Cambodia was realized through the development of new products tailored to meet our clients’ needs, sound internal control policies and financial literacy programs aimed at enhancing the overall client experience. In 2016, having experienced growth in our loan portfolio and operational areas, LOLC is continuing on its growth path while exerting due diligence on operational activities.

2016 was a pivotal year for LOLC, as LOLC rolled out deposit products to all branches nationwide, achieving as deposit growth by 70% to reach almost USD 20 million, up from USD 275,000 in 2015, the year in which LOLC got a deposit-taking license from the National Bank of Cambodia. LOLC’s gross loan portfolio grew by 17% from USD 188.4 million at the end of 2015 to USD 219.5 million at the end of 2016. Despite as big impact from the bad weather, which affected loans for agriculture during the first half of 2016, LOLC maintained its loan portfolio growth with quality and risk control and achieved a better performance than the industry average. ROA and ROE was 5.6% and 32% respectively in December 2016. LOLC’s ROA is leading among the top 7 MDIs, while ROE is ranked 2<sup>nd</sup> both in 2015 and 2016. LOLC has consolidated its position as the country’s 4<sup>th</sup> largest MDI/MFI in terms of total assets and gross loan portfolio, whilst being the 3<sup>rd</sup> most profitable MDI/MFI in Cambodia.

LOLC has achieved an average growth rate of 47% per year for the last 5 years because LOLC has strong stakeholders to support its growth path. LOLC maintains a high-quality loan portfolio thanks to strong internal controls, a careful monitoring of its loan products’ disbursement and collection processes, and the provision of extensive training and capacity building for its staff.

LOLC’s long-term commitment to preventing over-indebtedness among its clients and to generate fair customer outcomes, illustrated by its strict credit and multiple loan policies, is pushed forward by its implementation of Client Protection Principles in the day-to-day operations. LOLC Cambodia also took steps towards an effective social performance management, such as the implementation of environmental footprint, environment and social assessments for SME loans, Universal Standard of Social Performance (USSPM) and self-assessment SPI4 to determine the next steps of social performance best practices in the company. In the last several years, LOLC has achieved many milestones, such as Progress out of Poverty Index certificates, SMART Client Protection Certificate and GIIRS ratings. Additionally, our financial literacy training, given to over 13,600 Cambodians in 2016 and 28,900 since 2013, is a social activity LOLC provides free-of-charge to improve clients’ understanding of financial services. These initiatives and their derived processes contribute to the reduction of all client-related risks and ensure that LOLC treats its clients fairly.

Finally, our operations and projects have been supported by growing our number of staff from 1,498 in 2015 to 1,873 in 2016. LOLC opened 6 new branches in 2016 – up to a total of 72 branches – and now operates in 25 provinces throughout the country. Our staff members all receive extensive training on LOLC’s internal and credit policies as LOLC is dedicated to aligning our growth path with the quality of our loan portfolio.

# Trend in Product Mix

LOLC has been improving and diversifying its product offerings over the years in order to meet its clients' evolving demands and needs. Our mission to empower people at the base of the socio-economic pyramid is shaping our product design. Furthermore, we intend to be as flexible as possible in their application and delivery, removing any barriers of access to our services. We have also expanded the size of our individual lending and designed new products aimed at meeting clients' needs.

LOLC's group loans (Thaneakea Phum Loan and Solidarity Group Loan) are still LOLC's most well established loan products. This is mainly due to their popularity among rural communities and the clients' knowledge and trust in these products, as they are highly representative of the whole microfinance market product offering. The Thaneakea Phum Loan (TPL) and Solidarity Group Loan (SGL) account for 17% and 7% of total Gross Loan Portfolio (GLP), respectively, and jointly represent 63% of LOLC borrowers. Although these two products are well functioning and satisfy clients, we are always looking for new ways to improve their quality. LOLC has increased the loan size of the TPL and SGL in 2016 in order to further fit the growth of the communities' economy in 2016.

The Individual Loans (IL) accounts for 76% of the GLP and 37% of clients. With a larger loan size, the IL is intended for entrepreneurs whose growing businesses need working capital. LOLC's Seasonal Loan (SNL) is intended for clients with agricultural activities who need to finance their inputs and repay the loan once the harvest is sold. The SNL allows for balloon and semi-balloon repayments of loan principal. Small and Medium Enterprise (SME) loans have a maximum loan size of USD 50,000 and provide small and medium sized business owners ample capital to grow their businesses. While their target client segments are different, the success of these products show a positive market reception for an enhanced product offering.

LOLC offers loan for household improvement. The Home Improvement Loan is a term loan that allows

home owners to improve their homes without extracting capital from their businesses. Likewise, the Life Improvement Loan (LIL) provides clients who have stable sources of income with the opportunity to finance further consumption and personal purchases against an affordable interest rate and loan term.

LOLC also offers additional products attached to our core products. This is the case for the Water, Sanitation and Hygiene Loan (WASH Loan) and Home Appliance Loan (HAL) introduced in 2016. These two products are offered to clients who wish to borrow additional funds from LOLC to improve their lives as well as to improve sanitation and hygiene in the family. As part of LOLC's due diligence and in order to mitigate risks of over-indebtedness, these loan products can only be granted to clients who have demonstrated strong repayment discipline and a steady repayment capacity.

The Loan for Agricultural Machinery (LAM) is still one of the main highlights of 2016. This individual loan can be accessed for an amount of USD 1,000 to USD 35,000. This is due to the loan's purpose, which is primarily for purchasing agricultural machinery for farmers and service providers (machine rental businesses) in order to raise productivity, yield and ultimately generate more profits. The LAM is available at all branches in either USD or THB.

In 2016, LOLC launched the following new individual loan products: Back to Back Loan, Home Appliance Loan (HAL), and Water, Sanitation and Hygiene (WASH) Loan. These loans were designed for people who are willing to use the funds to expand their businesses and improve their living standards and conditions effectively.

In addition, LOLC has launched its savings products (savings and fixed deposit accounts) after they were pilot tested in late 2015. Clients have found it an easy way for them to keep their money safe and gain an interest for return to business and to the family. 2016 has been a successful year for launching Savings and Fixed Deposit Accounts.

# Business Performance

## Loan Performance by Sectors

Number of Accounts

| No. | Sectors         | 2014           | 2015           | 2016           |
|-----|-----------------|----------------|----------------|----------------|
| 1   | Agriculture     | 133,066        | 120,339        | 125,597        |
| 2   | Production      | 2,680          | 2,542          | 2,225          |
| 3   | Trade           | 22,665         | 26,072         | 27,157         |
| 4   | Service         | 13,122         | 17,237         | 17,105         |
| 5   | Salary and Wage | 18,462         | 52,867         | 37,863         |
| 6   | Others          | 213            | 596            | 62             |
|     | <b>Total</b>    | <b>190,208</b> | <b>219,653</b> | <b>210,009</b> |

## Loan Portfolio

| No. | Sectors         | 2014                  | 2015                  | 2016                  |
|-----|-----------------|-----------------------|-----------------------|-----------------------|
| 1   | Agriculture     | \$ 69,632,799         | \$ 90,531,913         | \$ 114,221,443        |
| 2   | Production      | \$ 1,829,603          | \$ 2,632,574          | \$ 2,892,210          |
| 3   | Trade           | \$ 19,699,297         | \$ 31,355,740         | \$ 37,558,873         |
| 4   | Service         | \$ 12,139,395         | \$ 21,520,216         | \$ 26,378,054         |
| 5   | Salary and Wage | \$ 11,879,880         | \$ 41,787,160         | \$ 38,395,446         |
| 6   | Others          | \$ 191,322            | \$ 527,231            | \$ 92,769             |
|     | <b>Total</b>    | <b>\$ 115,372,296</b> | <b>\$ 188,354,835</b> | <b>\$ 219,538,796</b> |

LOLC has grown its loan portfolio by 17% compared to the previous year, reaching more than USD 219 million by the end of 2016.

In terms of sector, agriculture has the biggest portion shared, at around 52% of the total loan portfolio, followed by salary and wage, trade and service, respectively.

## Loan Performance by Products

Number of Accounts

| No. | Products                          | 2014           | 2015           | 2016           |
|-----|-----------------------------------|----------------|----------------|----------------|
| 1   | Group Loan (GL)                   | 141,729        | 155,580        | 131,824        |
| 2   | Individual Loan (IL)              | 31,438         | 39,103         | 46,460         |
| 3   | Small and Medium Enterprise (SME) | 662            | 1,136          | 1,195          |
| 4   | Seasonal Loan (SNL)               | 11,703         | 15,373         | 17,596         |
| 5   | Home Improvement Loan (HIL)       | 2,157          | 3,119          | 4,292          |
| 6   | Life Improvement Loan (LIL)       | 2,519          | 5,342          | 7,291          |
| 7   | Wash Loan (WIL)                   | -              | -              | 1,351          |
|     | <b>Total</b>                      | <b>190,208</b> | <b>219,653</b> | <b>210,009</b> |

The client base of LOLC Cambodia remained large in 2016. Product diversification has responded to all segments of Cambodians (many loan products including Individual, SME, Pepper, Home Improvement, Life Improvement, Home Appliance Loan and Water, Sanitation and Hygiene Loan), as well as clients' trust in our customer services quality. By the end of 2016, LOLC was the 4<sup>th</sup> largest MDI/MFI in Cambodia in terms of loan portfolio. The majority of clients are in group loan product, followed by individual loan product and seasonal loan product, respectively.

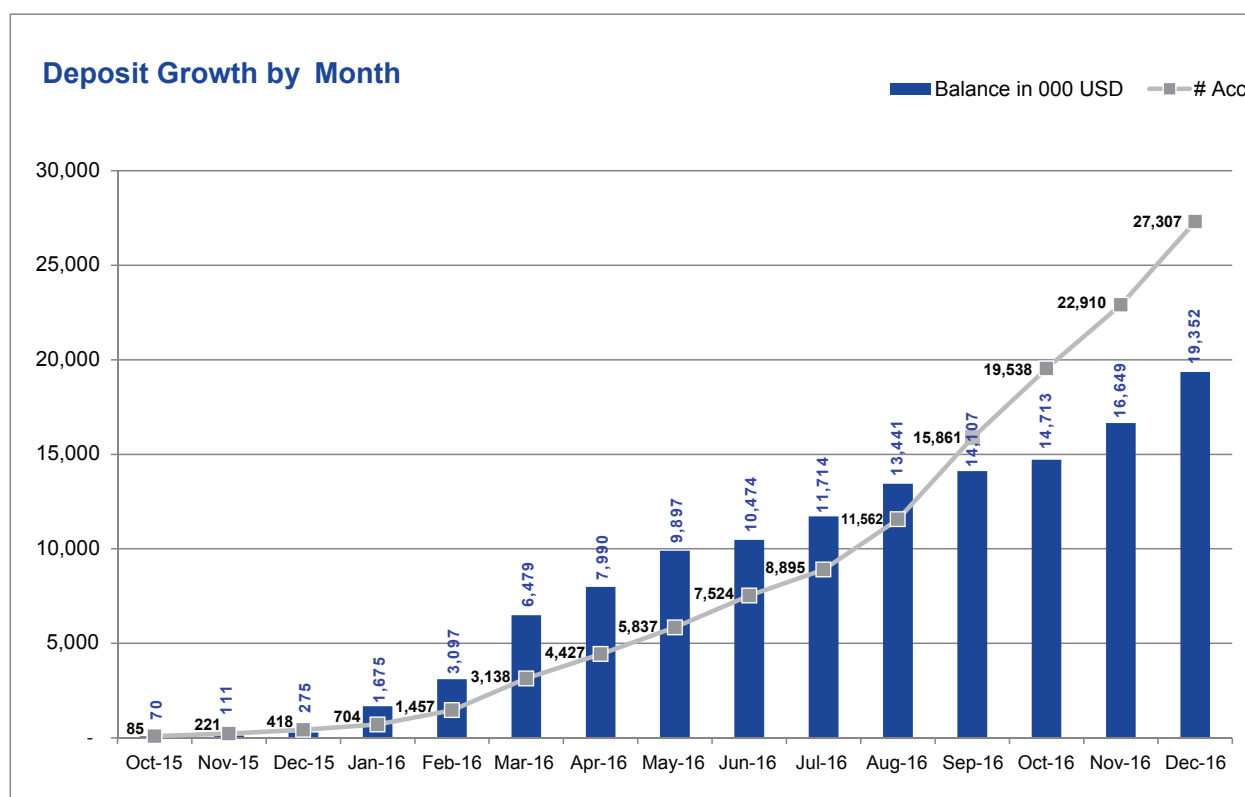
## Loan Portfolio

| No. | Products                          | 2014                  | 2015                  | 2016                  |
|-----|-----------------------------------|-----------------------|-----------------------|-----------------------|
| 1   | Group Loan (GL)                   | \$ 41,393,910         | \$ 60,077,282         | \$ 53,113,470         |
| 2   | Individual Loan (IL)              | \$ 42,712,948         | \$ 71,090,075         | \$ 93,791,823         |
| 3   | Small and Medium Enterprise (SME) | \$ 5,051,753          | \$ 10,993,830         | \$ 14,811,931         |
| 4   | Seasonal Loan (SNL)               | \$ 18,352,737         | \$ 31,579,211         | \$ 36,715,066         |
| 5   | Home Improvement Loan (HIL)       | \$ 4,692,242          | \$ 8,048,190          | \$ 11,469,359         |
| 6   | Life Improvement Loan (LIL)       | \$ 3,168,705          | \$ 6,566,247          | \$ 8,876,367          |
| 7   | Wash Loan (WIL)                   | -                     | -                     | \$ 760,780            |
|     | <b>Total</b>                      | <b>\$ 115,372,296</b> | <b>\$ 188,354,835</b> | <b>\$ 219,538,796</b> |

In terms of loan portfolio by product, Individual Loan (IL) has seen the most rapid growth compared to the previous year, followed by small and medium enterprise product. The growth of these two products is for supporting the clients' needs in their business expansion and households improvement.

