Cambodia Microfinance Association

Annual Report 2010

Training

Networking

Advocacy

Awareness

Supported by ada MICROFINANCE EXPERTISE
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CMA History</td>
</tr>
<tr>
<td>2</td>
<td>Vision and Mission</td>
</tr>
<tr>
<td>3</td>
<td>Overall Goals and Functions</td>
</tr>
<tr>
<td>4</td>
<td>Chairman’s Message</td>
</tr>
<tr>
<td>6</td>
<td>Notes from General Secretary</td>
</tr>
<tr>
<td>8</td>
<td>Cambodia Economic Performance in 2010</td>
</tr>
<tr>
<td>9</td>
<td>Overview of Microfinance in Cambodia</td>
</tr>
<tr>
<td>16</td>
<td>Achievements of CMA</td>
</tr>
<tr>
<td>22</td>
<td>Report from the External Auditor</td>
</tr>
<tr>
<td>24</td>
<td>Balance Sheet</td>
</tr>
<tr>
<td>25</td>
<td>Organizational Structure</td>
</tr>
<tr>
<td>26</td>
<td>Stakeholders</td>
</tr>
<tr>
<td>27</td>
<td>General Assembly</td>
</tr>
<tr>
<td>28</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>31</td>
<td>Committees</td>
</tr>
<tr>
<td>32</td>
<td>Clubs</td>
</tr>
<tr>
<td>34</td>
<td>General Secretariat</td>
</tr>
<tr>
<td>35</td>
<td>Members of CMA</td>
</tr>
</tbody>
</table>
**CMA HISTORY**

**Story**
In August 2002, an outcome of a meeting amongst different MFIs (AMRET - formerly EMT, HKL, Seilanithih, VisionFund Cambodia, SATHAPANA, PRASAC formerly-PCA, and HI/ADC) was an agreement to set up a microfinance association. During the time period of August 2002 - November 2003, a constitution for the association was drafted by a small sub-working group. In November 2003, the Cambodian Microfinance Association (CMA) set up an organizational and governing structure including a General Assembly, Board of Directors, and elected a Secretary General and Board Chair.

CMA was formally established in January 2004 by 7 MFIs SATHAPANA, AMRET, HKL, Maxima, Seilanithih, CREDO, and PRASAC. On October 18, 2004, CMA formally registered at the Ministry of Interior as a non-governmental organization.

**Legal Foundation**
According to the Banking and Finance Law in Cambodia (Chapter 22, Article 72) there is only scope for one professional association related to banking services permitted in Cambodia. The National Bank of Cambodia (NBC) has approved that CMA operates as a sub-division of the Association of Banks in Cambodia (ABC) in accordance with the law. Currently, CMA becomes a sub-division of ABC and recognized by NBC on 19 January 2008. As a sub-division of ABC, CMA is an institutional member of ABC and can negotiate directly with NBC on relevant microfinance matters.

**General Secretariat**
At its inception in 2004, the CMA General Secretariat was comprised of a General Secretary and an Assistant Secretary. At the outset, the General Secretary was a part time volunteer and Assistant Secretary a full time staff position funded by members. The General Secretariat operated from rented office space in one of the member institutions.

In mid 2006, CMA moved to its own premises in the Mekong Bank compound first floor and hired two full time paid staff members: a General Secretary, and a Finance & Administration Officer. Both positions were funded by membership dues as well as Agence Française de Développement (AFD) in 2006 and Agence pour le Développement Autonome (ADA) Luxembourg in 2007.

In early 2008, CMA had four full time paid staff members: a General Secretary, a Finance & Administration Officer, an IT and Project Assistant Officer, and an Admin Assistant and Driver. All the staff are funded by ADA and Planet Finance.

Since 2009, CMA has had six full time paid staff members: a General Secretary, Finance and Administration Officer, an IT and Marketing Assistant Officer, a Training Manager, an Admin and Training Assistant Officer, Cleaner, and volunteers from the United States and Australia.

**Membership**

*Find more details in “Members of CMA” page.*
Vision

Cambodian citizens should receive financial services in a timely fashion through a sustainable financial system.

Mission

To facilitate microfinance operators in their operations and to strengthen communication with authorities, national and international donors, creditors and investors.
Microfinance is the key to breaking poverty cycle.

OVERALL GOALS AND FUNCTIONS

Overall Goals

- To create a sound communication system within the microfinance sector and to ensure the smooth operation of its members.
- To create a forum to share experience and knowledge to build confidence and improve the self-sufficiency, transparency and management of the sector in a sustainable manner.
- To create a channel of communication with national and international financial markets in order to exchange experiences.
- To improve the awareness of microfinance in the country by government agencies, policy makers and stakeholders.
- To promote transparent competition in the market by ensuring the sustainability of microfinance.
- To improve the representative voice and protect the interests of the microfinance sector when negotiating and lobbying the government, National Bank of Cambodia (NBC), and national and international stakeholders.
- To rise funds to support the association.

Functions

The purpose of CMA is to ensure the prosperity and sustainability of the microfinance sector in Cambodia. CMA plays a vital role in creating local and international networks as well as seeking equity and loan funds, new technologies and conflict resolution between microfinance operators. All of these activities have led each member MFIs to become stronger and more successful and thereby attract support from the international market, enabling smoothly growing expansion.
On behalf of Cambodia Microfinance Association (CMA), I have the great honor of presenting to you the CMA Annual Report for 2010. I hope that this fifth publication provides an update of CMA’s main activities and its achievements for 2010, as well as raises the public awareness of CMA’s role while maintaining the strong network between our members.

The year of 2010 was considered a period of recovery from the economic crisis that beleaguered the country over the previous two years. Portfolios for each MFI have grown an average of 30% during 2010 with PAR (30 days of loan) improving to 1.07% (from 2.87% last year). Despite this success, concerns still exist in Cambodia’s microfinance sector about client bad loans and over-indebtedness. CMA members continue to explore means to reduce these risks. One method involves setting up an MOU amongst members that details the process of recovering loans from the liquidated assets of clients. The concept of the MOU does not mean that members want to liquidate client assets but that we want to upgrade MFI responsibility in client assessment while reducing aggressiveness in practice. Furthermore, we also intend to cooperate and reinforce our commitment to the establishment of a Credit Bureau by 2011.

During the year CMA and its members continued to collaborate on a variety of events, such as the International Conference on Banking and Microfinance amid the Global Financial Crisis, Workshop on Client Protection, Client Sustainability Workshop, and press conferences to demonstrate to the public the strong position of Cambodia’s microfinance sector. These significant gatherings created a forum in which all microfinance stakeholders, together with the National Bank of Cambodia (NBC), Rural Development Bank (RDB), Ministry of Economy and Finance (MEF), International Finance Corporation (IFC), and member MFIs openly discussed and raised workable and long term solutions for more efficient poverty alleviation, client protection and financial literacy.

Following the experience of the Global Financial Crisis (GFC), CMA continued its role as the hub for Cambodia’s MFIs throughout 2010 promoting coordination and cooperation for an improved MFI sector. Within the year, CMA conducted 15 training courses with 373 participants from the sector. CMA also reached out to the rural areas by holding provincial branch meetings to assess their needs and enhance current practices. Additionally, CMA coordinated with members to hold many club meetings, (such as the CEO Club, Human Resources Club, Operation Club and Finance Club) which aim to ensure that relevant issues are discussed in detail and members’ concerns are addressed. The Board of Director Committee meetings (Training Committee, Advocacy Committee, Audit Committee and IT & Marketing Committee) also holds meetings as often as needed to ensure that CMA’s activities are proceeding as scheduled and respond to member needs.
Microfinance is the key to breaking poverty cycle.

Last but not least, CMA recently implemented a library management policy for its continuously expanding in-house library, which holds literature related to legal statutes, new PRAKAS, progress and challenges of the sector, training books, video segments and minutes from significant meetings. The CMA library also features its annual reports and newsletters which keep the public up-to-date with microfinance developments in Cambodia. CMA always strives to ensure transparency within its operations by performing internal and external audits and by joining networks such as BWTP, SEEP, CEA, SPTF, CAMFEBA, and ABC among others. I would also like to commend CMA for understanding its role as a player not only in the microfinance sector, but as well in the national and global environments. In 2010, CMA participated in the International Banking and Microfinance Cambodia Conference funded by the International Data Group (IDG). We had also attended a Conference of Microfinance in Colombo, Sri Lanka, 2010 Global SEEP Network Summit in Washington DC, USA while several CMA members participated in workshops in many other countries to exchange local techniques and training skills.

Based on these achievements, I would like to extend my sincere thanks to all members of CMA, NBC, MEF and other stakeholders for their financial and in-kind support for CMA’s operations. I extend a special thank you to the Board of Directors of CMA for their hard work in contributing to CMA’s improvement. Meanwhile I would also like to express my heartfelt appreciation to Appui au Développement Autonome (ADA), Planet Finance and IFC who have provided financial and technical support to build the capacity of CMA and strengthen our activities. In addition, I also would like to thank CMA staff and managers for maintaining a high standard quality of service for its members while encouraging good cooperation for economic development and a highly positive social impact.

Henceforth I do believe that this publication, as well as the friendship, cooperation and collaboration between CMA’s members, will enable CMA to maintain its sustainability and strengthen Cambodia’s microfinance sector in the long term.

