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Cambodia Microfinance Association

ANNUAL REPORT 2023



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GLOSSARY OF ACRONYMS

ABC	The Association of Banks in Cambodia
ADA	Appui au Développement Autonome
ADB	Asian Development Bank
AFD	Agence Française de Développement
AMC	Annual Microfinance Conference
AMS	Apsara Media Services
ARDB	Agricultural and Rural Development Bank
CAFT	Cambodia Association Fintech & Technology
CBC	Credit Bureau Cambodia
CCJ	Club of Cambodian Journalists
CEO	Chief Executive Officer
CGCC	Credit Guarantee Corporation of Cambodia
CMA	Cambodia Microfinance Association
CoC	Codes of Conduct
CPP	Client Protection Principle
e-MFP	European Microfinance Platform
FI	Financial Institution
FMO	Dutch Entrepreneurial Development Bank
FSP	Financial Service Provider
GDT	General Department of Taxation
IAC	Insurance Association in Cambodia
IBF	Institute of Banking and Finance
IMF	International Monetary Fund
LG	Lending Guideline
M-CRIL	Micro-Credit Rating International Limited
MDI	Microfinance Deposit Taking Institution
MEF	Ministry of Economy and Finance of Cambodia
MFI	Microfinance Institution
MoI	Ministry of Interior of Cambodia
MoU	Memorandum of Understanding
MSME	Micro Small and Medium Enterprise
NBC	National Bank of Cambodia
OID	Over-indebtedness

PAR	Portfolio at Risk
PWO	Private Water Operator
RCI	Rural Credit Institution
SEPM	Social and Environmental Performance Management
SPTF	Social Performance Taskforce
UNCDF	The United Nations Capital Development Fund
USD	United States Dollars
WASH	Water and Sanitation
WCAD	Water Credit Adaption
YEAC	Young Entrepreneurs Association of Cambodia

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CHAIRMAN'S MESSAGE

The microfinance sector continues to be resilient and progressive, ensuring the sustainability of financing and essential financial services, and plays an active role in supporting key economic sectors, though credit growth has slowed. **As of end 2023, the gross loan portfolio the microfinance sector was USD 5.12 billion with 1.57 million loan accounts.**



Loans from microfinance institutions have been provided to key economic sectors including household 30.8%, agriculture 22.2%, trade and commerce 20.3%, service 11.5%, construction 7.1%, transportation 2.9%, manufacturing 2.9% and others 2.3%. Meanwhile, microfinance institutions could collect customers' deposit with the balance of USD 2.2 billion, equivalent to around 2 million accounts. The operational network had a total of more than 900 offices and more than 20,000 employees working in the sector. It should be noted that this data did not include banks that are members of the association. In overall, most microfinance institutions remain robust and resilient, continuing to strictly adhere to the prudent laws and regulations, guidelines and measures issued by the central bank.

The Cambodian Microfinance Association (CMA) has been continuing its efforts with high responsibilities and a clear vision, under the wise leadership of the Royal Government through the National Bank of Cambodia, which many important initiatives have been implemented for the development of the microfinance sector in Cambodia, as well as consumer protection, as summarized below:

- a). Standard Loan Contract and Standard Contractual Terms:** Designed to increase transparency and ensure client protection as well as fair competition among all financial institutions.
- b). Banking and Financial Institutions' Code of Conduct:**

This code aims to promote effective, reliable, accountable, and responsible banking and financial practices by setting business operation standards for the banking and financial institutions (BFIs) to follow and execute.

- c). Community Safe Finance:** This project aims to promote the use of formal financial service in the communities by focusing on financial literacy, client's rights and obligations, and client protection at the community level across the nation by 2030.
- d). BFIs' CEO and Board of Directors/Shareholder Training on Client Protection:** This training program aims to promote the governance and strengthen consumer protection mechanisms among banking and financial institutions.
- e). Regional Workshop for Banking and Financial Institutions' Managements:** The Regional Workshop on "Capacity Building for Effective, Sustainable, Ethical and Professional Branch Management" aimed to strengthen capacity building for branch managers to provide financial services with professional practice and code of ethics.
- f). Responsible Lending Program:** This is a mandatory training course that the National Bank of Cambodia requires all financial institutions to send their credit officers and credit-related staff to participate in this training to gain an understanding of the code of ethics and participate in this training to gain an understanding of

the code of ethics and client protection to ensure the delivery of credit services responsibly, sustainably and inclusively.

g). Strengthening Inclusive and Responsible Financial Services: CMA signed a Memorandum of Understanding with SPTF with the aim of strengthening the provision of inclusive and responsible financial services through risk management to promote responsible growth, improving financial sector stability and increasing client protection.