## Deposit Mobilization

Since obtaining the Deposit-Taking License from National Bank of Cambodia in October 2015, LOLC has been functioning to operate Deposit Mobilization to the public. Currently, there are two types of deposit products, Savings Accounts and Fixed Deposits. For its first year of savings mobilization, LOLC proved its success by collecting a USD 19.35 million balance from 25,974 depositors (27,307 accounts) as of December 2016.



This achievement was based on contributions not only from public clients, but also from LOLC's employees.

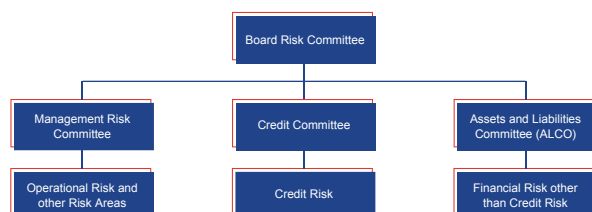
LOLC has very ambitious goals in collecting more deposits for the future. To support this goal, LOLC has been working on various project plans, such as customer service improvements, digital banking services and delivery channel, and branch network expansion in areas of potential.

# Risk Management

## Risk Philosophy

Managing risk is inherent in any financial institution's strategic business plan, and LOLC (Cambodia) Plc. is no exception. LOLC's risk philosophy is that risk management should responsibly help advance our business strategy, assist in the decision-making process and enhance management's effectiveness. LOLC's risk frameworks is aimed at strengthening the company's ability to identify, measure and manage risk in order to maximize shareholder value while aligning a necessary level of risk with corporate strategy, assessing the impact of emerging risks and developing risk mitigation strategies that reflect the company's culture of strong corporate governance. LOLC applies the following risk management principles in its day-to-day business operations: promote sustainable long term growth and profitability by embracing prudent risk-management and corporate governance practices; assist the business in producing stable and consistently high returns for shareholders; and ensure that the risk management strategy is based on an understanding of the risks, disciplined assessment, objective measurement and monitoring procedures.

## Risk Management Framework



## Board of Directors Risk Committee

The Board of Directors Risk Committee is chaired by an Independent Board Member. Its mission is to oversee all types of risks that occur internally and externally in operations, credit and finance to ensure that the practices and procedures are effective in identifying risk, managing it and complying with internal guidelines and external requirements. In addition, this committee oversees the company's risk management and internal control

systems to protect the company's assets and financial resources. The committee normally meets once per quarter.

## Management Risk Committee

The Management Risk Committee is chaired by the Chief Executive Officer and meets once per month. The main responsibility of this committee is to ensure that LOLC is operating with a sound, effective and efficient risk management system, monitoring risk assessment and risk management to safeguard the institution's assets and financial resources. The committee also focuses on monitoring and mitigating operational risks that may arise from inadequate information systems, technology failures, breaches in internal controls, fraud, unforeseen catastrophes or other operational problems that may result in unexpected losses or reputation risks.

## Management Credit Committee

The objective of the Credit Committee is to minimize credit loss to an acceptable level. The committee is chaired by the Chief Operations Officer. The responsibilities of the committee are to ensure that credit policies are in place, up to date, appropriate to the business and consistent with sound lending practice, as well as to monitor portfolio quality, identify any adverse trends and ensure that remedial action is taken. The Credit Committee normally meets once per month.

## Management Assets and Liabilities Committee

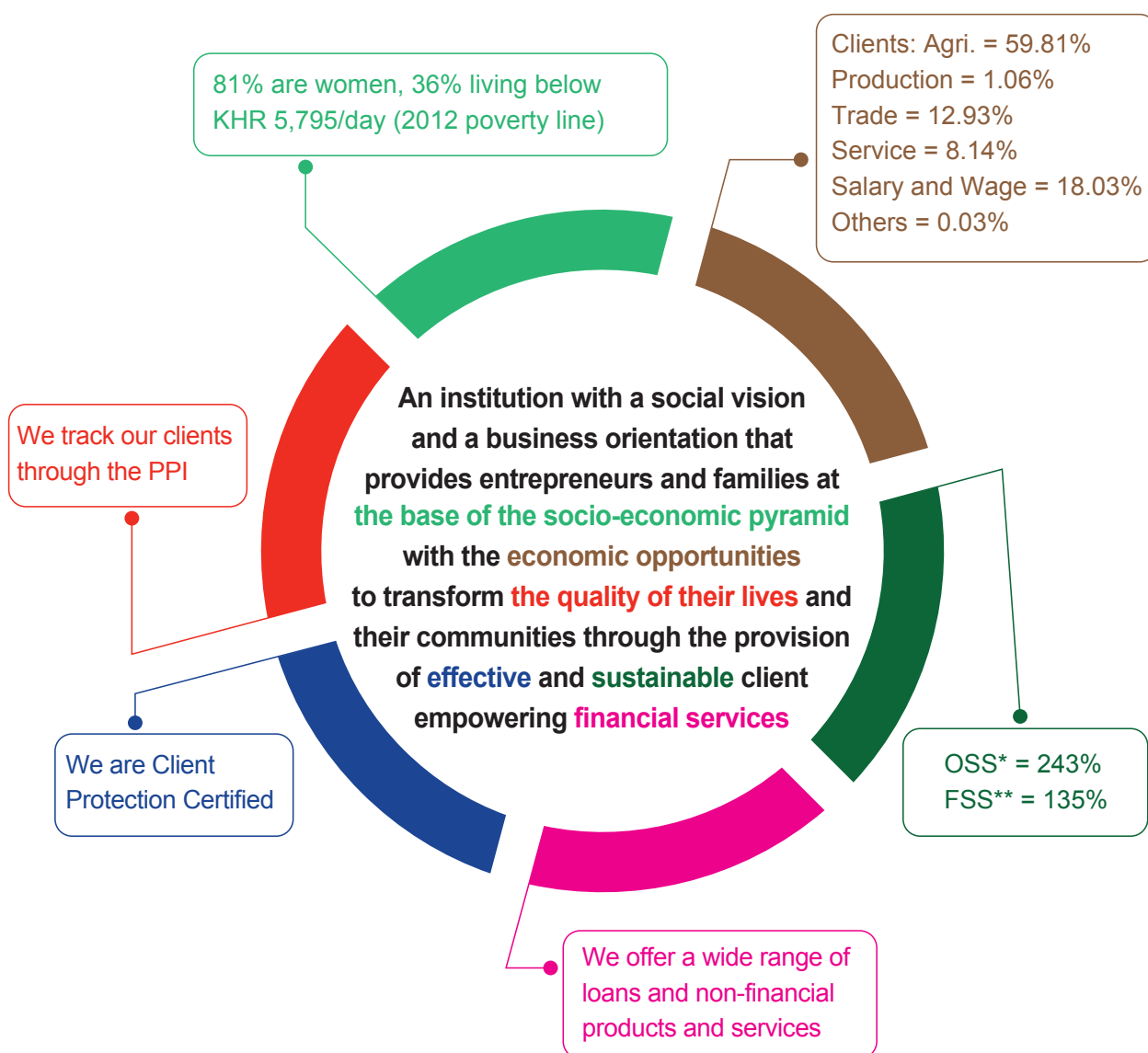
Financial risks are managed and controlled by the Assets and Liabilities Committee (ALCO) with its primary goal to evaluate, monitor and approve practices relating to liquidity risk, interest rate risk, regulatory risk, currency risk and other financial risks in order to optimize returns while maintaining a safe level of liquidity. The ALCO committee is chaired by the Chief Finance Officer and normally meets once per month.

## SOCIAL AND ENVIRONMENTAL PERFORMANCE REVIEW



- How Do We Translate Our Mission?
- Measuring LOLC's Social Goals
- Implementing Universal Standard of Social Performance Management
- Financial Literacy
- Environmental and Social Assessment
- Measuring Social Outreach Through PPI
- Partnerships
- Social Events
- Client Stories