Mr. Chea Phalarin  
Chairman of Board of Director 
Cambodia Microfinance Association
Upon reaching the end of 2010 we recognize that microfinance has made a successful contribution to the economic development of Cambodia. According to data collected from 23 MFIs and 1 NGO, a total of 992,452 families received microfinance services in 2010 with a total portfolio outstanding of USD 426 million and 190,023 savings accounts containing USD 41 million as at 31 December, 2010. Assuming 5.5 members in each family, the beneficiaries of microfinance services can be estimated at 39% of the total population of 14 million along with benefits to 7,727 employees in the MFI sector. Moreover, the growth and quality of microfinance in 2010 has improved over previous years with average loan portfolio increasing 43%, number of borrowers increasing 14%, number of savers increasing 85%, deposit balance increasing 330% (due to the number of MDI licenses increasing 100%), number of employees increasing 22% and Portfolio at Risk (PAR) > 30 days decreasing to 1.07% from 2.87% in 2009.

This result can be viewed alongside the work of Cambodia Microfinance Association (CMA) which has played an important role in assisting and maintaining microfinance in Cambodia. Our work has included the creation of local and international microfinance networks as well as seeking out new technologies, new equity and loan funds and new mechanisms to assist conflict resolution between MFIs. In addition, CMA has provided training courses to strengthen the management structures and operational processes and procedures of MFIs.

At the same time, CMA has provided policy advocacy, representing the microfinance sector at a national and international level while exchanging knowledge and best practice expertise across the global microfinance network. We have also provided technical assistance and specialized information analysis while facilitating meetings and workshops about a large number of topics.

These activities have made each MFI member stronger and more successful, attracting support from the international market to expand their operations. The improvement of MFI operations continues with increased portfolio improved transparency, and timely reporting that engenders trust from all stakeholders including government agencies, investors, creditors and clients among others.

Aside from its impact on MFIs, CMA has helped Cambodian people better understand microfinance services, such as loan repayment requirements, and the position of MFIs as strategy partners that can operate alongside their business. We have helped customers understand that they can approach any microfinance provider and better identify the MFI that fits their requirements in terms of convenience and benefit.

The overall success of the microfinance sector today should generate pride for Cambodian people especially the regulators, operators and customers that jointly created this crucial contribution to Cambodian economic development. While development in Cambodia has a long way to go it seems certain that microfinance will continue to play a critical function for many years to come.
Microfinance is the key to breaking poverty cycle.

On behalf of management and staff, I would like to express my sincere gratitude to all stakeholders for their continued support for CMA and the microfinance sector as a whole. I hope that all stakeholders will continue to maintain this cooperative culture in order to strengthen the microfinance sector and bring us closer to a Cambodia that is free of poverty.

Ms. Hoy Sophea  
General Secretary  
Cambodia Microfinance Association
In 2010 Cambodia was able to recover from the economic contraction it experienced in 2009. Annual growth in GDP increased from -2% in 2009 to an estimated 5% in 2010. This improvement in economic activity has been a result of the general recovery in world economic growth following the Global Financial Crisis in 2008.

Cambodia suffered during the crisis due to its reliance on garment exports to the US and tourism which both slowed greatly. Tourism and garment sectors have recovered strongly in 2010 and total exports have risen. The Riel is expected continue to weaken which should further benefit garment exports, tourism, rice production and other export industries. The current account balance remains negative as Cambodia’s export industries are relatively small and Cambodia remains heavily dependent on imports, particularly commodities.

Recent economic growth has increased inflation from -0.7% in 2009 to 4% in 2010 which is a moderate level for a developing country. The spike in inflation in 2008 caused by rapid increases in commodity prices has not been repeated and inflation is expected to remain relatively stable.

Government spending has increased in 2010 alongside an increase in government revenue caused by the economic growth recovery. The budget balance remains stimulatory which seems necessary considering economic growth remains below the trend level of 6-8%.

Economic growth has remained below trend levels due in part to tight credit markets following the GFC. Resulting increases in interest rates have had a negative effect on the construction sector in Cambodia which has been restricting growth.

<table>
<thead>
<tr>
<th>Statistic</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Estimated 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal GDP US$bn</td>
<td>11.1</td>
<td>10.5</td>
<td>11.6</td>
<td>12.2</td>
</tr>
<tr>
<td>GDP per capita US$</td>
<td>793</td>
<td>742</td>
<td>806</td>
<td>840</td>
</tr>
<tr>
<td>Real GDP growth % change y-o-y</td>
<td>6.7</td>
<td>-2.0</td>
<td>5.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Exchange rate KHR/US$ eop</td>
<td>4045</td>
<td>4145</td>
<td>4250</td>
<td>4500</td>
</tr>
<tr>
<td>Goods imports US$bn</td>
<td>6.5</td>
<td>5.9</td>
<td>6.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Goods exports US$bn</td>
<td>4.7</td>
<td>4.3</td>
<td>5.2</td>
<td>5.3</td>
</tr>
<tr>
<td>Current account balance % of GDP</td>
<td>-12.2</td>
<td>-10.7</td>
<td>-13.6</td>
<td>-12.9</td>
</tr>
<tr>
<td>Total external debt % of GDP</td>
<td>36.6</td>
<td>44.4</td>
<td>45.2</td>
<td>46.2</td>
</tr>
<tr>
<td>Inflation % per year</td>
<td>25.0</td>
<td>-0.7</td>
<td>4.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Fiscal revenue KHRbn</td>
<td>6510.3</td>
<td>6130.2</td>
<td>6789.4</td>
<td>7278.4</td>
</tr>
<tr>
<td>Fiscal expenditure KHRbn</td>
<td>6211.6</td>
<td>7976.6</td>
<td>8899.9</td>
<td>9577.1</td>
</tr>
<tr>
<td>Budget balance % of GDP</td>
<td>0.7</td>
<td>-4.2</td>
<td>-4.3</td>
<td>-4.3</td>
</tr>
<tr>
<td>Commercial bank prime lending rate %</td>
<td>15.9</td>
<td>16.0</td>
<td>17.0</td>
<td>17.0</td>
</tr>
</tbody>
</table>

Microfinance is the key to breaking poverty cycle.

OVERVIEW OF MICROFINANCE IN CAMBODIA

There are 24 CMA members including 23 licensed microfinance institutions (MFIs) and 1 NGO (Rural Credit Operator) that operate in Cambodia with a gross loan outstanding portfolio of around 426 million USD and a borrower base of 992,452 accounts, mostly located in Phnom Penh and large provincial towns.

The development of regular commercial lending activities has been stifled by the high costs of operations, the inability to verify and enforce property rights, and the low levels of economic activity. As a result, the vast majority of the rural population has had limited access to formal forms of financial services. Despite these obstacles, CMA and its members are working with due diligence to advance the course of the microfinance sector.

History of Microfinance in Cambodia

Before 1990: Limited Financial Services
Prior to 1990, only banks provided financial services but mostly in the city and mostly to Cambodian people living around the city. The majority of Cambodian people, who lived in rural and remote areas, could not access formal, sustainable and timely financial services. During that time, moneypennyers provided informal financial services in rural and remote areas with high interest rates ranging from 10% to 20% per month.

1990-1995: The First Microcredit Seeds are Planted
Microfinance in Cambodia emerged from nonprofit microcredit projects initiated by international donors, NGOs, and institutions in the early 1990s to fill the institutional void left by the virtually nonexistent banking sector. Without a working banking system, organizations such as GRET (1991), World Relief (1992), ACLEDA and CRS (1993) initially ran microcredit projects by physically handling cash transfers. After the international recognition of the new Cambodian government in 1993, aid started to pour into the country, particularly into community rehabilitation projects. Despite the long strides attained, however, microfinance initiatives only reached isolated pockets of the population, approximately 44,000 in 1994.

1995-2000: Government Supported Institutionalization
In 1995, the RGC established the Credit Committee for Rural Development (CCRD) with funding support from UNDP and AFD to formulate a strategy for rural credit development, strengthen management, and manage funding. In 1997, the NBC set up the Supervision Office of Decentralized Banking System Bureau which was then separated in 2000 into 2 branches: the Specialized Bank & MFIs Supervision Office, to oversee the coordination, supervision and regulation of the sector, and the Project to Support Microfinance Sector, to ensure capacity building within the sector. By 1998, the new industry served 214,000 individuals. Reaching a significant size also translated into increased risks for clients and microfinance promoters, thereby building pressure on microfinance stakeholders to formulate a regulatory framework.
2000-2005: Commercialization Drives the Sector Up a Notch

In 1999, recognizing the MFIs’ wider breadth of the rural population, the RGC adopted a two-tier system under the Law on Banking and Financial Institutions for supervising microfinance. A Prakas, or government decree, on microfinance regulation was enacted and implemented by the NBC in 2000. In October 2000, the industry leader, ACLEDA, transformed from a NGO into a specialized microfinance bank with the support of its founding donors and new institutional investors. This move set a precedent for other successful microcredit NGOs to transform into commercial MFIs.

However, the procurement of loans from local commercial banks have generally been limited, the RGC’s support of a free-market economy and a more stable political environment attracted an astounding number of foreign private investors who financed approximately 80% of MFIs’ loan portfolios since 2000. Increasing competition has permitted MFIs to consecutively decrease their average annual interest rates charged to clients from 42% in 2003 to 32% in 2006. The establishment of CMA by 7 MFIs in 2004 encouraged the microfinance sector to foster internal collaboration, including information sharing and provision of training programs. Serving as a communication channel for MFI members and the CMA operates as a sub-division of the Association of Banks in Cambodia (ABC) in accordance with the legal framework and is entitled to negotiate directly with the NBC on relevant microfinance matters.