& Financial Education and Access to Financial Services: CMA in partnership with the Association of Banks in Cambodia (ABC), Young Entrepreneurs Association of Cambodian (YEAC), and Cambodia Women Entrepreneurs Association (CWEA), Cambodia Agricultural Cooperative Alliance (CACA) and Khmer Enterprise (KE), have signed a Memorandum of Understanding (MoU) to promote financial inclusion and responsible finance. This collaboration will focus on improving access to financial services and financial education for young entrepreneurs, women, farmers, and other entrepreneurs. Activities will include workshops, educational content creation, expert discussions, and educational short videos broadcasted on radio, television, and social media platforms.

h). Strengthening Complaint Resolution Mechanism: CMA has been actively implementing a complaint resolution mechanism to effectively address and respond to client concerns and requests to ensure adherence to client protection principles, of which the hotline of each member institutions and hotline of CMA and ABC are placed on the same page of credit booklets, loan

contracts, and promotional materials. The hotline of the association is 015 365 222.

In addition, in cooperation with our members, we have launched a project called “Water and Sanitation Credit Program or WASH Loan” funded by Water. Org to improve the access to clean water and sanitation financing for Cambodians in remote areas.

In the upcoming years, CMA will continue close collaboration with all stakeholders and our member financial institutions to promote inclusive financial services, as well as continue to promote the implementation of high standards of client protection principles. Meanwhile, CMA will keep extending its social activities, financial literacy awareness to people and activities to promote environmental, social and governance best practices to ensure the sustainable development of the microfinance sector.

Finally, I would like to express my sincere gratitude to all our board members and committee members for their invaluable leadership, support, and guidance over the past year. My deepest appreciation also extends to all stakeholders – our clients, investors, development partners, local and foreign lenders – for your trust, confidence, and unwavering support in fostering the sustainable growth of the entire microfinance sector. To the dedicated CMA staff, I commend your unwavering commitment and hard work. Finally, I extend my heartfelt thanks to the Royal Government of Cambodia and the National Bank of Cambodia for their unwavering support in 2023 and their continued commitment to our collective success in the years ahead.

Warmest gratitude,

SOK Voeun



Chairman

SECRETARY GENERAL'S MESSAGE

On behalf of the Cambodia Microfinance Association (CMA), I am pleased to present our annual report for the Year 2023. Guided by our Strategic Plan 2022-2026, we witnessed significant achievements throughout the year, actively implementing actions and campaigns that enhance the resilience and sustainability of the microfinance sector in Cambodia.



Pillar I which dedicated to promoting financial inclusion and driving positive social impact within the microfinance sector, saw a hard work toward ensuring access to finance for Cambodian a cross communities, while at the same time to raise awareness on financial literacy through some activities including Community Safe Finance project which was officially launched in early 2023.

Our Communications Department (Pillar II) is also active. We diligently conducted financial literacy campaigns on social media platforms like Facebook, TikTok etc., reaching a wide audience of member institutions' clients and the general public. In addition, we actively engaged with local and international media through various channels, including talk shows, interviews, and strategic responses, consistently promoting the sector's positive image and reputation. We also served our member BFIs by maximizing their interests through a range of activities including promptly addressing member challenges, building strategic partnerships to secure future benefits, fostering engagement through events and clubs and maintaining regular communication through regular communication through diverse platforms to keep members informed and involved.

Committed to enhancing the sector's overall capacity, our Training and Development Department provided short-course training programs to member BFIs' staff, aiming to

improve their institutional performance. Additionally, we are developing a comprehensive Online Resource Hub (ORH) to provide a one-stop access point for informative materials. We are also establishing a talent pool program to proactively build a pipeline of qualified candidates for the microfinance sector. Moreover, in collaboration with NBC and other partners, we successfully conducted 8 CEO and Shareholder workshops to promoting a culture and practice of consumer protection within BFIs. These workshops provided a valuable platform for CEOs, board of directors, and shareholders of BFIs to learn the best practice of effective client protection mechanism from industry experts from NBC, SPTF and BFIs.