## How Do We Translate Our Mission?



\* Operating Self Sufficiency

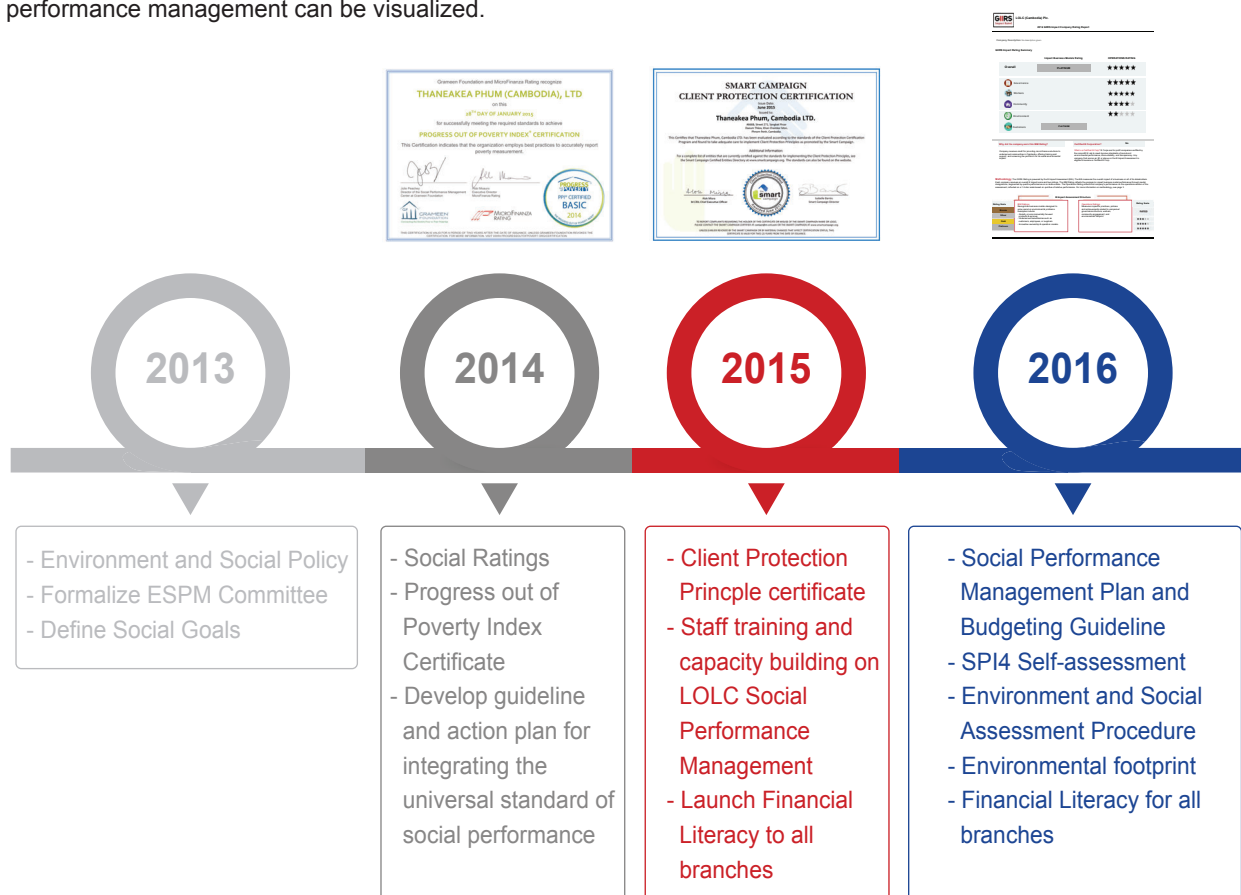
\*\* Financial Self Sufficiency

## Measuring LOLC's Social Goals

| Relevant Social Goal                   | Annual Measurable KPIs Aligned to USSPM   | 2013                 | 2014                 | 2015                 | Dec-16               |
|--|---|----------------------|----------------------|----------------------|----------------------|
| Increased access to financial services | Number of borrowers in rural areas  | 99%                  | 99%                  | 99%                  | 95%                  |
|  | Number of borrowers involved in agriculture   | 62%                  | 60%                  | 55%                  | 60%                  |
|  | Percentage of female borrowers  | 85%                  | 85%                  | 84%                  | 81%                  |
|  | Number of participants in financial literacy training                               | 553                  | 6,771                | 7,939                | 13,616               |
| Poverty reduction                      | Percentage of new borrowers below 150% National Poverty Line                        | 39%                  | 28%                  | 38.37%               | 36%                  |
|  | Number of new borrowers below 150% National Poverty Line                            | 31,451               | 27,053               | 30,482               | 25,392               |
|  | Tracking client poverty rate against 150% national poverty line                     | 7%                   | 10%                  | 7%                   | Defined New Baseline |
| Environmental sustainability           | Number of LOLC branch community events contributing to environmental sustainability | 29                   | 50                   | 59                   | 68                   |
|  | Result of environmental assessment in the 'no action' quadrant                      | 'No action' quadrant | 'No action' quadrant | 'No action' quadrant | 'Medium' Monitoring  |

## Implementing Universal Standard of Social Performance Management

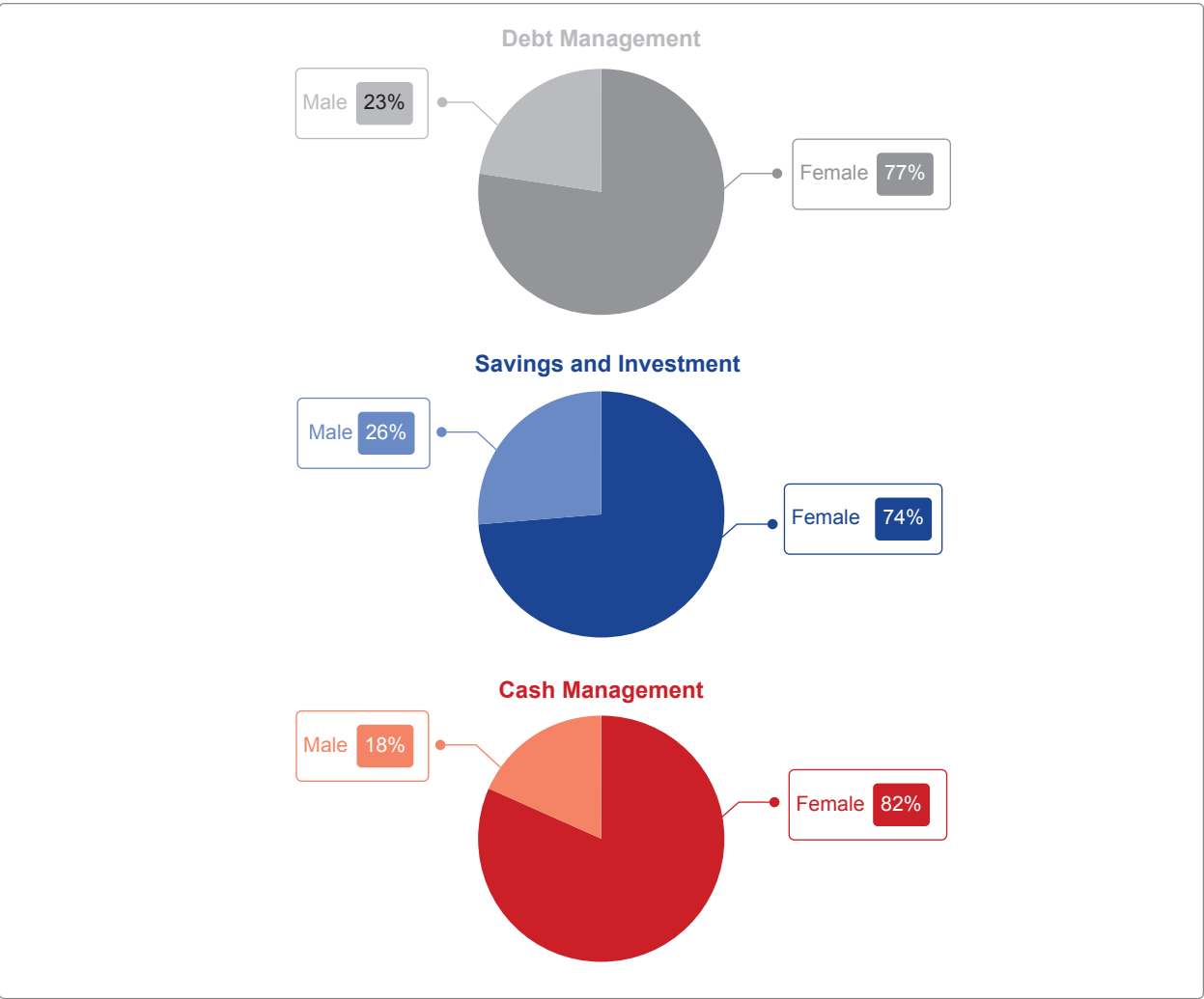
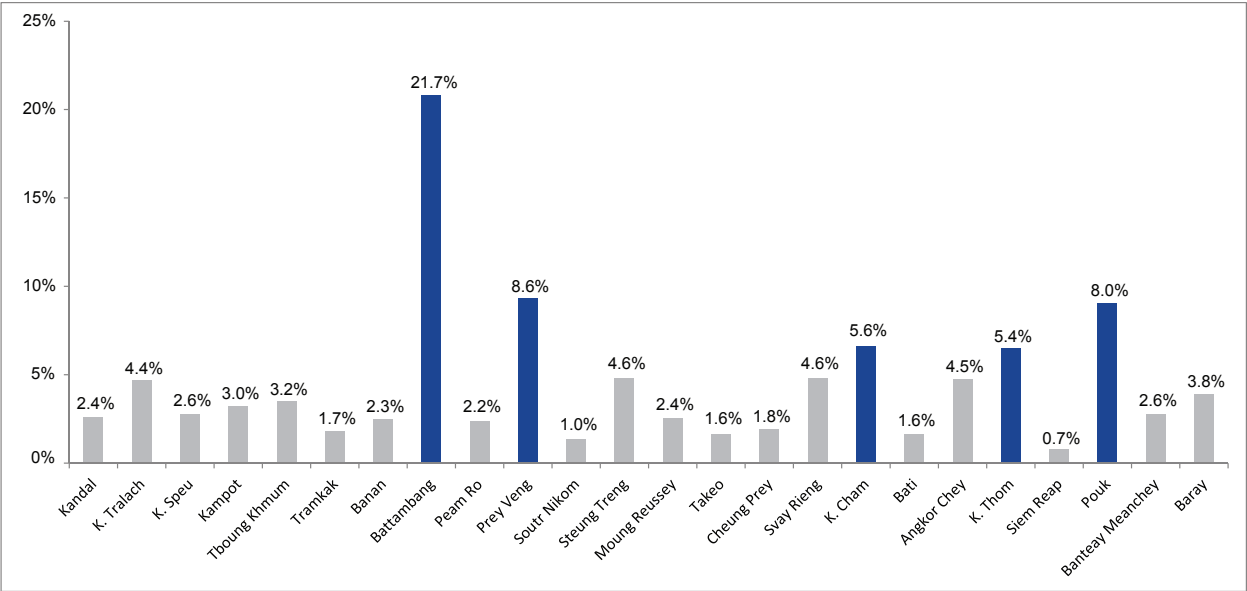
LOLC's milestones of integrating the best practices of social performance management or universal standard of social performance management can be visualized.



# Financial Literacy

From Jan to Dec 2016, 13,616 participants (77% or 10,453 females) including 2,920 clients (85% or 2,475 females) participated in financial education training. The program provides awareness training on Cash Management; Savings and Investment; Debt Management; and Small Business Management for participants.

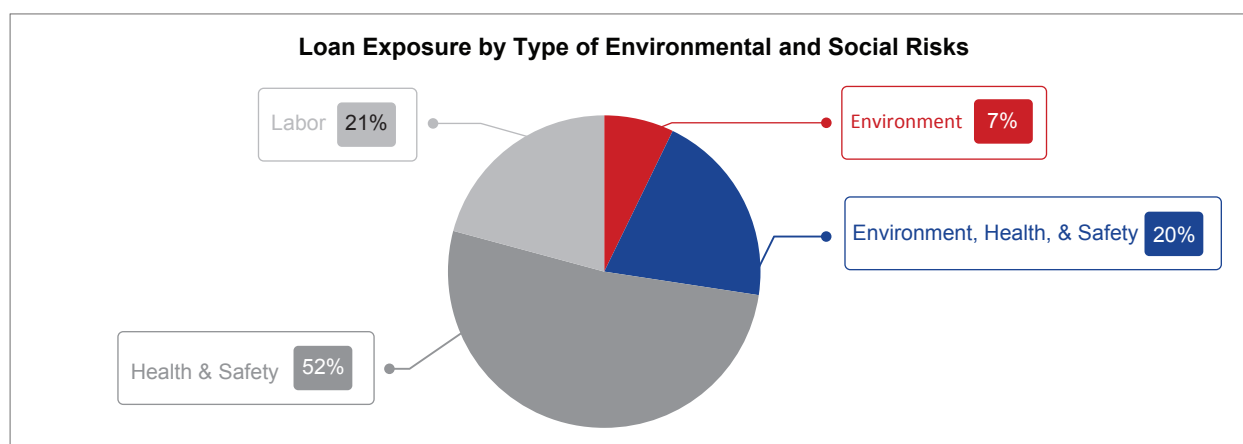
Total accumulated to date (since the start of the project in 2013): 28,879 participants in the training courses.