2005-Present: An Integral Economic Player

Since 2005, the microfinance field has undergone significant changes. In 2006, the NBC, with technical assistance from the ADB, established a Credit Information System (CIS) designed to collect and share negative credit information from commercial banks. However, the scope of information available to MFIs has been very limited, thereby decreasing incentives to use it. Between 2006 and 2008, microfinance activities fostered a healthy environment, with the number of borrowers growing 23%, 29% and 31% during each respective year, while total MFI lending increased at a rate of more than 55% per year (see Figures 1.1 and 1.2).

---

**Figure 1.1: Value of Loan Outstanding in Million USD for 14 MFIs in 2005 and 23 MFIs and 1 NGO in 2010.**
Microfinance is the key to breaking poverty cycle.

This growth was, however, stymied by the global financial crisis between 2008 and 2009 which had adverse impacts on Cambodia’s national economy across all sectors without sparing its microfinance sector. This is reflected by the rising portfolios at risk (PAR) ratio. The Prakas on Licensing Microfinance Deposit Taking Institutions was issued in December 2007 by the NBC, which authorizes eligible MFIs to receive deposits from the general public. This has provided MFIs with cheaper sources of funds, mainly in the local currency, and comes at a critical time when foreign investment has contracted significantly due to the global economic slowdown.

**Microfinance Activities**

Currently there are many MFIs in Cambodia providing financial and non-financial products and services to satisfy clients’ needs.

The financial products and services which MFIs in Cambodia usually offer to their clients are as follows:

- micro-loans (group lending and individual lending)
- micro-saving (voluntary saving and fixed term deposits)
- money transfer (local money transfer service, remittance and mobile banking)
- micro-insurance (guarantees the loan where clients die or are accidentally injured, so that their relatives or group guarantor are not responsible to pay the loan)

Non-financial products and services which MFIs usually offer to their clients are as follows:

- Client education and reinforcement
- Client awards
- Scholarships for clients’ children
- Links to development programs

**Group Loans vs. Individual Loans**

**Group Loan:** Credit Officer must analyse clients’ cash flow and ability to pay and survey clients’ history from their neighbors, local authorities and also other microfinance operators. Moreover, all clients must have group guarantee and signature from a local authority on the lending contract.

**Individual Loan:** Credit Officer must analyse clients’ cash flow and ability to pay and survey clients’ history from their neighbors, a local authority and also other microfinance operators. Moreover, all clients must have one guarantor (can be their relative or neighbor, but have the same ability as the client), collateral and signature from a local authority.
Challenges
The Cambodia microfinance sector has experienced commendable growth in the past decade, yet is currently undergoing numerous stress tests. The following section presents the significant challenges faced by the sector.

Environmental Threats
- **Global Financial Crisis** - The recent Global Economic Crisis has adversely impacted Cambodia's national economy across all sectors without sparing its microfinance sector. This is reflected by the rising portfolios at risk (PAR) ratio.

Sector Weaknesses
- **Multiple Loans** - The prevalence of multiple lending, whereby an individual has taken out loans from more than one MFI, has reached a difficult point. Some clients have taken out as many as 4-5 loans which they are unable or unwilling to pay back. These cases leave the respective MFIs to resort to suboptimal actions, including writing off the outstanding loan as nonperforming and restructuring the loan. The root causes of this mounting problem are presented below:
  - Lack of a thorough preliminary credit assessment
  - Weak credit-reporting system
  - Issuing of multiple land titles by local authorities
- **Mission Drift** – Currently, much ambiguity exists concerning the actual social impact Cambodian MFIs have on their clients due to the high costs of conducting impact assessments. On one hand, the commercialization of MFIs has raised the concern that Cambodian MFIs are increasingly derailing from their social mission.
- **Lack of Product Diversification**
  - **Credit only** – Credit is the primary financial product offered by MFIs and is offered mainly to small businesses and individuals, with very limited group lending options. Given this saturated credit culture, the current number of savings accounts is relatively low as illustrated by the number of active savers. Currently only 2 MFIs have successfully been granted the license to collect deposits from the public due to legal and budgetary setbacks.
  - **Limited credit** – Credit is reserved predominantly for entrepreneurial activities while credit earmarked for consumption, such as paying school fees and medical bills, payment services, money transfers, or insurance services is very limited. Moreover, current credit options are not tailored to the majority of clients’ lifestyles and financial preferences.
  - **Management information Systems (MIS) software** – another challenge for operators, as currently most MFIs purchase MIS software from other countries which is both expensive and not adapted to the local market. In the future MIS should be supplied by local IT suppliers to reduce cost and increase efficiency.
Opportunities
Though exhausting, the aforementioned challenges present opportunities for Cambodia’s microfinance industry to reinvest in its mission so as to ensure the sustainable delivery of financial services to their clients.

Developments in Cambodia’s Economic Environment
The 2010 GDP growth projections released up-to-date from international institutions, such as the World Bank and the Economic Intelligence Unit, suggest a positive growth ranging from 3.0% to 4.2%. Although these figures are simplified projections, they are key indicators of the economy’s health, and certainly instill optimism and momentum in the business and financial sectors. The prospective developments outlined below should stimulate the microfinance sector.

- **Credit Bureau** - On May 12th 2008, the NBC signed a MOU with the IFC wherein it was appointed to conduct a feasibility study for establishing and operating a “for profit” credit reporting company to serve both the financial and non-financial sectors. The methodology used to assess the demand for a better reporting system was a series of in-person interviews with sector stakeholders, including representatives from the NBC, ADB, IMF, CMA, and MFIs.

- **Cambodian Stock Exchange Market (CAMEX)** - With limited long-term domestic investment opportunities, Cambodia’s national economy is tied to the supply of foreign direct investments which in turn rides on the fluctuations of the global economy. In response to this unfavorable dependency, the MEF has worked with Korea Exchange to launch a Cambodian securities market by the end of 2010. Although many bystanders doubt the Cambodian economic environment’s level of sophistication to successfully execute the new stock exchange, the MEF is optimistic that this will create more opportunities for companies, including MFIs, to raise capital.

Developments Specific to Cambodia’s Microfinance Sector
The microfinance sector’s future in Cambodia rests on its ability to sustain the sector operations. Therefore, all stakeholders have the responsibility to coordinate and collaborate with each other on specific objectives and tasks so that MFIs, clients, and investors can together afford the success it has experienced up-to-date.

- **Product Diversification**
  - **Savings Mobilization** – On December 13th, 2007, the NBC issued the Prakas on Licensing of Microfinance Deposit Taking Institutions which authorizes MFIs to collect deposits from the public. In this context, proper strategies are currently being developed by MFIs to mobilize savings products responsive to the needs of the prospective clients to ensure a more stable domestic resource base for the growth and sustainability of the lending operations of MFIs.
Micro-insurance – is nascent to Cambodia’s microfinance sector, and therefore needs to seek guidance and experience sharing from neighboring countries, as well as a draft legal framework.

Mobile Banking – is the newest addition to the product catalogue, attracting much attention from both the banking and microfinance sectors. The product is now available in Cambodia, targeting un-banked customers and allowing them to save, make purchases, and transfer money through mobile phones. The MFI also sees the opportunity to provide their customers with financial information, such as market data, via their phones.

Merging
Cambodia’s maturing and increasingly competitive finance industry has stimulated discussion about consolidation within the microfinance sector. Today, operating costs and costs of capital financing are the two biggest hurdles challenging MFIs. Some regions are experiencing an over-saturation of MFIs, with the ration of MFIs to population has reached a point where MFIs are facing increasingly unfair competition amongst each other. Merging would create economies of scale for the sector, limit the cases of multiple loans, and expend less for operations overall. Economic analysts and MFI stakeholders foresee that merging will take place only in the distant future as it should develop organically rather than prematurely taking on a project.

CMA’s Outlook on the Sector
The year of 2010 brought major microfinance stakeholders together to elaborate on sector strategies which will help overcome the effects of the global financial crisis. CMA members agreed and signed off on CMA’s 3-year business plan. CMA will remain as a neutral moderator to serve the interests of all MFIs and clients. Acknowledging that some solutions may require longer strides, the sector will use interim steps in the meantime. As the Cambodian microfinance sector moves forward, CMA is optimistic that the current challenges will be viewed as opportunities to reinforce the sector.
Microfinance is available in all of Cambodia
Governance Structure and Business Plan

On February 19, 2010, CMA conducted a General Assembly meeting with 36 leaders and managers from 20 MFIs and complete press coverage. The proceedings of the assembly included presentations from the CMA Chairman and General Secretary on CMA achievements, including the achievements of 4 CMA committees, approval of the CMA three year business plan for 2010-2012, approval of the new CMA status revision, selection of the new board members and chairman from 15 candidates, review and revision of the ToR and members of the 4 committees and other issues related to the current work of CMA.

Moreover, we have conducted 7 board meetings with 66 participants. During these meetings, board members created a MoU relating to the multiple loan issue, a BoD code of conduct, discussed sharing client information, conducted a workshop with local authorities and reviewed CMA staff benefits. The BoD also conducted a microfinance annual meeting on client sustainability, impact surveys, 2010-2012 plan approval, review of committee ToR, selected an Executive Director for CMA and also discussed cost sharing relating to the establishment of a central credit bureau.