The smooth execution of all activities of the three pillars relies heavily on the unwavering support of our Operations Department, whose dedication ensures the day-to-day functioning of the CMA.

In conclusion, 2023 has been a year of significant progress for CMA. We actively implemented initiatives across all pillars, promoting financial inclusion, driving positive social impact, and enhancing the sector's capacity. Through financial literacy campaigns, strategic media engagement, and member support programs, we have demonstrably strengthened the microfinance sector in Cambodia. Looking ahead, we remain dedicated to upholding our strategic goals and, with continued

collaboration with all stakeholders, we are confident in driving further positive change and fostering sustainable growth within the Cambodian microfinance landscape.

Finally, I extend my heartfelt gratitude to all our members and stakeholders for their continued dedication and support. Together, we are making a significant difference in the lives of Cambodians.

Warmest gratitude,

PHAL Vandy

A handwritten signature in blue ink, appearing to read 'Phal Vandy', written in a cursive style.

Secretary General

CAMBODIA'S 2023 ECONOMY: NAVIGATING GLOBAL HEADWINDS AND UNVEILING DOMESTIC OPPORTUNITIES

Cambodia's economic performance in 2023 presented a nuanced picture. While the year witnessed positive growth, it also exposed vulnerabilities in the nation's export sector and underscored the need for strategic diversification. This analysis delves into the key factors that shaped Cambodia's economic trajectory in 2023, highlighting both the challenges encountered and the promising opportunities that lie ahead.

A significant factor influencing Cambodia's economic performance in 2023 was the slowdown in the global economy, particularly in major developed nations. This translated into a decline in demand for Cambodian exports, a sector traditionally dominated by garments and footwear. This decline was further exacerbated by evolving consumer preferences in developed countries, where trends shifted and sustainability concerns gained traction.

Beyond the external headwinds, Cambodia's economic performance in 2023 revealed the limitations of its current economic structure. The construction sector, another significant contributor to GDP, exhibited sluggishness due to an overdependence on high-end real estate development. This left the sector vulnerable to fluctuations in foreign investment and domestic demand, especially

for luxury condominiums. Additionally, limited access to affordable credit for construction projects further hindered growth in this sector.

However, 2023 also witnessed a bright spot in Cambodia's economic landscape: the robust recovery of the tourism sector. Following a devastating pandemic-induced slump, the return of international travelers significantly boosted the services sector. This resurgence can be attributed to factors such as eased travel restrictions, Cambodia's emergence as a popular tourist destination in Southeast Asia due to its cultural heritage and cost-effectiveness, and government initiatives promoting regional tourism.

Looking forward, Cambodia's economic sustainability hinges on addressing key challenges. The overreliance on garments, tourism, and construction necessitates fostering growth in new industries. Value-added manufacturing, information technology, and processed agricultural products hold significant potential for diversification. Additionally, investing in education and vocational training programs is crucial to develop a skilled workforce that can meet the demands of a growing and evolving economy. Furthermore, infrastructure development, particularly in

transportation and communication networks, is essential for attracting foreign investment, facilitating trade, and boosting overall economic productivity.

The outlook for Cambodia's economy in the coming years is cautiously optimistic. The World Bank projects a gradual uptick in growth, with projections reaching 5.8% in 2024 and 6.1% in 2025. This optimism stems from factors such as the Cambodian government's plans to increase infrastructure spending, which could stimulate economic activity and improve the business environment. Additionally, Cambodia's participation in regional trade agreements like

the RCEP holds promise for increased export and a more diversified economy by lowering trade barriers with member countries.

In conclusion, Cambodia's economic performance in 2023 showcased its resilience in the face of both global and domestic challenges. While growth moderated, the country navigated external pressures and internal limitations. The positive outlook for 2024 suggests Cambodia is well-positioned for continued economic expansion, provided it can address structural weaknesses and capitalize on growth opportunities through strategic diversification and targeted investments.