# Environmental and Social Assessment

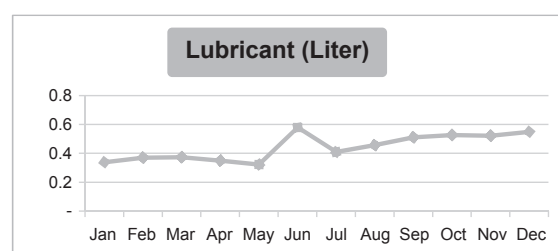
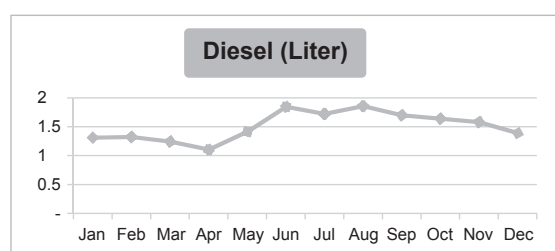
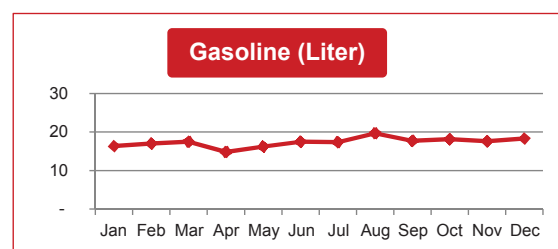
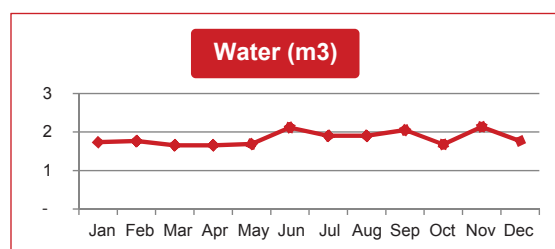
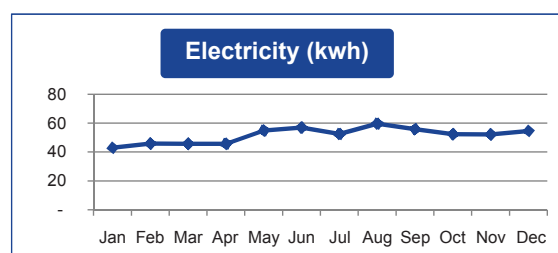
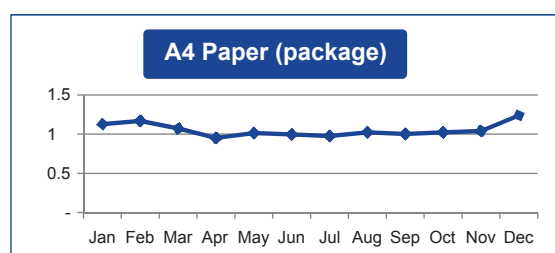
The process has been started to integrate Social and Environmental Assessments into the SME loan lending process for all LOLC branches, beginning in the last quarter of 2016.

| Environment and Social Assessment | Number of Loans | Remarks   |
|-----------------------------------|-----------------|---|
| Low                               | 21              | - Client's risk management quality is high<br>- Client risk level is low<br>Therefore, no action taken is required.   |
| Medium                            | 88              | - Client's risk management quality is ranged from medium to high<br>- Client risk level is ranged from low to medium<br>Therefore, monitoring should be tracked to see the progress of the risks. |
| <b>Total</b>                      | <b>109</b>      |   |



## Environmental Footprint Report

Utilities consumption per full-time staff



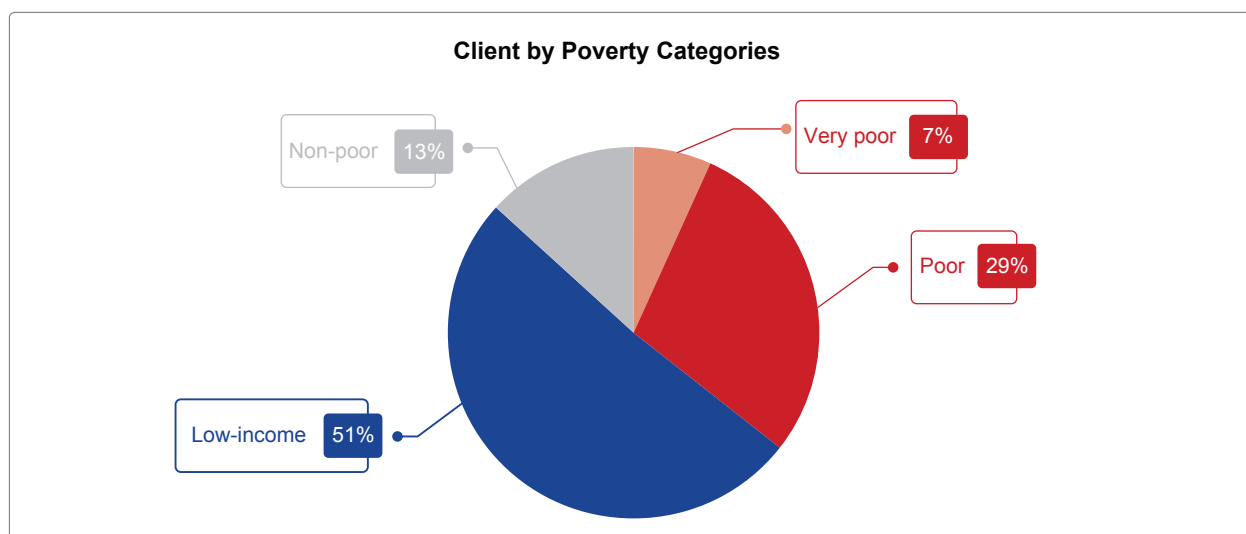
# Measuring our Social Outreach Through PPI

Progress out of poverty index is used to measure LOLC Cambodia's outreach to poor clients, determine transformation of quality of clients' lives, and ensure that appropriate products are extended to the right clients. Moreover, using PPI, LOLC can determine its categories of client, as below:

- **Very Poor:** Those who are likely living below the national poverty line
- **Poor:** Those who are likely living below 150% of the national poverty line
- **Low-income:** Those who are likely living below \$5/Day 2005 PPP
- **Non-poor:** Those who are likely living above \$5/Day 2005 PPP

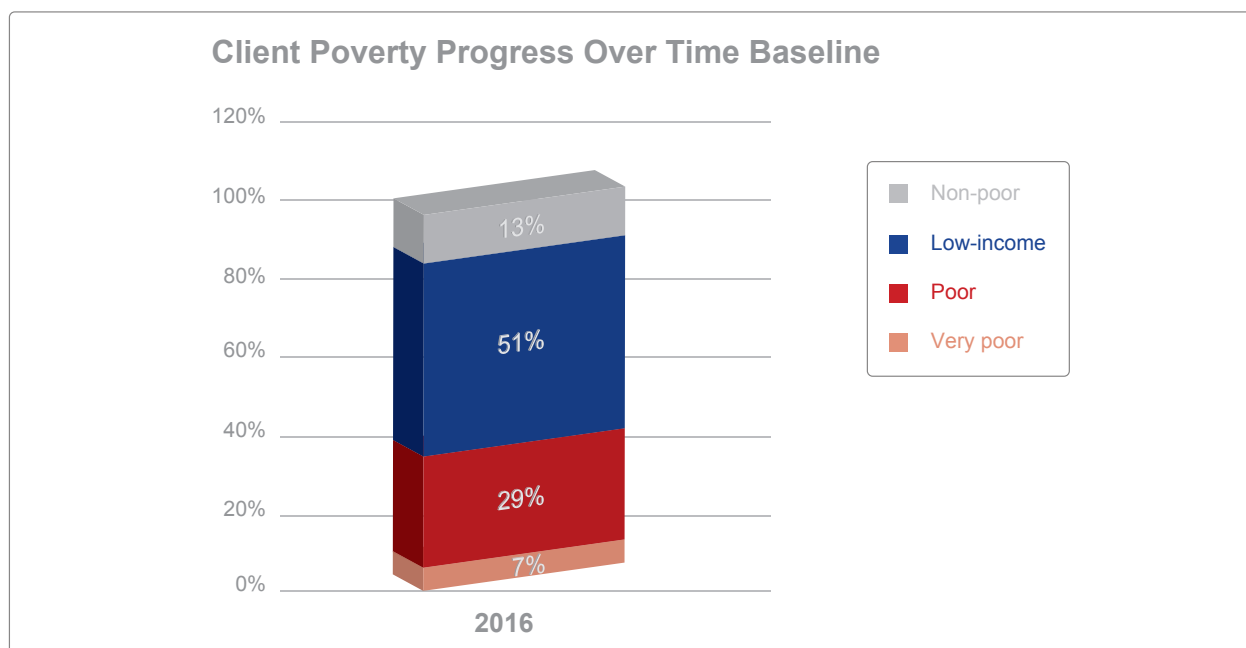
## LOLC Poverty Outreach:

As of December 2016, 76,984 new clients were assessed according to their poverty likelihood through PPI. The result indicates that the majority percentage of LOLC clients are poor and low-income categories.



## Client Poverty Progress:

As the PPI questionnaire has been revised to be readable compared to the coming years, LOLC has restarted the sampling clients for progress monitoring, starting with 2016 as the base year. The below graph is the distribution of the selected 11K clients in the monitoring list.



# Partnerships

In 2016, LOLC established new partnerships and strengthened existing partnerships, aimed at offering LOLC's rural client base the opportunities to improve their standards of living.



Since 2013, LOLC has partnered with the Australian NGO, Good Return, to provide micro-loans on its website, as well as financial literacy training to clients, non-clients and university-aged students. Good Return and LOLC have also collaborated on strengthening social performance (universal standards of social performance) and client protection in line with the SMART Campaign, up until LOLC became the first Microfinance receiving the Client Protection Principle certificate.



USAID – DCA have also been an important partner for LOLC, as they have provided LOLC with the means to assist farmers and other small business owners involved in agriculture value chains to access micro-loans. Under the partnership program, 1,391 clients with a loan portfolio of almost \$2.71 million were funded in the Battambang, Kampong Thom, Pursat and Siem Reap provinces.



LOLC established a partnership with Water.org in 2015, aiming to deliver clean water to rural Cambodia. Under the partnership scheme, Water.org supports LOLC in terms of capacity building, promotion, development of water loan policy and marketing strategies. Overall, the project objective is to make Sanitation loan available to all rural people. As of December 2016, LOLC provided WASH loan to 1,351 clients.



LOLC and Agence Française de Développement signed a partnership to commence rollout of a Solar PV micro-credit product to offer rural households not connected to the grid improved electricity. There are 152 Solar Loan which have been disbursed by 4 certified supplier partners. Technically, it is estimated to have daily energy generation of about 95.67Kwh/day in total.



To provide more convenient payment options to clients, LOLC has partnered with WING to pilot its mobile repayment procedure. This enables clients with businesses far from home and MFI offices to process repayments from anywhere. Thus, clients are offered a more secure and cost-effective method of payment, rather than the traditionally riskier method of sending repayments to MFI branches via moto-taxi drivers or other community members. In this FY 2016, there are almost 78k transactions repayments through WING.

## Social Events

Community events are part of the LOLC contribution to society that our branches operate. There are activities such as road maintenance, bench installment in public spaces, school activities, tree planting, providing books for libraries, building wells, cleaning public space, etc.

As of December 2016, there were 68 activities over all the provinces of LOLC's operational network organizing the community events with participation from LOLC staff, students, villagers, local authorities, and teachers, with about 12,000 people in total.

One of the interesting events was organized at the Chi Kraeng branch, where LOLC built one classroom for the secondary school, Krabei Kreal in Krabei Kreal

village of Chi Kraeng district, Siem Reap province. Though it was a small contribution of a classroom, tables, chairs and a board, it was a memory of joy and solidarity among staff, teachers and students there.

Another example was when we gave novels for kids published by the NGO Sipar to a library and installed many benches at the Svay Chhum primary school in Romeas Heak district, Svay Rieng province.

The following pictures illustrate the summary of LOLC's community event during the 2016 fiscal year.



## Client Stories



**Ms. Sum Savy** is married with one son. She and her husband are farmers living in Prey Veng province, nearby the Vietnamese border. Savy and her husband's source annual income come from a 2-hectare rice farm (twice per year) and a 4-acre sesame farm (once per year), in addition to raising 3 cows. Their income is vulnerable to agriculture prices and weather. The young woman wanted to develop a grocery store business before 2015.

Lacking cashflow, Savy met an LOLC Credit Officer, and she decided to take a loan of KHR 1 million (~\$250) in 2015 to buy seeds, fertilizers and new agricultural materials. After repaying the first loan, the farmer took a second one for KHR 2 million (~\$500) in 2016 to carry on supporting the expenses of farming. Moreover, the family acquired new material like a water pump machine for her farm and two additional cows, and developed her agricultural technique with the help of NGOs operating there.

After two cycles of loans, Savy had some savings. Then, she opened a small grocery store at home in order to increase and diversify her income. She began spending most of her time with this grocery store, child care (1-year-old son) and housework. Her husband took care of the farm and cows. Today, her net business income is around KHR 15,000 (~US\$3.7) daily, which is just enough for daily household expenses.

Her second loan will be matured in 2017, and she will continue using the loan for business working capital. "Yes, I will get the third loan to support farming expenses and buying more stocks to increase the revenue of the grocery business," Savy said.

When asked about future plans, Savy said: "I want to improve the house, as currently the house is in poor condition not built with zinc as a wall and roof. Moreover, I have the ambition to support my son so he can become an engineer in the future."



**Ms. Ing Sophy**, 40 years old, lives in Peam Chur district, Prey Veng province, with her husband and her 16-year old son, who is studying high school grade 11. The family used to grow rice on her own 2-hectare and 5-hectare of rental farmland and had a small grocery business shop at home.