Additionally, CMA conducted two CEO meetings with 37 participants to discuss issues of multiple loans, the Credit Bureau, client logbooks, review and approval of 2009 healthy competition workshop report, and approval of MoU. Finally, the four committees (Training, Advocacy, IT & Marketing and Audit) have conducted regular meetings with the Training Committee meeting 3 times, Advocacy Committee meeting 1 time, IT & Marketing Committee meeting 1 time and Audit Committee meeting 2 times with 14, 4, 4 and 8 participants respectively. In addition, the 4 active clubs also conducted their regular meeting to discuss issues regarding their professional field. The CEO Club, Human Resources Club, Operations Club and Finance Club have met 2 times, 2 times, 3 times and 3 times respectively with 37, 35, 42 and 61 participants respectively. Furthermore, in order to ensure transparency and accountability, CMA has conducted an internal audit by AMRET’s Internal Audit Team and an external audit conducted by Price Waterhouse Coopers Ltd.
Capacity Building of MFI Operators

At the end of December 2010, CMA organized 16 training courses and workshops with 823 participants. Trainers, including CMA’s member CEOs, an independent lawyer, and private consultants, shared their expertise on various topics, including Operations, Credit Risk Management, Finance, Taxation, Social Performance Management and Client Protection Principles. Find more details in below table:

<table>
<thead>
<tr>
<th>No.</th>
<th>Topic</th>
<th>Trainer</th>
<th>Date</th>
<th>Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Loan monitoring/solution to delinquency and Debt Management (Arrear Solving)</td>
<td>Mr. Sok Vourn (Sathapana)</td>
<td>21-22 January</td>
<td>31</td>
</tr>
<tr>
<td>2</td>
<td>Banking and Microfinance Conference</td>
<td>IDG</td>
<td>26-27 January</td>
<td>450</td>
</tr>
<tr>
<td>3</td>
<td>Lending to SMEs (Small and Medium Enterprise Lending)</td>
<td>ACLEDA</td>
<td>22-23 February</td>
<td>22</td>
</tr>
<tr>
<td>4</td>
<td>Credit Risk Management (Financial and Operation)</td>
<td>Mr. Phonn Sampha (VisionFund)</td>
<td>9-11 March</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>Foreign Exchange Transaction &amp; Its Business</td>
<td>ACLEDA</td>
<td>29-30 March</td>
<td>29</td>
</tr>
<tr>
<td>6</td>
<td>Taxation / Cambodia tax System</td>
<td>Mr. Ros Sokhom</td>
<td>05-06 April</td>
<td>26</td>
</tr>
<tr>
<td>7</td>
<td>Counterfeit Money and bank note</td>
<td>National Bank of Cambodia</td>
<td>23-Apr</td>
<td>29</td>
</tr>
<tr>
<td>8</td>
<td>Practical Branch management</td>
<td>Mr. Om Seng Bora (Freeland Trainer)</td>
<td>19-21 May</td>
<td>27</td>
</tr>
<tr>
<td>9</td>
<td>MFI Transformations and Merger</td>
<td>Frankfurk School, UK</td>
<td>21-22 June</td>
<td>19</td>
</tr>
<tr>
<td>10</td>
<td>Saving Mobilization</td>
<td>ACLEDA</td>
<td>28-29 June</td>
<td>24</td>
</tr>
<tr>
<td>11</td>
<td>Financial Instrument and Analysis</td>
<td>Dr. Hout Pum</td>
<td>22-23 July</td>
<td>17</td>
</tr>
<tr>
<td>12</td>
<td>SPM Orientation</td>
<td>Planet Finance (Ms. Connie and Mr. Phillipe)</td>
<td>05-06 August</td>
<td>34</td>
</tr>
<tr>
<td>13</td>
<td>Good Governance and Leadership for Networks</td>
<td>Planet Finance (Ms. Connie and Mr. Phillipe)</td>
<td>2-4 Sept</td>
<td>20</td>
</tr>
<tr>
<td>14</td>
<td>Proposal Preparation and Resource Generation</td>
<td>Planet Finance (Ms. Connie and Mr. Phillipe)</td>
<td>7-9 Sept</td>
<td>12</td>
</tr>
<tr>
<td>15</td>
<td>SPM Training</td>
<td>Planet Finance (Ms. Connie and Mr. Phillipe)</td>
<td>14-16 Sept</td>
<td>19</td>
</tr>
<tr>
<td>16</td>
<td>Client Protection Principle Workshop</td>
<td>Smart Campaign and Oikocredit</td>
<td>09-Dec</td>
<td>47</td>
</tr>
</tbody>
</table>

TOTAL: 823

In the achievement of training, the training committee is responsible for organizing training sessions for CMA members who are interested in specialized subjects. Members of the committee met three times throughout the year, during which members created a schedule of training courses and selected trainers for specialized topics. In November 26th, 2010, CMA organized the Microfinance Annual Workshop on Client Sustainability presided over by H.E. Tal Nay Im, General Director of NBC. Around 100
leaders from the NBC, MEF, IFC, commercial banks, MFIs of CMA members, and NGOs, came together to discuss on how to provide our products and services for the benefit of all clients, in order to sustain both the sector and its customers.

In dealing with the multiple-loan issue, CMA collaborated with MFIs in their operating area and Local Authorities (consisting of District Governors, Land Management Officers, Police, Commune Leaders, Secretaries of Communes and Village Leaders) to organize Workshops on strengthening the relationship between Microfinance Institutions and local authorities in 3 districts from 3 provinces namely Pok District (Siem Reap), Prey Nop District (Presh Sihanuk) and Ek Phnom District (Battambang) with 50, 59 and 76 participants respectively. The workshops aimed to raise the awareness of microfinance's role in local economic development in order to identify the issues facing both microfinance operators and local authorities and determine common solutions and preventive strategies to avoid over-indebtedness. CMA also collaborated with NBC and IDG to organize the Banking and Microfinance Conference held on January 26th & 27th, 2010. Finally, CMA worked with the PlaNet Finance and Oikocredit to conduct a workshop on Social Performance Management Orientation on August 05th-06th, 2010 and Client Protection Principle on December 09th, 2010 to promote the social obligation to MFIs.

**Promotion and Marketing**

(II support and Improvement of Information Exchange)

**Microfinance Network Information Exchange:** CMA regularly collects and consolidates information of members such as amount of loans outstanding, number of borrowers and depositors, balance of deposits, number of provinces, districts, communes, and villages where MFIs operate, portfolio at risk (PAR), and number of staff. At the end of 2010, 23 licensed MFIs, and 1 NGO have operated within 24 provinces.

Total loans outstanding amounted to 425.92 Million USD, an increase of 42.63% over last year, borrowers have increased 13.89% to reach 992,452, the PAR ratio decreased from 2.87% to 1.07%, total deposit balances have increased 330.21% to 40.89 Million USD, which is contained in 190,023 saving accounts, an increase of 84.56%. In 2010 microfinance provided jobs to 7,727 staff, an increase of 22.8% over the past year. Assuming 4.7 members in a family\(^1\), financial services benefitted 5,914,428 people in 2010. Please find more details in below table.

Note: The below figure are calculate in **Million USD**

<table>
<thead>
<tr>
<th>Compare</th>
<th>Loan</th>
<th>PAR</th>
<th>Borrower</th>
<th>Deposit</th>
<th>Depositor</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>December, 2009 (20 Members)</td>
<td>298.62</td>
<td>2.87%</td>
<td>871,401</td>
<td>9.51</td>
<td>102,960</td>
<td>6,292</td>
</tr>
<tr>
<td>December, 2010 (24 Members)</td>
<td>425.92</td>
<td>1.07%</td>
<td>992,452</td>
<td>40.89</td>
<td>190,023</td>
<td>7,727</td>
</tr>
<tr>
<td>Increased Figure %</td>
<td>42.63%</td>
<td>-1.80%</td>
<td>121,051</td>
<td>31.38</td>
<td>87,063</td>
<td>1,435</td>
</tr>
</tbody>
</table>

For more details on this information please go to [http://cma-network.org/drupal/InformationExchange](http://cma-network.org/drupal/InformationExchange)

\(^1\) based on the average size household of the 2008 general population census as released by National Institute of Statistic in August 2008.
**Arranged Exchange Visit:** CMA have arranged exchange visits from China, Sri Lanka, Nepal, Spain, and Timor for their delegates to learn about Cambodia MFI operations, procedures, regulations, and CMA's operations. CMA also arranged meetings with representatives from international organizations, financial institutions, and nonprofit organizations to provide sessions on training services, workshops, information sharing, microfinance awareness and so on, to microfinance stakeholders. In 2010, there were 71 visitors from various areas that came to visit the CMA office to share experiences, best practice, and learn about CMA's role in strengthening the microfinance sector.

CMA published January and June 2010 newsletter issues and the 2009 annual report. In addition, it has expanded the in-house microfinance library which features literature related to the microfinance industry, including Prakas, various training books and so on. CMA also updates its website regularly and provides it as a portal to member MFIs and key stakeholders.

**Advocacy and Networking**

The Advocacy Committee, CEO Club, HR Club and Finance Club review regulations, laws and draft laws, comments from members, and prioritize issues for discussion. CMA set up the strategy to negotiate with the tax department on withholding tax and penalties, and negotiate with the National Bank of Cambodia on Credit Bureau proposals and revised Prakas relating to MFIs.

During 2010, CMA has conducted 54 CMA Provincial network meetings involving 593 Branch Managers across all MFIs in 15 provinces. The aim has been to create a platform in which branch managers can voice their concerns relating to MFIs, addressing issues such as multiple-loans, share their experiences with one another and conduct workshops with local authorities. As of December 2010, we have developed a ToR and selected chairpersons to represent CMA in 11 provinces and strengthen and gather all BMs of MFIs to join the meeting and comply with what is agreed.

CMA has also joined in various national and international networks as a member, including the Association Bank in Cambodia (ABC), Cambodian Federation of Employers & Business Association (CAMFeba), Banking with the Poor (BWTP) in Singapore, SEEP Network in Washington DC, and also Asia Social Performance Task Force (SPTF). CMA members also attended international conferences and workshops on Microfinance Investment in Asia in Singapore, The Global Financial Crisis and Microfinance: Challenges and International Cooperation in Korea, Chinese Microfinance Development for South and Southeast Asian Developing Countries in China, Asian Microfinance Forum in the Sri Lanka, TOT on Management Training Program in Japan and Global SEEP Network and Annual Summit in Washington DC, USA.
**CMA staff Capacity Strengthening**

CMA sent its staff to participate in many training courses relevant to specific job requirements. These courses and workshops took place outside of Cambodia, as well as within Cambodia, and ranged across many subjects, from international experiences of microfinance to workshops on branch management.

Please see the detailed information in the figure below:

<table>
<thead>
<tr>
<th>Local Training and Workshops</th>
<th>Nº</th>
<th>Name of participant</th>
<th>Topic</th>
<th>Position</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Cheang Vanna</td>
<td>Credit Risk Management</td>
<td>Training Manager</td>
<td>3 Days</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Lam Roviay</td>
<td>Admin &amp; Finance Assistant</td>
<td>Admin &amp; Finance Assistant</td>
<td>3 Days</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Cheang Vanna</td>
<td>Microfinance Transformation and Merger</td>
<td>Training Manager</td>
<td>2 Days</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Hoy Sophea</td>
<td>General Secretary</td>
<td>Training Manager</td>
<td>2 Days</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Cheang Vanna</td>
<td>Proposal Preparation and Resource Generation</td>
<td>Training Manager</td>
<td>3 Days</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Hoy Sophea</td>
<td>General Secretary</td>
<td>General Secretary</td>
<td>3 Days</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Cheang Vanna</td>
<td>Governance and Leadership for Microfinance Network</td>
<td>Training Manager</td>
<td>1.5 days</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>Hoy Sophea</td>
<td>General Secretary</td>
<td>Training Manager</td>
<td>1 day</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>Cheang Vanna</td>
<td>Client Protection Workshop</td>
<td>Training Manager</td>
<td>1 day</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>Hoy Sophea</td>
<td>Social Performance Management (SPM)</td>
<td>General Secretary</td>
<td>2 days</td>
</tr>
<tr>
<td>11</td>
<td>11</td>
<td>Cheang Vanna</td>
<td>Training</td>
<td>Training Manager</td>
<td>2 days</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training</th>
<th>Nº</th>
<th>Name of participant</th>
<th>Topic</th>
<th>Position</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Lam Roviay</td>
<td>Effective Communication and Time Management Skill</td>
<td>Admin and Training Assistant</td>
<td>2 days</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Koy Somrithvisoth</td>
<td>IT and Marketing Assistant</td>
<td>Admin and Finance Officer</td>
<td>15 hours</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Bin Saly</td>
<td>Admin and Training Assistant</td>
<td>Admin and Finance Officer</td>
<td>2 days</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Lam Roviay</td>
<td>Quick Book</td>
<td>Admin and Training Assistant</td>
<td>15 hours</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Bin Saly</td>
<td>Admin and Finance Officer</td>
<td>Admin and Finance Officer</td>
<td>2 days</td>
</tr>
</tbody>
</table>
The Bankers Annual Dinner between NBC, ABC and CMA was conducted on December 09th, 2010 at the Intercontinental Hotel, Phnom Penh. Altogether there were 450 participants: 70 participants from National Bank of Cambodia, 279 from Commercial Banks, 16 from Specialized Banks, 67 from Microfinance Institutions and 18 support staff.

The Annual Dinner was a great success and went smoothly from all accounts. The Organizing Committee of CMA deeply appreciated the support from the Governor of National Bank of Cambodia, H.E. Chea Chanto.

During the dinner the Governor presented a Token of Appreciation from NBC to the Cambodia Microfinance Association. The award was in recognition of its strong cooperation with NBC and its contribution to the microfinance sector in Cambodia. CMA was very pleased to receive this tremendous recognition from NBC. CMA commits to perform more activities to cooperate with NBC in order to improve the sustainability of the Cambodian microfinance sector while operating alongside the economic strategy of the Cambodian Government.
Independent auditor’s report

To the Board of Directors of the Cambodia Microfinance Association

We have audited the accompanying financial statements of Cambodia Microfinance Association, which comprise the statement of income, expenditure and fund balance for the year ended 31 December 2010 and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management on the basis set out in Note 2.

Management’s responsibility for the financial statements

Management is responsible for the preparation of financial statements on the basis described in Note 2. This includes determining that the basis described in Note 2 is an acceptable basis for the preparation of the financial statements in the circumstances, 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.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity’s preparation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements of Cambodia Microfinance Association for the year ended 31 December 2010 have been prepared, in all material respects, in accordance with the basis set out in Note 2.

Basis of accounting and restriction of use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to provide information to the Cambodia Microfinance Association. As a result, the financial statements may not be suitable for other purposes. This report is intended solely for the Cambodia Microfinance Association and should not be distributed to or used by parties other than the Cambodia Microfinance Association.

For PricewaterhouseCoopers (Cambodia) Limited

By Kuy Lim
Director

Phnom Penh, Kingdom of Cambodia
Date: 24 March 2011
### Statement of Income, Expenditure and Fund Balance

**For the Year Ended 31 December 2010**

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2010 US$</th>
<th>2009 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>3</td>
<td>108,010</td>
<td>157,827</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel and other related costs</td>
<td>4</td>
<td>(42,479)</td>
<td>(36,210)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>5</td>
<td>(51,391)</td>
<td>(82,502)</td>
</tr>
<tr>
<td>Depreciation of property and equipment</td>
<td>6</td>
<td>(2,374)</td>
<td>(2,767)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(96,244)</td>
<td>(121,479)</td>
</tr>
<tr>
<td><strong>Excess of Income Over Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,766</td>
<td>36,348</td>
</tr>
<tr>
<td><strong>Fund Balance – Beginning of the Year</strong></td>
<td></td>
<td>111,813</td>
<td>75,465</td>
</tr>
<tr>
<td><strong>Fund Balance – End of the Year</strong></td>
<td></td>
<td>123,579</td>
<td>111,813</td>
</tr>
</tbody>
</table>

**Represented by:**

**Assets**

**Non-current Assets**

| Property and equipment | 6    | 5,210   | 6,592    |
| Guarantee deposits     |      | -       | 100      |
| **Total**              |      | 5,210   | 6,692    |

**Current Assets**

| Prepayments             | 7    | 2,415   | 2,495    |
| Cash and cash equivalents | 8    | 16,900  | 30,513   |
| Receivables            | 9    | 129     | 4,262    |
| Fixed-term deposits    | 10   | 115,164 | 90,711   |
| **Total**              |      | 134,608 | 127,981  |

**Total Assets**

|      |       | 139,818 | 134,673  |

**Current Liabilities**

| Payables | 11    | 16,239  | 22,860   |

**Total Liabilities**

|       |       | 16,239  | 22,860   |

**Net Assets**

|       |       | 123,579 | 111,813  |
Microfinance is the key to breaking poverty cycle.
Microfinance is the key to breaking poverty cycle.

GENERAL ASSEMBLY

1. Mr. Chea Phalarin, General Manager, AMRET
2. Mr. Dos Dinn, Head Office Division, AMRET
3. Mr. Kea Borann, CFO, Angkor Mikroheranhvatho Kampuchea
4. Mr. Mam Choeurn, Operation Manager, Angkor Mikroheranhvatho Kampuchea
5. Mr. Sao Roeun, General Director, Cambodia Business Integrated in Rural Development
6. Mr. Sin Sinn, Senior Operation Manager, Cambodia Business Integrated in Rural Development
7. Mr. Soung Engchhay, Represented General Manager Mr. Chan March, CREDIT MFI
8. Mr. Heang Kim, Represented Mr. Po Yort, CREDIT MFI
9. Mr. Soar Kim Lamouth, CEO Advisor, Entean Akphivath Pracheachun
10. Mr. Kevin Lim, CEO, First Finance
11. Ms. Doung Soknea, Accountant, Farmer Union Development Fund
13. Mr. Hun Sopheak, Credit Department Manager, Green Central Microfinance
14. Mr. Phat Chhean, Chief of Credit Control, Green Central Microfinance
15. Mr. Hout Ieng Tong, General Manager, Hattha Kaksekar Limited
16. Mr. Hort Bunsong, General Manager, Intean Poalroath Rongroeung
17. Mr. Hay Kimkhorn, Finance Manager, Intean Poalroath Rongroeung
18. Mr. Uong Kimseng, CEO/Chairman, MAXIMA Mikroheranhvatho
19. Mr. Oum Sophon, Represented General Manager Mr. Sim Senacheert, Prasac
20. Mr. Om Sam Eoun, DGM, PRASAC
21. Mr. King Kap Kalyan, General Manager, SAMIC
22. Mr. Peou Da, Deputy GM, SAMIC
23. Dr. Bun Mony, General Manager, SATHAPANA
24. Mr. Var Muth, Deputy General Management, SATHAPANA
25. Mr. Kuch Setha, General Manager, SEILANITHIH
26. Mr. Chea Pheng, Represent Mr. Kuch Kunthen, SEILANITHIH
27. Mr. RY Vanna, Regional Manager, Thaneakea Phum (Cambodia)
28. Ms. Top Soksampheaa, Chief Operating Officer, VisionFund (Cambodia)
29. Mr. Chann Savoeung, Finance Manager, VisionFund (Cambodia)
30. Mrs. Hem Vutha, General Manager, YCP
31. Ms. Khun Sonita, V. Director, YCP
The Board of Directors is the main policy arm of CMA and all major decisions are submitted to for its comments and approval. The Board is composed of 10 members chosen by the General Assembly which represents all important players in the microfinance industry:

**Mr. Chea Phalarin** (AMRET) is the Chairman of CMA and has been the General Manager of AMRET since 1997, where his responsibilities focus on training credit agents on products, supervising key managers in different departments, relating with local authorities and partners, governments, donors and creditors, and managing relationships with the Board of Directors. In 1995, Mr. Phalarin used to work with Ministry of Agriculture before joining with AMRET. He holds a Bachelor of Business Administration from National Institute of Management (1991), a Master of Business from University Utara Malaysia (2002).

**Mr. Hout Ieng Tong** (HKL) is one of the founders of CMA, Deputy Chairman of CMA and the General Manager of Hattha Kaksekar Limited (HKL). In 1991, he obtained a Bachelor of Agriculture degree in Phnom Penh, and holds a Masters of Business Administration from Build Bright University. He worked as economic researcher for 3 years and had 14 years management experience in the microfinance sector. He has attended numerous local and international courses in Staff Management, Financial Management, Planning, Leadership, Human Resource Management, Credit Management, and Micro-Finance Management and has been invited for visits/workshops in the USA, the Philippines, Indonesia, Germany, France, Netherlands and other countries.

**Mr. King Kap Kalyan** (SAMIC) was appointed to the BOD in 2006 and presently, he is the General Manager of SAMIC Limited. He has 18 years of experience in the sector of Banking and Microfinance. From 1993 to 2002, he was the supervisor in the Bank Supervision Department for the National Bank of Cambodia (NBC) and from 2003 to 2004; he was the Credit Program Director for CHC NGO. In term of education, Mr. Kalyan is equipped with an associated degree in Banking, a Bachelor in Finance and Bank, MBA, and a Master in Organizational Development (specialized in Microfinance management, Philippine).
Microfinance is the key to breaking poverty cycle.

Dr. Bun Mony (SATHAPANA) is the General Manager of CEB Ltd., 17 years experience in micro finance business, of that 8 years Executive Director of CCB NGO since its establishment and founder of CCB NGO. In 2003 CCB NGO became a licensed MFI. Dr. Mony is a field specialist in finance, accounting and management. with a Bachelor of Business Administration from National University of Management, a Master of Business Administration (MBA) from Ultara University of Malaysia, and a Doctor of Business Administration (DBA) from Preston University, USA.

Mr. Kuch Setha (Seilanithih) jointed Seilanithih in May 1995, and founded Seilanithih NGO in 1996. Under his leadership, Seilanithih became a licensed microfinance institution in 2003. He has more than 15 years experience in the field of microfinance and staff management. He obtained a Diploma on Rural Social Leadership in 1990 from SEASOLIN, Xavier University, Philippines and a Diploma of Agronomy from the College of Agriculture in Thailand. He obtained his MBA degree in 2005 from CHAMROEUN University of Poly-Technology, Cambodia, and pursuing his PhD. from the same institution.

Mr. Sim Senacheert (PRASAC) obtained Diploma in Accounting and Finance in 1994. He holds a Bachelor and Master Degree in Business Administration. Since 1995 he has attended several training courses related to microfinance operations and management. He is also an accredited Microfinance Training of Trainer certified by ADBI, TDLC of the WB, and UNCDF. He used to work in banking sector and he started working with PRASAC since 1995 as Credit Officer and was promoted to various positions such as accountant, Branch Manager, MicroBanker Trainer and Supervisor, Finance Manager. From mid 2002, he used to hold positions of Branch Manager and Operations Manager with another MFI before joining PRASAC as General Manager in late 2003.

Mr. Chan Mach (CREDIT), the first local GM of CREDIT, was promoted from his Operations Manager position in 2006. With a Bachelor of Mathematics and experience as a math teacher, Mach joined CREDIT initially in 1999 as the Auditor and Trainer. His managerial potential was recognized and he became the Phnom Penh Branch Manager in 2001. The branch flourished and in 2003 he was appointed the Operations Director. Under his leadership, CREDIT became sustainable and tripled the portfolio. Mach completed 2 Master Degrees: MBA and MFB. He attended nationally and internationally numerous courses related microfinance and banking.
Dr. Uong Kim Seng (Maxima) jointed the Board of MAXIMA at its inception in 2000, and serves as Chairman/CEO of MAXIMA. He is also Chairman/CEO of USK GROUP CO., LTD. Dr. KIMSENG was formerly a Government official at the Ministry of Agriculture and Ministry of Rural Development (1995-2002). He was appointed as Advisor to the Phnom Penh Chamber of Commerce in February 2006. He holds a Bachelor of Business Administration from Faculty of Business in Cambodia (1995) a Master of Business from Victoria University of Technology, Australia (2003) and a Doctor of Business Administration (DBA) from Preston University, USA in 2005.

Mr. Mam Choeurn (AMK) joined AMK as Operations Manager in January 2004 where he is responsible for all areas of operations, including monitoring branch operations, managing product delivery, and operational planning. Previously, he worked for AMRET as Internal Auditor, Branch Manager and Assistant Operations Manager. Choeurn holds a BS in Khmer literature from Royal University of Phnom Penh and a BBA in Finance and Banking from the National University of Management.

Ms. Top Soksamphea (VFC): has been in the position since 2007, after she joined VisionFund as finance and administration director in 2002. Ms. Samphea, born in Phnom Penh, has more than 10 years of experience in finance, accounting, management, business plans and strategies, auditing and communications. Her career started with Ernst& Young and PricewaterhouseCoopers as a senior auditor from 1997 to 2001. She has bachelor and master degrees of Business Administration from the National University of Management, Cambodia. Her foreign languages are English and French. Ms. Samphea possesses a diploma of Accounting and Administration from Noisy Le Grand College, France. She also has certificates from short-term trainings on International Financial Accounting, Ernst & Young, Vietnam, Auditing Skills I,II, III, Auditing Senior Essentials, Business Plan, Operacy, and Risk, Asset & Liabilities and Treasury Management.
Microfinance is the key to breaking poverty cycle.

Four committees were formed in 2006 to propose projects and supervise CMA’s daily operations. Each committee’s brief was proposed to and approved by the Board of Directors, and implemented during the same year. In 2008, CMA established 3 additional clubs, including the CEO Club, HR Club, and Finance Club, to expand CMA’s scope of operations.

**Advocacy Committee**
- Dr. Bun Mony (SATHAPANA) Chairman
- Mr. Chea Phalarin (AMRET) Member
- Dr. Uong Kim Seng (MAXIMA) Member

Meets quarterly, with extraordinary meetings if needed, to work effectively with stakeholders, including government institutions and policy makers, on any barriers in order to allow the Micro Finance Institution (MFIs) sector grow smoothly.

**Audit Committee**
- Ms. Top Sok Samphea (VisionFund)

Meets twice a year, or more if required, and ensures transparency and proper management of daily financial operations of CMA in compliance with policy and by-laws.

**IT and Marketing Committee**
- Mr. Hout Ien Tong, (HKL) Chairman
- Mr. Man Choeurn (AMK) Member

Meets quarterly to promote the effective use of IT and sharing of information among internal and external stakeholders in order to improve transparency and information exchange.

**Training Committee**
- Mr. Kuch Setha (Seilaniithih) Chairman
- Mr. Chan Mach (CREDIT) Member
- Mr. King Kapkalyan (SAMIC) Member

Meets twice a year to assess needs and develop skill building training programs for member organizations’ staff, ensuring the success of their own institutions, and contributing to the long term sustainability of the Microfinance sector in Cambodia.
CLUBS

CEO Club
The purpose of this MFI CEO club is to build up strong relationship among MFIs and to define problems and deal with them together under the decision making of the 9 Directors of CMA. The Club members are chosen from all CMA’s members in top management level. CEO clubs meet quarterly with extra meetings as necessary.

Finance Club
The growth of microfinance has significantly contributed to the development of Cambodia’s economic vitality, providing improved living conditions for the poor in rural areas.

To maintain this positive achievement, MFIs must ensure that they are operating at optimum efficiency and that internal controls and management systems remain strong and compliant with national and international standards such as International Accounting Standards, Cambodian Accounting Standards, NBC regulation, Taxation Law and so on. This will hopefully ensure the continual sustainability and long term security of the MFI.