After discussion with an LOLC Credit Officer, Ms. Ing Sophy took an initial seasonal loan of USD 3,500 with LOLC in 2014 to buy seeds, pay a plowing fee and allocate some portion of cash to repairing the house. After repaying the first loan, she took a second seasonal loan of USD 4,000 in 2015 to acquire agricultural materials, such as a water pump, fertilizer, seeds, plows and other tools. In 2016, Ms. Ing Sophy took a USD 7,500 loan to continue supporting her farming business, but also to improve her small grocery shop.

"My life is better than before. Now I can afford to grow 7 hectares of rice with better farming tools," She said. She acquired new machines and new agricultural technical skills, such as how to use fertilizers, thanks to her agricultural village community, so now she is able to grow more than 20 tons of rice from her 7-hectare every year. Moreover, because she was able to invest in her small grocery shop, she can earn a significant daily income from this activity. "I think that using the loan properly enabled my capacity to grasp the opportunity to develop the business and to change my living conditions faster," she expressed. She is now always proud to show her plantations and her new house where she lives with all her relatives. She says LOLC's policy to visit clients at home allowed her to focus on her business.

"I hope to be able to afford a good education for my son, because I want him to work at a bank or microfinance institution like you. Also, I plan to renovate-maybe using LOLC loan-our house to make it newer, as it is getting old," she finished.

# CORPORATE GOVERNANCE



- Overview of Good Governance
- Organizational Chart
- Ownership Structure
- Board of Directors
- Management Team
- Board Risk Committee
- Board Audit Committee
- Board Appointment and Remunerations Committee

# Overview of Good Governance

Sound corporate governance practices are at the heart of our success at LOLC (Cambodia) Plc. LOLC operates within an integrated governance framework formulated after taking into consideration the corporate governance regulations issued by the National Bank of Cambodia and other corporate governance best practices.

The Board of Directors, composed of five members and led by the Chairperson, is responsible for the high level governance of LOLC and for developing effective governance frameworks to meet challenges, both in the short and long term. Three Board Committees – Audit, Risk, and Appointment and Remuneration – provide oversight and guidance to LOLC management. The Board has established an ongoing mechanism for identifying, evaluating and managing LOLC's significant risks, and this mechanism includes improving the system of internal controls when there are changes to the business environment and regulatory guidelines. Importantly, LOLC's internal audit department is independent from management and reports directly to the Board Audit Committee.

At the management level, the Chief Executive Officer oversees the Finance, Credit, Operations, Human

Resources, Risk and Compliance, Administration and Procurement and IT departments. Five management committees—Credit, Assets and Liabilities, Risk management, SPM and Executive—meet monthly to help management remain focused on accomplishing LOLC's medium-and long-term goals and objectives.

The LOLC Board of Directors and management team understand the importance of having clear governance guidelines to maintain a free, fair and transparent environment at all levels of organization. We are committed to reviewing and improving our systems to provide transparency and accountability to ensure that best practices are maintained and enhanced according to good corporate governance principles.

LOLC's approach to governance is predicated on the belief that there is a link between high quality governance and the creation of long term stakeholder value. In pursuing our corporate objectives, we have committed ourselves to the highest level of governance and strive to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity, and mutual respect.

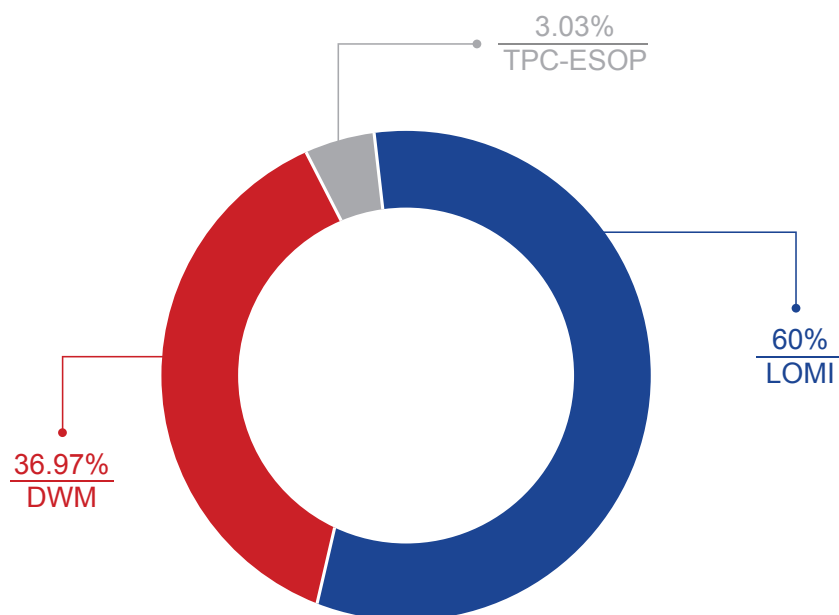
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# Ownership Structure

LOLC (Cambodia) Plc. currently has three shareholders including LOLC Micro Investment Ltd. (“LOMI”), Developing World Markets (“DWM”) and TPC Employee Stock Ownership Plan (“TPC-ESOP”). The shareholding structure of LOLC (Cambodia) Plc. is organized as follows:

- LOLC Micro Investment Ltd. (“LOMI”) = 60.0%
- Developing World Markets (“DWM”) = 36.97%
- TPC Employee Stock Ownership Plan (“TPC-ESOP”) = 3.03%



**LOLC Micro Investment Ltd. (“LOMI”):** was established in 2011 with a purpose of exploiting investment opportunities available in the microfinance sector in Sri Lanka and in the Asia Pacific region. In 2013, LOMI began microfinance operations in Myanmar. LOMI is wholly owned by Lanka Orix Leasing Company Plc., a publicly listed company in Sri Lanka. Lanka Orix Leasing Company Plc. was established in 1980 as a pioneering provider of leasing products in Sri Lanka, and has since expanded to offer a range of financial and non-financial products and services. In March 2014, Lanka Orix Leasing Company Plc. reported total assets of approximately USD 1.3 billion. One of its subsidiaries has become an industry leader and was recognized in February 2014 as the first Sri Lankan microfinance institution to receive Client Protection Certification from the Smart Campaign. Lanka Orix Leasing Company Plc. also holds a minority stake in another top MFI in Cambodia.

**Developing World Markets (“DWM”):** is a US-based socially responsible financial services group that primarily invests in microfinance institutions to promote economic and social development. It has close to USD 800 million in assets under management. DWM has brought a fresh outlook and additional expertise, as well as a continued commitment to LOLC (Cambodia) Plc.’s social mission, enabling LOLC (Cambodia) Plc. to expand with confidence and further broaden its outreach.

**TPC Employee Stock Ownership Plan (“TPC-ESOP”):** is a company held by LOLC staff through the TPC Employee Ownership Plan. The exclusive objective of TPC-ESOP is to provide eligible employees of LOLC (Cambodia) Plc. a benefit associated with their employment and to serve as a vehicle through which the eligible employees of LOLC may share in the long-term future.

## Board of Directors



**Mr. Brindley de Zylva**  
Chairperson

Mr. Brindley de Zylva is the Chairperson of the Board of LOLC (Cambodia) Plc. He is also a managing director of LOLC Myanmar Microfinance Ltd. Prior to joining the company, he served as the Managing Director and Chief Executive Officer of LOLC Finance Plc. (LOFC), Sri Lanka. He has served the Non-Bank Financial Services Industry (NBFIs) during the past 32 years in both Licensed Finance Companies and Specialized Leasing Companies holding Board & General Management positions prior to taking over as the Chairperson of LOLC (Cambodia) Plc. He has a wide range of expertise and experience in the NBFIs sector; covering Marketing & Sales, Credit & Recovery Management, and Finance. Mr. de Zylva, who is a Fellow of the Sri Lanka Institute of Credit Management; was elected as its Honorary Secretary in 2010. He also served as a Member of the Council of Management of the Finance Houses Association of Sri Lanka for nine years, four of which he was one of its Vice Chairmen. As a director of the Financial Ombudsman Sri Lanka (Guarantee) Limited, he provided guidance for the benefit of the NBFIs in Sri Lanka. These positions were relinquished in 2015 to take over a regional assignment for the LOLC Group in Myanmar & Cambodia. He also served (2006-2015) in an honorary capacity as a Non-Executive Director of Navajeevana Rehabilitation – Tangalle, Sri Lanka, which is a Non-Governmental Organization serving the disabled.



**Ms. Fernanda Lima**  
Board Member

Ms. Fernanda Lima is currently a board member at LOLC (Cambodia) Plc. and at Microcred China in Sichuan, China. Working for DWM since 2008, she manages an equity portfolio of approximately \$30 million, takes the lead on equity investments in East Asia, Southeast Asia and Brazil and has a combined fifteen years of experience with major private equity firms and financial services in the US, Europe and South America. Earlier, Fernanda worked for AIG Global Investment Group in London, conducting equity transactions in Scandinavia and Eastern and Southern Europe, and with AFLA/Citicorp Venture Capital in Sao Paulo, Brazil. She started her career with Brazil-based Unibanco/ITAU, where her first assignment after completing a leadership trainee program was as a relationship manager for mid-cap companies, moving on to assume several analytical and project management roles, including the launch of two direct sales units to distribute insurance and investments products to Brazil's emerging middle class. Fernanda has an MSc in Environment and Development from the London School of Economics and an MBA from the University of London. She is also a British Chevening Scholar, with funding by UK's Foreign & Commonwealth Office, and speaks fluent Portuguese and Spanish. Ms. Fernanda Joined LOLC (Cambodia) Plc. in 2010.



**Mr. Ravindra Dhammika Tissera (Ravi)**  
Board Member

Mr. Ravindra Dhammika Tissera (Ravi) is a BOD member of LOLC (Cambodia) Plc. He is also the Director and Chief Executive Officer of LOLC Microcredit Limited, Director of Sundaya Lanka (Pvt) Ltd., Director of LOLC Micro Investment Ltd., Director of BRAC Lanka Finance PLC and Director of LOLC Myanmar Micro Finance PLC. He has more than 23 years of experience in SME banking, leasing and asset financing, microfinance and social enterprise. He conceptualized and introduced microfinance to the LOLC Group, and he played a central role in setting up LOLC Microcredit Ltd., Sri Lanka's first private sector microfinance institution. As the CEO of LOMC since its inception in 2009, he has managed LOMC as a double-bottom line enterprise to become one of the most admired MFI's in Asia. Moreover, under his supervision, LOMC was certified in Client Protection Principles (CPP) by the Smart Campaign in 2013. Mr. Ravi holds a Post-Graduate Diploma in Marketing from the Chartered Institute of Marketing UK and is currently reading for a Masters at the University of Leicester, UK. Mr. Ravi joined LOLC (Cambodia) Plc. in September 2014.



**Mr. Michael Moormann**  
Independent Board Member

Mr. Michael Moormann is an Independent BOD Member of LOLC (Cambodia) Plc. He started his career in the Netherlands within the foreign division of ABN AMRO Bank in 1971 and was transferred to Indonesia in 1973. He gained much experience serving in a variety of positions and working in many different countries before taking up senior management positions. In 1992, he became the Regional Manager of private banking in Latin America for AB AMRO, and starting in 1994, served as Country Manager for the same bank in several countries including the Philippines, Sri Lanka and Vietnam. Since 2005, Mr. Michael completed several consulting assignments in microfinance and presently serves as a director on the board of two microfinance institutions. His professional strengths include internal audit, human resource management and change management. Mr. Michael joined LOLC (Cambodia) Plc. in February 2013.



**Mr. Indrajith Wijesiriwardana**  
Independent Board Member

Mr. Indrajith Wijesiriwardana is currently an Independent BOD member of LOLC (Cambodia) Plc. Mr. Indrajith is a highly skilled consultant in international development finance with over 19 year's international experience from nearly 30 countries. His key areas of experience include microfinance and SME finance (MSME) and capacity building in the financial sector. He is skilled and experienced in strategy and business design, developing inclusive financial systems, developing capacity in financial institutions focusing on MSME, institutional transformations and product design and process improvements. During his career in the banking sector, prior to consulting, he prepared and evaluated project proposals and monitored projects. His responsibilities included; loan financing for small, medium and large enterprises, trade financing, equity financing, restructuring, loan syndication and leasing. He developed and managed financial support services such as planning, budgeting and monitoring, accounting, financial administration and MIS. Mr. Indrajith joined LOLC (Cambodia) Plc. in January 2015.

# Management Team



**Mr. Sok Voeun**  
Chief Executive Officer

Mr. Sok Voeun, Chief Executive Officer, obtained his Master's Degree of Business Administration, majoring in Finance and Banking at Build Bright University in Cambodia in 2005. He received a Bachelor's Degree of Economic Science in Management of Enterprise at the former Faculty of Law and Economics in 2000. He has attended microfinance training programs at the Boulder Institute of Microfinance in Italy and other pertinent trainings in the United States, South Africa, India, Bangladesh and Thailand. He has also participated in trainings in Cambodia on credit management, financial management, human resource management, risk management, good governance and leadership, among others. He served in ACLEDA Bank Plc. as Credit Officer from 2000-2001 and he was promoted to Head of Credit Control Unit in Head Office from 2001 to 2005. From 2005 to 2010, he was the Operations Manager in SATHAPANA Ltd. (MFI) in charge of day-to-day operations, which included managing loans, savings, money transfer transactions and market expansion. He started working for LOLC as Chief Operations Officer in April 2010 and he was promoted to be Deputy Chief Executive Officer in December 2012. Currently, he is Chief Executive Officer as appointed by Board of Directors, effective from June 2014.



**Mr. Sok Sophal**  
Chief Finance Officer

Mr. Sok Sophal, Chief Finance Officer, obtained his Master of Finance at the National University of Management in 2007. He received his Bachelor of Arts in English, majoring in International Business at the Institute of Foreign Languages (IFL) in 2005 and his Bachelor's Degree of Economics Science, majoring in Management of Enterprise at the former Faculty of Law and Economics in 2000. He has attended numerous training courses, such as a Leadership and Diversity for Innovation Program by Women World Banking with support from Wharton University of Pennsylvania (USA), an Advance Management Program by Cornell University at Colombo (Sri Lanka), a Syndication Loan Pricing & Structuring by Universal Network Intelligence (Malaysia) and several other workshops and training courses in the areas of Impact Investing, Microfinance Forum, Securities Markets, Financial Analysis, Accounting and Marketing. He served in ACLEDA Bank Plc. as an Assistant Manager of the Management Accounting Unit (2003 – 2007) and Manager of the Management Accounting Unit (2007 – 2008). He was promoted to the Assistant Senior Vice President (responsible for investment) of the Legal and Corporate Affairs Division of ACLEDA Bank Plc. in 2008. From January 2009, he was the Deputy Head of the Capital Market Division of ACLEDA Bank Plc. He started working for LOLC in August 2010.



**Mr. Sean Thorninn**  
Chief Operations Officer

Mr. Sean Thorninn, LOLC Chief Operations Officer, has more than 12 years of banking and microfinance experience covering Corporate Banking Relationship, Product Development, Payment Business and Business Development. Prior to joining LOLC (Cambodia) Plc., he spent about 5 years in Corporate Banking Relationship, managing Product Development and Payment Business in two foreign banks, and about 5 years in managing the Financial Services in one of the leading micro-finance institutions in Cambodia. He joined LOLC in Dec 2015 as the Chief Operations Officer. Mr. Thorninn obtained his Master of Risk Management in Finance, Banking and Insurance from Université de Nantes, France in 2015, Master of Business Administration in Business Management from the University of Cambodia in 2006, and Bachelors of Economic Science in Finance and Banking from the Institute of Technology and Management (currently University of Puthisastra) in 2004. Beside that, he also has attended several courses locally and internationally in the areas of Retail Banking Operation, Credit Analysis, Project Management, Microfinance Management, Product Development, Professional Selling and Customer Services.



Mr. Eng Bunthach, Chief Information Officer, obtained his Master's Degree of Information Technology from Norton University, Cambodia. He leads the IT department, which is responsible for overall day-to-day IT operations to support the whole business operations. He has 14 years of working experience within the Banking and Microfinance sector. He has attended IT related trainings and workshops in various countries such as Cambodia, Singapore, Sri-Lanka, Malaysia, Thailand and Vietnam. Before joining LOLC, he served in ACLEDA Bank Plc. as a programmer and he was promoted to AVP and Manager of the Software Development Unit in the IT Division. During his period with ACLEDA Bank Plc, he worked on IT project management, Core Banking, database design, application development and support, IT security & compliance and IT BCP, etc. He started working at LOLC as Head of the Information Technology Department in July 2010, and he was promoted to Chief Information Officer directly accountable to the Chief Executive Officer in June 2015. He also served as TPC-ESOP shareholder representative.



Mr. Teng Pheap, Head of Internal Audit Department, obtained his Master's Degree of Business Administration, majoring in Accounting and Finance, at Western University in 2008. He obtained his Bachelor's Degree of Business Administration in Accounting from the National Institute of Business in 2004. He has attended numerous training courses in the areas of internal professional practice framework in Malaysia, business planning and managing growth in the Philippines, effective internal control in Mongolia, bank experience sharing in Sri Lanka and other training courses in Cambodia on risk management, advance internal auditing, report writing and leadership skill. Mr. Pheap has more than 14 years of experience working with Microfinance institutions and Non-Government Organizations in Cambodia, including Catholic Relief Services from 1999-2003, as an internal auditor and as branch manager in 2004 after CRS was incorporated as LOLC, Angkor Microfinance Kampuchea (2004-2008), as an audit team leader and regional manager. He started working at LOLC as Head of the Internal Audit Department in December 2008.



Ms. Svoeuy Sodyna, Head of Risk Management & Compliance Department, is pursuing ACCA Qualification from the largest professional accounting institute in the United Kingdom. She received her Bachelor's Degree of Business Administration, majoring in Accounting at the National University of Management in 2006. In addition to her academic qualification, she obtained an Advanced Diploma in Accounting from CamEd Business School in early 2013. She has attended numerous professional courses including risk management, financial management, strategic planning and other microfinance-related courses. She worked with one of the "big four" international accounting firms as Audit Senior for nearly 4 years, during which her responsibility included leading the audit team and completing the statutory and compliance audits for various industries, including Banks and MFIs. She joined LOLC in May 2011 as Senior Risk Officer and was promoted to be Head of the Risk Management & Compliance Department in November 2013.



**Ms. Leng Thavy**  
Head of Human Resources  
Department

Ms. Leng Thavy was awarded her Master's Degree (fully sponsored by the Australian Development Scholarship) in the field of Human Resource Management from Monash University, Australia, in late 2013. She obtained a Bachelors of Business Administration from the National Institute of Management in 2002. She has attended numerous human resource related trainings and workshops in various countries such as Thailand, Singapore, Sri Lanka, the Philippines, Malaysia, the United Kingdom and Australia. She started her first job as Secretary to HR Director in World Vision Cambodia from 2003 to 2004, then was promoted to Human Resource Coordinator from 2004 to 2005, where she was given an opportunity to take up a three-month international assignment as Human Resource Coordinator with World Vision Sri Lanka. From 2005 to 2009, she was the Human Resource Manager at VisionFund Cambodia (MFI), then moved to work with CARE Cambodia as Human Resource Manager in 2010. In 2012, Ms. Thavy departed CARE to pursue her Master's Degree in Australia. While studying, she also worked part-time as Human Resource Operations staff at Monash University, Australia, until she returned back to Cambodia in 2014. She joined LOLC in August 2014.



**Mr. Neak Niporn**  
Head of Finance Department

Mr. Neak Niporn, Head of Finance Department, is pursuing ACCA Qualification from the largest professional accounting institute in the United Kingdom. He has obtained his Master's Degree of Business Administration, majoring in Financial Management at the Royal University of Law and Economics in 2013, and his Bachelor's Degree of Business Administration in Banking and Finance from Cambodian University for Specialties in 2011. He has attended numerous professional courses including Cambodian Taxation Law, Assets and Liabilities Management, Financial Planning, International Financial Reporting Standard (IFRS) and other microfinance-related courses. He served as an accountant at Village Development Association (VDA) (2009-2010). He joined LOLC as Head Office Accountant from 2010 to 2013, was promoted to Management Accounting Unit Manager in 2014, and then was promoted to be Head of the Finance Department in September 2015. He plays a significant role in the overall financial management of LOLC, working extensively with the BOD Chairperson, Chief Executive Officer, Chief Operation Officer, Chief Finance Officer, Department Managers, all LOLC staffs and other relevant stakeholders. He is well able to cope with the changes in government laws and regulations.



**Ms. Try Sola**  
Head of Treasury Department

Ms. Try Sola, Head of Treasury Department, is pursuing ACCA Qualification from the largest professional accounting institute in the United Kingdom. She received her Bachelor's Degree of Business Administration, majoring in Accounting at the National University of Management in 2011. She attended numerous professional courses including financial management, anti-money laundering and other microfinance-related courses. She worked with one of the "big four" international accounting firms as Audit Senior for nearly 4 years, during which her responsibilities included leading the audit team and completing the statutory and compliances audit for various industries, including Banks and MFIs, companies, NGO and other sectors. She joined LOLC in June 2015 as Head of the Treasury Department.



**Mr. Muth Pisey**  
Head of Administration  
and Procurement Department

Mr. Muth Pisey, Head of Administration and Procurement Department, obtained his Master's Degree in Finance at the National University of Management in Cambodia in 2013. He received a Bachelor's Degree in Business Management with a concentration in Tourism from the National University of Management in 2006. He has also participated in trainings in Cambodia on Real Estate & Property Valuation, Workplace Conflict Resolution and Negation, Practical Branch Management, Capacity Building for Internal Auditors, Employment and Labor Law and Empowering Leadership, among others. He served in SATHAPANA Limited as Credit Officer from 2006 to 2008 and he was promoted to Chief of Credit Officer in Ang Snoul District Branch from February to December, 2008. From 2009 to 2010, he was the Provincial Branch Manager of the Kampot branch in SATHAPANA Limited (MFI). He started working for LOLC as a Branch Management Trainee in May 2010 and he was appointed to be Branch Manager of Suong branch in July 2010. In May 2014, he was promoted to be the Head of the Administration and Procurement Department.



**Mr. Hul Sovutha**  
Head of Information Technology  
Department

Mr. Hul Sovutha, Head of Information Technology Department, obtained his Bachelor's Degree of Information Technology from Royal University of Phnom Penh in 2003. He has more than 11 years working experience with local and foreign banks. He has attended IT and E-banking training and workshops in Cambodia, Singapore and Malaysia. He served in ACLEDA Bank Plc. as Programmer in 2005 and he was promoted to Assistant Manager of the Software Development Unit in 2008. He served in Maybank Cambodia Plc. as ATM Executive in 2008 and he was promoted to Senior Information Technology and ATM Executive in 2010. In 2014, he was promoted to Information Technology Manager. He started working with LOLC in October 2015 as the Head of the Information Technology Department.



**Mr. Kong Kosal**  
Head of Credit Department

Mr. Kong Kosal, Head of Credit Department, obtained his Bachelor's Degree in Management from the University of Management and Economics, Cambodia in 2004 and studied for his Master's Degree in Laws (LLM) at Build Bright University in 2007. He has had nearly 14 years of experience working with banks and financial institutions in Cambodia, including Hattha Kaksekar MFI, PengHeng SME Bank, VIP Bank, OSK Indochina Bank, LLKG (Cambodia) Chartered Accountants, Vattanac Bank and LOLC (Cambodia) Plc., where he has held senior positions in audit, compliance, business development, branch management and credit management. Mr. Kosal has continued to hone his skills through executive courses in the Philippines, Singapore, Sri Lanka, Vietnam, the USA and Cambodia. Before becoming Head of the Credit Department at LOLC (Cambodia) Plc. in early July 2016, Kosal was a Head of Business Development at Vattanac Bank.