For consistent and healthy growth, the Finance Department/Unit plays a pivotal role in providing support and harboring the institution’s fiscal strength for the short and long-term. Thus, it is important for the MFI to dedicate sufficient resources to foster the capacity of the finance staff from time to time ensuring that all assets are properly and efficiently managed in compliance with national and international standards.

Having recognized the importance of the Finance Department/Unit and the need for ongoing performance building, an MFI Finance Club has been created and memberships have been offered to the CFOs of all CMA member MFIs. An agreement has been reached to showcase the MFI Finance Club as a crucial component for the strengthening of MFIs and financial context when coordinated with the CMA. Thus, a functioning MFI Finance Club is now established and working for coordination and facilitation amongst MFI CFOs/FMs.

Its aims of the club are:

- To strengthen its members by creating opportunities which enhance their skills both professionally and socially;
- To build relationships within the MFI industry by providing networking opportunities within a Cambodian MFI Context;
- To share best practices related to finance and accounting management;
- To discuss related issues and challenges regarding the application of international and national standards and policies (such as IAS, CAS, CFRS, NBC regulation, Taxation Law and etc.)
- To act as a resource pool in finance related CMA training;
- To advocate and raise concerns on accounting and regulation issues before communicating to CMA who will then forward them to NBC and other regulators.
- To ensure the long term sustainability of the MFI Finance Club including active participation and strong commitment by all members.

CLUBS
**Microfinance is the key to breaking poverty cycle.**

**Operations Club**

The Global Financial Crisis (GFC) plunged the Cambodian economy and all sectors including the microfinance sector into difficulty. Recently, many other operations issues have also faced the sector such as multiple loans, staff morality and staff professionalism. This club brings together the Head of Operation/Credit Department from CMA members to deal with problems such as these.

The aims of the club are:
- To build a strong relationship between Heads of Operation Departments for all MFIs
- To figure out solutions and common rules to deal with issues at Head Office as well as at Branch Level
- To propose solutions or strategies to CEOs or BoDs
- To ensure the promotion of healthy competition in operation areas.

The roles and responsibilities of the Operations Club are:
- Promote and share good practices throughout the MFI industry; not including confidential information such as operation expansion or strategy
- Discuss key issues and challenges related to MFI’s operation
- Recommend solutions or actions for improvement of operations
- Act as a resource pool for Operation related CMA training.

**HR Club**

There are two main resources in every institution; financial resources and human resources. Although financial resources are important, it is people who manage them. Thus, strong and healthy human resources are necessary for a strong institution.

The purpose of this MFI HR club is to encourage MFI HR managers to come together and share experiences, best practice, issues and updates on labor law and amendments relating to government regulations or Prakas for the purpose of strengthening MFI Human Resource Management (HRM).

The aims of the club are:
- Promote and share HR best practices throughout the MFI industry (note: members are not required to share confidential information such as staff salary information);
- Discuss HR related issues and challenges currently faced by MFIs;
- Recommend solutions and actions for HRM improvement;
- Act as a resource pool for HR related CMA trainings;
- Provide round-table updates on new labor laws, related government regulations or Prakas.
- Develop MoU among all MFIs related to HRM issues.
- Ensure fair and transparent competition in HR recruitment.
Ms. Hoy Sophea has worked as General Secretary of CMA since May 2006. Before working with CMA, she worked for Action on Disability Development (ADD) in the position of Information & Documentation Officer for 4 years. Prior to this she worked with Chamreun Cheit Khmer (CCK) in the position of Agriculture Officer for 3 years. In 2005 she graduated with a Bachelor's degree in the field of Management and in 2008 she graduated with an MBA degree from the National University of Management (NUM).

Mr. Cheang Vanna has worked with CMA as a Training Manager since April 2009. Before working with CMA, he worked for VisionFund Cambodia for 4 years and 8 months as Credit Officer, Quality Assurance Officer, Sub Branch Manager, and Trainer. In 2005 he graduated with a Bachelor's degree in the field of Economic Development at the Royal University of Law and Economics (RULE) and in 2008 with a Masters degree in the field of General Management at RULE.

Ms. Bin Saly has worked as Admin and Finance Officer with CMA since June 2008. Prior to working at CMA, she worked at the Phnom Penh Hotel as a Sales Secretary in the Sales & Marketing Department for 1 year and worked with Chamreun Cheit Khmer (CCK) for 6 years in the position of Admin & Finance Officer. In 2008 she graduated with a bachelor's degree in Accounting at Human Resource University (HRU).

Mr. Lam Roviay has worked with Cambodia Microfinance Association (CMA) since January, 2008 as an Administration and Training Assistant. In 2004, he graduated with an Associate Degree of Art in English. In 2007, he finished an Associate Degree in Banking and Finance at the Center for Banking Studies (CBS) at the National Bank of Cambodia (NBC). Currently, he is pursuing a Bachelor’s degree in Banking and Finance at the National Institution of Business (NIB). Previously he has worked for the Cambodian Human Rights Committee where his position was administration assistant in the cabinet office.

Mr. Koy Somrithvisoth, has worked as the IT and Marketing Assistant of CMA since July 2008. He is graduated with a Bachelor's degree in Management Information System (MIS) at the National University of Management (NUM) and currently he is on pursuing a Master's degree in Business Management at the National Institution of Business (NIB) that expected to finish in mid 2011.
**Microfinance is the key to breaking poverty cycle.**

Mr. Andrew Crawford (also known as Bopha) has volunteered with CMA as Finance and IT developer since July 2010. Prior to arriving at CMA, he was an academic at Monash University and the Swinburne University of Technology, both located in Melbourne, Australia. He has a Bachelor's degree in Business (Finance and Accounting) and Law from the University of Technology, Sydney. In 2008, he graduated with an Honours degree in Commerce (Finance and Accounting) from Monash University. He is working at CMA as a volunteer of the Australian Government.

**Active members**

**Angkor Mikroheranhvatho (Kampuchea) Co. Ltd (AMK)** is a licensed Microfinance Institution (MFI) dedicated to the efficient provision of financial services for the poor. AMK originated from the savings and credit components of Concern Worldwide programmers in Cambodia. In accordance with Cambodian microfinance regulations, AMK became a separate company in 2003 and obtained an MFI license from the central bank in 2004. Website: www.amkcambodia.com

**AMRET Microfinance Institution (AMRET)** In 1991, GRET, a French NGO, set up an experimental project to deliver microcredit to the rural population of Cambodia, the experiment was successful and became known in 1995 as Ennatien Moulethan Tchonnebat (EMT) which became a Private Limited Company in 2000, and received an MFI license in 2001. EMT was renamed as "Amret" on June 14, 2004. Website: www.amret.com.kh

**Angkor ACE Star Credits Limited (AngkorACE)**, fund by Angkor ACE Star Holding, is a financial institution licensed by National Bank of Cambodia on 19th Octobers 2010 to offer financial service to Cambodian People who are willing to be the real entrepreneur. The overall purpose of the institution is to strengthen and expand healthy micro finance services to Cambodian People and to participate in development of micro and small enterprises be more active to boost Cambodian economy growth. The institution observes highest principle to implement the law and circular issued by Royal Government and National Bank of Cambodia. E-mail: sooho114@gmail.com
Cam Capital Co., Ltd (CamCapital) is a limited company licensed by the National Bank of Cambodia as Microfinance Institution and fully owned by international shareholders. CAM CAPITAL has done its operations since February, 2010. Main business is to provide financial services to all kinds of individuals and small and medium sized enterprises (SMEs). E-mail: info@camcapital.biz

Cambodian Business Integrated in Rural Development Agency (CBIRD) was established in 2000, and registered with the NBC as a Rural Credit Operator in 2002. CBIRD became a Micro Finance Institution, in 2005. CBIRD has two main activities: Cash credit Operations and Saving Mobilization in 5 provinces/cities: Banteay Meanchey, Battambang, Pailin City, Prey Veng and Siem Reap. CBIRD is focused on poor farmers living in remote areas who are not able to improve their living standard, because of the lack of funding for improving agricultural ventures and small business in their community. Website: www.cbird.com.kh

Cambodia Rural Economic Development Initiatives for Transformation (CREDIT) was established by World Relief US in 1993 to provide sustainable financial services to Cambodian poor people and became a licensed microfinance institution in May 2004. In just a few short years, it has grown very fast in terms of loan outstanding and numbers of clients while keeping very high quality of loan. As of Dec 2010, CREDIT handled loan outstanding USD32.75 millions lent to 50,000 clients in which 18%, in addition to loan provided, also get finance training and other development programs provided by our partners. The training includes debt management, savings, budgeting, primary health care, agricultural training, and awareness of HIV/AIDS. Loan quality has kept in a good position at 1.47% for PAR 30+ as of Dec 2010. Have seen movement trend and development of CREDIT, National Bank of Cambodia (NBC) at Dec 2010 granted Micro- Deposit taking Institution (MDI) license to CREDIT. With this new license, CREDIT is now starting their savings mobilization from the public and doing remittent for their clients. Website: www.credit.com.kh