**Ms. Chheang Kagna**  
Head of Deposit & Financial  
Services Department

Ms. Chheang Kagna, Head of Deposit and Financial Services Department, obtained her Master's Degree in Business Administration at Pannasastra University of Cambodia (PUC) in 2012. She graduated with a Bachelor's Degree of English Literature from PUC in 2010 and Management of Enterprise from the Royal University of Law and Economic (RULE) in 2000. She has attended various local and international trainings and workshops on microfinance managing growth and impact, sales and relationships, customer service, product development, retail banking operations and leadership. She has gained experiences in Bank and Microfinance for 17 years. In 2000, she started her career with ACLEDA Bank in skill of Treasury and Finance. From 2007 to 2016, as Head of Deposit Department at SATHAPANA Limited, she conceptualized, introduced and mobilized the success to SATHAPANA's deposit product and financial services. And she also involved in merging of MAHUHAN Japan Bank with SATHAPANA Limited and transforming to become a commercial bank. She has been working for LOLC (Cambodia) Plc since January 2016 as Head of Deposit and Financial Services Department.



**Mr. Phon Sampha**  
Head of Branch Support Department

Mr. Phon Sampha, Head of Branch Support Department, has over 17 years of successful experience with microfinance institutions and INGOs in credit management, risk and quality assurance management, operations and branch management, corporate strategy, organizational development and capacity building, research and evaluation, planning (strategic and business plans) and project management. Previously, he had worked as an East Asia Regional Program Coordinator of Oxfam America and as a Head of Corporate Strategy, an Operations Manager, Risk and Quality Assurance Manager, Provincial Branch Manager and Provincial Micro Enterprise Development Supervisor for VisionFund Cambodia and World Vision Cambodia. Mr. Sampha holds an MBA from Chamroeun University of Poly-technology and a BA from the National University of Management. In addition, he has also attended more than 50 short courses in different countries such as Cambodia, Singapore, Malaysia, the United Kingdom, the Philippines, Sri Lanka, India, Mali, Tanzania, Vietnam and Thailand. Now, Mr. Sampha has been serving LOLC as a Head of the Credit Department since December 2015.



**Mr. Ban Phalleng**  
Head of Social Performance  
Management Department

Mr. Ban Phalleng, Head of Social Performance Management Department, obtained a Bachelor's Degree in Business Economics from the National University of Management, and a Bachelor's Degree in English Literature from the IIC University of Technology. After joining LOLC (Cambodia) Plc. at the end of 2012 as a social performance management specialist, Mr. Phalleng became social performance management unit manager and was appointed as head of the social performance management department in 2015. Before joining LOLC, he worked as the microfinance technical officer with Cambodia Microfinance Institute until 2012 and previously worked as project officer at VisionFund until 2010. He has attended numerous professional short courses, such as advanced statistics, microfinance management, project management, client protection principles and social performance locally and overseas. His experiences include business plan development for transforming NGOs/family businesses into standard businesses, analytical research, microfinance policy development and project management.



Mr. Chhuon Sokcheth, Head of Marketing Department, obtained his Master's Degree of Business Administration from Norton University in 2012, obtained a Bachelor's Degree of Economics Science, majoring in Management of Enterprise from Royal University of Law and Economic in 2003 and received a Diploma in Economic Planning from the Planning and Statistics Training Center in 2001. He has also attended numerous training courses in Cambodia, the Philippines and Japan. In his 13 years of working experience, Mr. Sokcheth has served many institutions such as ACLEDA Bank Plc., SEILANITHIH MFI and TOYOTA (CAMBODIA) Co., LTD. in a variety of positions, such as Credit Officer, Chief Credit Officer, Marketing Manager and Parts Sales Leader. He started working at LOLC in September 2010 as the Brand and Promotion Unit Manager, and he was promoted to be Head of the Marketing Department in August 2015.



Mr. Loy Long, Deputy Head of Business Development Department, obtained his Bachelor's Degree of Business Administration, majoring in Marketing from the former Maharishi Vedic University in 2005 and his Bachelor's Degree of English Literature from Khemarak University in 2014. He has also attended numerous training courses in Cambodia and abroad. He began his career in sales and marketing in 2005 at consumer goods companies including NCX Co. Ltd and Cementhai SCT (Cambodia) Ltd. From 2007 to 2011, he worked for Kredit MFI in various positions, including product development officer, senior marketing officer and senior research officer. From 2011 to 2012, he worked for SEILANITHIH MFI as Marketing Manager. In August 2012, he began working at LOLC as a Senior Marketing Officer, and in July 2013 he was appointed to be Research and Product Development Unit Manager. Most recently, since August 2015, he has been the Deputy Head of the Business Development Department.



Ms. Kheng Navy, LOLC's Company Secretary, obtained a Bachelor's of Economics in Enterprise Management at the Royal University of Law and Economics (RULE) in 2010, a Bachelor's of Arts in Professional Communication at the Institute of Foreign Languages (IFL), Royal University of Phnom Penh, in 2012 and completed research at SOK KONG IMPORT EXPORT CO., LTD (SOKIMEX). She also obtained a diploma of Intensive English for Academic Purposes (IEAP) at Paññāsāstra Institute of Foreign Languages and attended some short courses and trainings, such as Principles of Accounting from the Student Resource Development Organization and Report Writing Skills from the Action Learning for Development Organization. Before joining LOLC, she worked for WING (Cambodia) Ltd. as a call center consultant in 2012. She started working at LOLC as an Assistant to the Secretary in 2013 and was promoted to be Company Secretary in June 2014.

## Board Risk Committee

The Risk Committee is a standing committee of the Board of Directors. The purpose of the Committee is to monitor the implementation of risk management policies as defined by the Board. This includes continuously assessing the effects of changes in operations and the business environment for LOLC, formulating risk strategies to respond to changes and aligning risk strategies with overall LOLC strategies.

The Committee is chaired by an independent board member with expertise in finance, accounting, legal issues and/or banking. The Risk Committee is composed by:

| Name                  | Position                 | Role in Committee |
|-----------------------|--------------------------|-------------------|
| Mr. Michael Moormann  | Independent Board Member | Chair             |
| Ms. Fernanda Lima     | Board Member             | Member            |
| Mr. Brindley de Zylva | Board Member             | Member            |

Members by invitation: Chief Executive Officer, Chief Finance Officer, Chief Operations Officer, and Head of Risk & Compliant Department.

## Board Audit Committee

The Audit Committee is a standing Committee of the Board of Directors. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibility relating to (I) the integrity of financial statements, the financial reporting process, and systems of internal accounting and financial controls; (II) performance of the internal auditing services function; (III) annual independent audit of financial statements and the engagement of the Company's external auditors; and (IV) compliance with legal and regulatory requirements.

The Committee is chaired by an independent board member with expertise in finance, accounting, legal issues and/or banking. Currently, the Audit Committee is composed by:

| Name                          | Position                 | Role in Committee |
|-------------------------------|--------------------------|-------------------|
| Mr. Michael Moormann          | Independent Board Member | Chair             |
| Mr. Brindley de Zylva         | Board Member             | Member            |
| Mr. Indrajith Wijesiriwardana | Board Member             | Member            |

Members by invitation: Chief Executive Officer, Chief Finance Officer, Chief Operations Officer, and Head of Internal Audit Department.

## Board Appointment and Remunerations Committee

The Appointments and Remunerations Committee provides guidance to the Board of Directors on human resources management at LOLC. The purpose of the Committee is to ensure an effective organizational structure in operations and competitive human resources and compensation policies and practices.

The Appointments and Remunerations Committee shall be chaired by an independent member of the Board of Directors with expertise in human resources management. Currently, the Committee is composed by:

| Name                          | Position                 | Role in Committee |
|-------------------------------|--------------------------|-------------------|
| Mr. Indrajith Wijesiriwardana | Independent Board Member | Chair             |
| Ms. Fernanda Lima             | Board Member             | Member            |
| Mr. Ravindra Tissera          | Board Member             | Member            |

Members by invitation: Chief Executive Officer, Chief Finance Officer, Chief Operations Officer, and Head of Human Resource Department.

## FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORTS



- Director's Report
- Independent Auditor's Report
- Balance Sheet
- Income Statement
- Statement of Changes in Equity
- Cash Flow Statement

# Director's Report

The Board of Directors ("the Directors") hereby submit their report together with the audited financial statements of LOLC (Cambodia) Plc. ("the Company") for the year ended 31 December 2016.

## Principal Activities

The principal activity of the Company is to provide microfinance services (deposit-taking and lending) to the rural population and micro-enterprises through its head office in Phnom Penh and its various branches in the Kingdom of Cambodia. Its corporate objective is to provide reliable and affordable access to financial services to micro-entrepreneurs.

## Financial Performance

The financial performance for the year ended 31 December 2016 is set out in the income statement on page 53.

## Bad and Doubtful Loans

Before the Company's financial statements were drawn up, the Directors took reasonable steps to ascertain that appropriate action had been taken in relation to the writing off of bad loans or making provision for bad and doubtful loans. The Directors have satisfied itself that all known bad loans have been written off and that adequate provisions have 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 of the provision for bad and doubtful loans in the interim financial statements of the Company inadequate to any material extent.

## Assets

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ensure that any assets that were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Company have been written down to an amount 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 assets in the financial statements of the Company misleading in any material respect.

## Contingent and Other Liabilities

At the date of this report, there is:

- (a) no charge on the assets of the Company that has arisen since the end of the year that secures the liabilities of any other person; or
- (b) no contingent liability in respect of the Company that has arisen since the end of the 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 next twelve months after the end of the period that, 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.

## Change of Circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading in any material respect.

## Items of An Unusual Nature

There were no items, transactions or events of a material and unusual nature that, in the opinion of the Directors, materially affected the financial performance of the Company for the year ended 31 December 2016.

There has not arisen in the interval between the end of the 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 substantially the results of the operations of the Company for the current year.

## The Board of Directors

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

|   |             |
|---|-------------|
| • Mr. Brindley Chrisantha Gajanayake de Zylva | Chairperson |
| • Mr. Ravindra Dhammika Tissera               | Member      |
| • Ms. Fernanda Pecanha Lacerda de Lima        | Member      |
| • Mr. Indrajith Wijesiriwardana               | Member      |
| • Mr. Hans Michael Theodor Moormann           | Member      |

## Responsibilities of the Board of Directors In Respect of the Financial Statements

The Directors are responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2016 and its financial performance and cash flows for the year ended. In preparing these financial statements, the Directors are required to:

- i) adopt appropriate accounting policies that are supported by reasonable and prudent judgements and estimates, and then apply them consistently;
- ii) comply with the disclosure requirements of the Cambodian Accounting Standards and the guidelines of the Central Bank or, if there has been any departure from such standards in the interest of fair presentation, ensure that this has been appropriately disclosed, explained and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) 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

- v) effectively control and direct the Company and be involved in all material decisions affecting its operations and performance and ascertain that such matters have been properly reflected in the financial statements.

The Directors confirm that the Company has complied with the above requirements in preparing the financial statements.

## Approval of the Financial Statements

The accompanying financial statements, together with the notes thereto, present fairly, in all material respects, the financial position of the Company as at 31 December 2016 and its financial performance and cash flows for the period ended in accordance with the Cambodian Accounting Standards and the guidelines of the Central Bank, were approved by the Board of Directors.

Signed in accordance with a resolution of the Board of Directors.



**Mr. Sok Voeun**  
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia  
Date: 5 April 2017

# Independent Auditor's Report

To the shareholders of LOLC (Cambodia) Plc.

## Our opinion

In our opinion, the financial statements of LOLC (Cambodia) Plc. ("the Company") present fairly, in all material respects, the financial position of the Bank as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Cambodian Accounting Standards and the guidelines of the National Bank of Cambodia ("the Central Bank").

## What we have audited

The Company's financial statements comprise:

- Balance sheet as at 31 December 2016;
- Income statement for the year then ended;
- Statement of changes in equity for the year then ended;
- Cash flow statement for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the requirements of Kampuchea Institute of Certified Public Accountant and Auditors' Code of Ethics for Certified Public Accountants and Auditors ("KICPAA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and ethical requirements of KICPAA Code.

## Other information

Management is responsible for the other information. The other information comprises appendix notes on requirement of the Central Bank's Prakas but does not include the financial statements and our auditor's report thereon.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

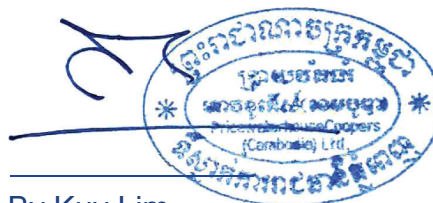
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 PricewaterhouseCoopers (Cambodia) Ltd.



By Kuy Lim  
Partner

Phnom Penh, Kingdom of Cambodia  
Date: 5 April 2017

# Balance Sheet

AS AT 31 DECEMBER 2016

|  | 2016                        |                           | 2015                      |                           |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|
| ASSETS                                     | KHR '000                    | USD                       | KHR '000                  | USD                       |
| Cash on hand                               | 8,198,053                   | 2,030,729                 | 3,881,625                 | 958,426                   |
| Balances with the Central Bank             | 13,289,293                  | 3,291,873                 | 34,040,692                | 8,405,109                 |
| Balances with banks                        | 89,398,093                  | 22,144,685                | 70,717,376                | 17,461,080                |
| Loan to customers                          | 874,171,085                 | 216,539,778               | 760,988,930               | 187,898,501               |
| Investment                                 | 60,555                      | 15,000                    | 60,750                    | 15,000                    |
| Other assets                               | 20,564,216                  | 5,093,935                 | 23,366,207                | 5,769,434                 |
| Property and equipment                     | 9,285,666                   | 2,300,140                 | 6,335,578                 | 1,564,340                 |
| Intangible assets                          | 2,351,921                   | 582,592                   | 74,042                    | 18,282                    |
| Deferred tax assets                        | 3,444,234                   | 853,167                   | 1,270,200                 | 313,630                   |
| <b>TOTAL ASSETS</b>                        | <b><u>1,020,763,116</u></b> | <b><u>252,851,899</u></b> | <b><u>900,735,400</u></b> | <b><u>222,403,802</u></b> |
| <b>LIABILITIES AND EQUITY</b>              |                             |                           |                           |                           |
| <b>LIABILITIES</b>                         |                             |                           |                           |                           |
| Deposits from other financial institutions | 24,222,052                  | 6,000,014                 | -                         | -                         |
| Deposits from customers                    | 53,900,768                  | 13,351,689                | 1,114,636                 | 275,219                   |
| Bank overdrafts                            | -                           | -                         | 3,980,411                 | 982,818                   |
| Borrowings                                 | 708,288,413                 | 175,449,198               | 717,145,414               | 177,072,942               |
| Other liabilities                          | 24,490,968                  | 6,066,625                 | 21,385,635                | 5,280,403                 |
| Current income tax liabilities             | 13,946,327                  | 3,454,626                 | 11,308,037                | 2,792,108                 |
| <b>TOTAL LIABILITIES</b>                   | <b><u>824,848,528</u></b>   | <b><u>204,322,152</u></b> | <b><u>754,934,133</u></b> | <b><u>186,403,490</u></b> |
| <b>EQUITY</b>                              |                             |                           |                           |                           |
| Capital                                    | 23,368,200                  | 5,788,506                 | 23,368,200                | 5,769,926                 |
| Reserves                                   | 4,861,722                   | 1,204,291                 | 4,279,558                 | 1,056,681                 |
| Retained earnings                          | 167,684,666                 | 41,536,950                | 118,153,509               | 29,173,705                |
| <b>TOTAL EQUITY</b>                        | <b><u>195,914,588</u></b>   | <b><u>48,529,747</u></b>  | <b><u>145,801,267</u></b> | <b><u>36,000,312</u></b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>        | <b><u>1,020,763,116</u></b> | <b><u>252,851,899</u></b> | <b><u>900,735,400</u></b> | <b><u>222,403,802</u></b> |

# Income Statement

For The Year Ended 31 December 2016

|                                      | 2016               |                   | 2015               |                   |
|--------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                      | KHR '000           | USD               | KHR '000           | USD               |
| Interest income                      | 225,733,566        | 55,916,167        | 168,416,754        | 41,584,384        |
| Interest expense                     | (71,261,995)       | (17,652,216)      | (49,092,922)       | (12,121,709)      |
| <b>Net interest income</b>           | <b>154,471,571</b> | <b>38,263,951</b> | <b>119,323,832</b> | <b>29,462,675</b> |
| Other income                         | 9,945,178          | 2,463,507         | 5,443,633          | 1,344,107         |
| Commission expenses                  | (1,347,679)        | (333,832)         | (2,753,366)        | (679,843)         |
| Personnel expenses                   | (48,559,704)       | (12,028,661)      | (37,369,599)       | (9,227,061)       |
| Depreciation charges                 | (3,584,159)        | (887,827)         | (2,223,346)        | (548,974)         |
| Amortisation charges                 | (20,699)           | (5,128)           | (19,309)           | (4,770)           |
| General and administrative expenses  | (27,458,553)       | (6,801,722)       | (18,843,924)       | (4,652,821)       |
| Net foreign exchange gain/(loss)     | 474,778            | 117,607           | (460,539)          | (113,713)         |
| <b>Operating profit</b>              | <b>83,920,733</b>  | <b>20,787,895</b> | <b>63,097,382</b>  | <b>15,579,600</b> |
| Provision for bad and doubtful loans | (14,989,712)       | (3,713,082)       | (1,952,391)        | (482,072)         |
| <b>Profit before income tax</b>      | <b>68,931,021</b>  | <b>17,074,813</b> | <b>61,144,991</b>  | <b>15,097,528</b> |
| Income tax expense                   | (13,936,083)       | (3,452,089)       | (12,335,420)       | (3,045,782)       |
| <b>Profit for the year</b>           | <b>54,994,938</b>  | <b>13,622,724</b> | <b>48,809,571</b>  | <b>12,051,746</b> |
| <b>Attributable to:</b>              |                    |                   |                    |                   |
| Equity holders of the Company        | <b>54,994,938</b>  | <b>13,622,724</b> | <b>48,809,571</b>  | <b>12,051,746</b> |

# Statement of Changes in Equity

For The Year Ended 31 December 2016

|                               | <b>Capital<br/>KHR '000</b> | <b>Reserves<br/>KHR '000</b> | <b>Retained<br/>earnings<br/>KHR '000</b> | <b>Total<br/>KHR '000</b> |
|-------------------------------|-----------------------------|------------------------------|---|---------------------------|
| As at 01 January 2015         | 23,368,200                  | 3,695,520                    | 69,927,976                                | 96,991,696                |
| Transfers to reserves         | -                           | 584,038                      | (584,038)                                 | -                         |
| Profit for the year           | -                           | -                            | 48,809,571                                | 48,809,571                |
| <b>As at 31 December 2015</b> | <b><u>23,368,200</u></b>    | <b><u>4,279,558</u></b>      | <b><u>118,153,509</u></b>                 | <b><u>145,801,267</u></b> |
| <b>Equivalent in USD</b>      | <b><u>5,769,926</u></b>     | <b><u>1,056,681</u></b>      | <b><u>29,173,705</u></b>                  | <b><u>36,000,312</u></b>  |
| As at 01 January 2016         | 23,368,200                  | 4,279,558                    | 118,153,509                               | 145,801,267               |
| Dividends paid                | -                           | -                            | (4,881,617)                               | (4,881,617)               |
| Transfers to reserves         | -                           | 582,164                      | (582,164)                                 | -                         |
| Profit for the year           | -                           | -                            | 54,994,938                                | 54,994,938                |
| <b>As at 31 December 2016</b> | <b><u>23,368,200</u></b>    | <b><u>4,861,722</u></b>      | <b><u>167,684,666</u></b>                 | <b><u>195,914,588</u></b> |
| <b>Equivalent in USD</b>      | <b><u>5,788,506</u></b>     | <b><u>1,204,291</u></b>      | <b><u>41,536,950</u></b>                  | <b><u>48,529,747</u></b>  |

# Cash Flow Statement

For The Year Ended 31 December 2016

|  | 2016                |                     | 2015                 |                     |
|--|---------------------|---------------------|----------------------|---------------------|
|  | KHR '000            | USD                 | KHR '000             | USD                 |
| <b>Cash flows from operating activities</b>        |                     |                     |                      |                     |
| Profit before income tax                           | 68,931,021          | 17,074,813          | 61,144,991           | 15,097,528          |
| <i>Adjustments for:</i>                            |                     |                     |                      |                     |
| Depreciation charges                               | 3,584,159           | 887,827             | 2,223,346            | 548,974             |
| Amortisation charges                               | 20,699              | 5,128               | 19,309               | 4,768               |
| Provision for bad and doubtful loans               | 14,989,712          | 3,713,082           | 1,952,391            | 482,072             |
| Other accruals                                     | 3,416,578           | 846,316             | 1,149,086            | 283,725             |
| Gain on disposals of property and equipment        | (50,391)            | (12,482)            | (28,427)             | (7,019)             |
| Net interest income                                | (154,471,571)       | (38,263,951)        | (119,323,832)        | (29,462,675)        |
|  | (63,579,793)        | (15,749,267)        | (52,863,136)         | (13,052,627)        |
| <i>Changes in working capital</i>                  |                     |                     |                      |                     |
| Reserve deposits with the Central Bank             | (7,865,169)         | (1,948,271)         | (1,266,441)          | (312,701)           |
| Balances with the Central Bank                     | 2,450,051           | 606,899             | (2,450,051)          | (604,951)           |
| Balances with banks                                | 38,751,750          | 9,599,145           | 6,028,306            | 1,488,471           |
| Loans to customers                                 | (131,292,591)       | (32,522,316)        | (293,900,606)        | (72,568,051)        |
| Other assets                                       | 2,476,652           | 613,488             | (7,002,331)          | (1,728,971)         |
| Deposits from other financial Institutions         | 24,222,052          | 6,000,014           | -                    | -                   |
| Deposits from customers                            | 52,786,132          | 13,075,584          | 1,114,636            | 275,219             |
| Other liabilities                                  | 695,915             | 172,384             | 5,051,473            | 1,247,277           |
| Cash used in operations                            | <u>(81,355,001)</u> | <u>(20,152,340)</u> | <u>(345,288,150)</u> | <u>(85,256,334)</u> |
| Interest income received                           | 225,476,321         | 55,852,445          | 164,343,104          | 40,578,544          |
| Interest expense paid                              | (69,148,431)        | (17,128,668)        | (45,489,323)         | (11,231,932)        |
| Income tax paid                                    | (12,889,230)        | (3,192,774)         | (8,255,882)          | (2,038,489)         |
| Cash generated from/(used in) operating activities | <u>62,083,659</u>   | <u>15,378,663</u>   | <u>(234,690,251)</u> | <u>(57,948,211)</u> |

**Cash flows from investing activities**

|   |                    |                    |                    |                  |
|---|--------------------|--------------------|--------------------|------------------|
| Purchases of property and equipment               | (6,554,761)        | (1,623,671)        | (3,619,131)        | (893,613)        |
| Purchases of intangible assets                    | (2,298,578)        | (569,378)          | (10,283)           | (2,539)          |
| Proceeds from disposals of property and equipment | 71,087             | 17,609             | 37,515             | 9,263            |
| Cash used in investing activities                 | <u>(8,782,252)</u> | <u>(2,175,440)</u> | <u>(3,591,899)</u> | <u>(886,889)</u> |

**Cash flows from financing activities**

|                                   |                     |                    |                    |                   |
|-----------------------------------|---------------------|--------------------|--------------------|-------------------|
| Proceeds from borrowings          | 312,374,435         | 77,377,864         | 573,768,811        | 141,671,311       |
| Repayments of borrowings          | (321,231,436)       | (79,571,820)       | (275,598,477)      | (68,049,007)      |
| Dividend paid out                 | (4,881,617)         | (1,209,219)        | -                  | -                 |
| Cash used in financing activities | <u>(13,738,618)</u> | <u>(3,403,175)</u> | <u>298,170,334</u> | <u>73,622,304</u> |

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| <b>Net increase in cash and cash equivalents</b>         | 39,562,789 | 9,800,048  | 59,888,184 | 14,787,204 |
| Cash and cash equivalents at the beginning of the period | 61,007,430 | 15,063,562 | 1,119,246  | 274,662    |
| Currency translation differences                         | -          | 48,507     | -          | 1,696      |

**Cash and cash equivalents at the end**

|                      |                           |                          |                          |                          |
|----------------------|---------------------------|--------------------------|--------------------------|--------------------------|
| <b>of the period</b> | <u><b>100,570,219</b></u> | <u><b>24,912,117</b></u> | <u><b>61,007,430</b></u> | <u><b>15,063,562</b></u> |
|----------------------|---------------------------|--------------------------|--------------------------|--------------------------|

*Ideas for Growth*

**Head Office**

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