Entean Akpevath Pracheachun (EAP) is a Microfinance Institution (MFI) owned by 16 shareholders and obtained an MFI license from the National Bank of Cambodia on 10 January 2007. EAP’s mission is to contribute to socio-economic development of Cambodia by providing micro-finance services to customers and entrepreneurs who wish to create or expand Small and Medium Enterprises to increase employment opportunities and raise the standard of living within rural and urban communities. Website: www.eapcredit.com
Farmer Finance Ltd., (FarmerFinance) was founded in September, 2007 by a group of investors with the objective of providing financial services to low income clients through small loans to individuals, groups and small to medium-sized enterprises (SMEs) and also especially to the agricultural sectors. Farmer Finance Ltd aims to contribute to the economic and social progress of rural Cambodia by making credit available to those who lack access to loans from traditional commercial banks. By making credit available to the rural poor, FF’s clients, using their natural skills and harnessing their entrepreneurial spirit, are given the opportunity to engage in new and improving existing businesses. FF’s vision is to improve the livelihood to the people of Cambodia through its mission of providing affordable credit to the smaller business people especially in the rural areas. E-Mail: leenamster@gmail.com

Farmer Union Development Fund (FUDF) is a Private Limited Company that was received License from National Bank of Cambodia on June 19, 2008 to conduct Micro Finance Business in Cambodia. The purposes of FUDF are following:

- Promote agriculture sector especially working with Angkor Kasekam Roongroeung Co., Ltd., the largest rice grower with current more than 30,000 members in 4 provinces of Cambodia
- Finance rice seed, rice paddy, machine equipments and natural fertilizer to farmers
- Providing micro financing to customers for other purposes
- Lifting the living standard of the people of Cambodia

Email: arnusorn70@hotmail.com

First Finance PLC (FirstFinance) is a joint venture company established between Cambodia-based First Home Plc, Singapore-based Phillip Capital, and Luxembourg-based Insitor Fund. The company was granted its license on 23rd April 2009 by the National Bank of Cambodia, and became the first financial institution specialized in housing finance in Cambodia. The company is focused on providing a long-term Home Loan and medium-term Home Improvement Loans to underserved low-middle income Cambodian households who do not have access to formal commercial lending. As the founding company of First Finance, First Home PLC, has tested and refined its initial housing finance concept and has conducted studies on the market needs for housing loans and thus provided First Finance and a foundation for growth and expansion.

Website: www.firstfinance.biz
Green Central Micro Finance Ltd. (GCMF) is a financial institution licensed by the NBC on 24th October 2008 to offer financial service to Cambodian people who are willing to be the real entrepreneurs. The overall purpose of the institution is to strengthen and expand healthy microfinance services to Cambodian people and to participate in development of micro and small enterprises be more active to boost Cambodian economy growth. The institution observes the highest principles to implement the law and circular issued by the Royal Government of Cambodia and the National Bank of Cambodia. Email: green.mfi.info@gmail.com

Hattha Kaksekar Limited (HKL) started as a food security project by OCSD/OXFAM-Quebec in PURSAT province in 1994. In 1996 it registered as an NGO, and in 2001, HKNGO transformed to private limited liability company owned by four shareholders. Continual successes and potentials made HKL raised its paid-up capital to US$ 257,850 in 2003 with CORDAID as the fifth shareholder. HKL is now an MFI licensed by National Bank of Cambodia. Website: www.hkl.com.kh

Intean Poalroath Rongroeurng (IPR) The company Intean Poalroath Rongroeurng Ltd. (meaning Credit, Population, Prosperity in Khmer) was founded by two private Cambodian individuals, Mr. Oknha Phou Puy and Ms. Hao Simorn, in 2003. It was founded as a credit unit of the Federation of Cambodian Rice Millers Associations, to alleviate the capital constraint of rice mill entrepreneurs who lacked access to credit to expand their production. Website: www.iprmfi.com

MAXIMA Mikroheranhvatho Co. Ltd (MAXIMA) was founded in March 2000 by a group of friends with the objective of providing financial services to low income clients through small loans to individuals, groups and small to medium-sized enterprises (SMEs). MAXIMA aims to contribute to the economic and social progress of rural Cambodia by making credit available to those who lack access to loans from traditional commercial banks. By making credit available to the rural poor, MAXIMA’s clients, using their natural skills and harnessing their entrepreneurial spirit, are given the opportunity to start a new business or expand upon an existing one. Such sustainable access to credit, allows for those living in rural areas to achieve social and economic progress not only for their families but also for their communities. Website: www.maxima.com.kh
Microfinance is the key to breaking poverty cycle.

PRASAC MFI, Ltd. (PRASAC) is a private Cambodian limited liability company registered with Ministry of Commerce. It is licensed by the National Bank of Cambodia to operate as a Microfinance Institution. Operations started on 1 January 2005, when it received ownership from the EC to assets earlier operated by PCA (PRASAC Credit Association). At the same time it also secured its funding by signing a Subordinated Debt Agreement with RGC, giving access to seed funds and retained earnings (the Credit Fund) originating from the EC funded development project called PRASAC (Programme de Rehabilitation et d’Appui au Secteur Agricole du Cambodge), active from 1995 to 2003. Website: www.prasac.com.kh

PRIME MF Microfinance Institution Ltd (Prime) is a newly established MFI in Cambodia with 100% of foreign shareholders, it was granted a license for its microfinance business operation from National Bank of Cambodia since 17 December 2010. PRIME MF is providing the loan product and service to various types of businesses especially micro, small and medium entrepreneurs. Email: pbunchan@gmail.com

SAMIC Microfinance (SAMIC) former CHC-Limited, formerly known as the Credit Program of the Cambodian Health Committee, originated from an NGO established in 2004 in response to public health problems. The program has initially funded by Oxfam America. In early 2005 CHC was licensed as a limited company by Ministry of Commerce and in September became a licensed MF, lending to the poor, low-income households and small enterprises. CHC also collects savings. Website: www.samic.com.kh

SAMRITHISAK Limited (SAMRITHISAK) is a private limited micro-financial institution offering financial services in Cambodia. Samrithisak limited Company has obtained license for Microfinance institution from the National Bank of Cambodia (NBC) on 25 May 2010 and it’s legally registered with the ministry of commerce. SAMRITHISAK Limited has been expanding to poor people in more remote areas specifically the farmer and small business. They have access to credit loans to start new business and production. Areas of investment have included businesses sector such as Agriculture, small and medium retailers, handicrafts, services. In general, small informal loans are used as consumer loans and semi-formal loans are used for productive activities. Email: samrithisak@yahoo.com
SATHAPANA Limited (SATHAPANA) is a profit-oriented, regulated micro-finance institution that serves the common interest of promoting entrepreneurship of poor women without discrimination against any ethnic group, cultural background, political affiliation or religious belief. By reinvesting most of its profits in expanding outreach and improving and/or diversifying its micro-finance services, SATHAPANA Limited is contributing to the development of women operated income-generating activities and micro enterprises. This entrepreneurship building has a direct impact on self-employment, equity-oriented economic development and poverty alleviation. Website: www.sathapana.com

SEILANITHIH Limited (SEILANITHIH) is a Cambodian licensed MFI was created by the 1996 merger of three CARE Projects in the provinces of Phnom Penh, Pursat and Banteay Meanchey. Seilanithih registered with the Ministry of Commerce on September 18, 2003 and obtained an MFI license to provide financial services in Cambodia on December 23, 2003. Seilanithih's mission is to strengthen and extend the best financial services to poor people in order to expand their existing business or to start their new business legally through providing credit and savings services. Website: www.seilanithih.com.kh

Thaneakea Phum Cambodia (TPC) was launched in December of 1994, and began offering microfinance services as part of Catholic Relief Services (CRS)/ Cambodia’s strategy for rural reconstruction and poverty alleviation. In 2002, TPC successfully spun off from CRS and was registered as a limited liability company, and was licensed by the National Bank of Cambodia (NBC) in 2003 to operate as a regulated microfinance institution (MFI). TPC has a social vision and a business orientation that provides poor rural women 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. Website: www.tpc.com.kh
Microfinance is the key to breaking poverty cycle.

VisionFund (Cambodia) Ltd (VisionFund), originally a credit program of World Vision Cambodia, is part of VisionFund International (VFI)’s global MFI network operating in 46 countries around the world. VisionFund has been registered with the Ministry of Commerce as a limited liability company and granted with a permanent license by the National Bank of Cambodia as a microfinance institution. VisionFund exists to eliminate the unjust access to economic resources by the poor and release their entrepreneurial spirits by providing a wide range of financial services in synergistic partnership with key development players to maximize the effort for economic development and poverty alleviation. VisionFund’s current key development partners include World Vision Cambodia, Plan International Cambodia, Khmer HIV/AIDS NGO Alliance (Khana), International Labor Organization (ILO) Cambodia, and HAGAR. Website: www.visionfund.com.kh

YCP Microfinance Ltd (YCP) was licensed by the National Bank of Cambodia on the 7th of May 2009, and opened to the public on the 9th of September 2009 with the operation of providing loans to small and medium sized enterprises as well as to individuals. The aim of YCP is not only to be the first option for clients in term of quality, convenience and trust, but also committed to fulfill its mission of promoting a better livelihood for Cambodians in a manner that adheres to the principles of morality, law abidance, professional standard, social and environmental distribution. E-mail: sonita.khun@gmail.com

Ordinary member (Rural Credit Operator)

CHAMROEUN MICROFINANCE LIMITED (CHAMROEUN) was launched in March of 2006 as a project of Entrepreneurs du Monde (EdM) an international French NGO to play a role for providing financial and non financial services to supporting families in urban depressed areas in Cambodia. In 2009, Chamroeun was registered as limited liability Company from Ministry of Commerce, and also recognized as Rural Credit Operator from Nation Bank of Cambodia. Website: www.chamroeun.com