Sources: World Bank, International Monetary Fund, The Phnom Penh Post



FINANCIAL SECTOR OVERVIEW:

In 2023, as the global was facing increasing geo-political and the tightening external financial conditions, Cambodia's financial sector presented a mixed picture, marked by some positive developments alongside emerging challenges. However, the confidence in the banking system has remained robust despite the national election and the collapse of banks in a few countries.

The weak recovery of some sectors has caused credit growth rates to decrease to single digit for the first time in more than two decades. The slowdown in credit growth, coupled with the completion of loan restructuring measures during the COVID-19 pandemic, has led to an increase in the non-performing loan ratio, which requires banks and financial institutions to continuously monitor, evaluate and conduct regular stress tests for any potential risks.

According to the NBC's annual report 2023, the banking system's deposit growth remained strong, with a 13.1% increase compared to 2022, indicating increased public confidence and savings, while Non-Performing Loan (NPL) at the banking sector and the microfinance sector was 5.4 percent and 6.7 percent, respectively, reflecting the financial challenges faced by some borrowers. However, these levels were still at a controllable level.

Cambodia's banking system, which as of December 2023 consists of consisted of 58 commercial banks, 9 specialized banks, 4 microfinance deposit-taking institutions, 83 microfinance non-deposit-taking institutions, 114 rural credit institutions, 16 leasing institutions, 6 third-party processors, 33 payment service institutions, 1 credit bureau, 5 representative offices and 2,915 money changers, recorded a 4.8% credit growth in 2023 to USD 57.6 billion, the slowest-ever growth in the last two decades.

The assets of the banking system increased an 8.6% growth to USD 84.3 billion, with the banking sector accounting for 91.8%, the microfinance sector accounting for 7.6% and the financial leasing sector accounting for 0.6%.

In the banking sector, banks' credit increased by 14.8% to USD 51.8 billion, and were provided to 2.2 million accounts. The credit was allocated to key economic sectors such as retail trade (17.6%), mortgage (13.5%), real estate (9.8%), personal lending (9.8%), construction (9.5%), wholesale trade (9%), agriculture (9%), manufacturing (4.4%), hotel and restaurant (4%), and others (13.4%). Banks' deposit grew by 21.3%, reaching USD 45.7 billion, from 16.7 million accounts.

In the microfinance sector, the assets decreased by 40.9% to USD 6.4 billion and the credit dropped 42.6% to USD 5.4 billion.

These drops are mainly caused by the migration of the biggest Microfinance Deposit-Taking Institution (MDI), KB Prasac, from a MDI to a commercial bank. The microfinance credit was allocated to the household (30.8%), agriculture (22.2%), trade and commerce (20.3%), services (11.5%), construction (7.1%), transportation (2.9%), manufacturing (2.9%), and others (2.3%).

According to CMA's data, 2023 also saw a landmark achievement as the sector reported that 25% of its loans and 16% of deposits are now denominated in Riel. These figures are indicative of growing confidence in the national currency, greatly surpassing the benchmarks previously set by regulatory bodies. The total loan balance in Cambodian Riel escalated to an unprecedented KHR 5.56 trillion (USD 1.37 billion). Furthermore, the volume of Riel deposits at Microfinance Deposit-taking Institutions (MDIs) has swelled to KHR 1.52 trillion (USD 372.4 million). As of end of 2023, the microfinance had a total loan balance USD 5.12 billion and served 1.57 million clients and the MDIs held over US\$2.2 billion in deposits and counted 2.01 million depositors.

Overall, despite facing a challenging global environment in 2023, Cambodia's financial sector demonstrated resilience. Deposit growth remained robust, reflecting public confidence. However, rising NPLs and sluggish credit growth, fueled by the

Deposit growth remained robust, reflecting public confidence. However, rising NPLs and sluggish credit growth, fueled by the completion of COVID-19 loan restructuring, highlight potential vulnerabilities. 2023 also saw a growing confidence in Riel through the increase in loan and deposit in the national currency. Moving forward, continuous monitoring and proactive strategies are crucial to address these concerns. While most institutions appear sound, strengthening internal controls and risk management, particularly among smaller microfinance institutions, is essential for long-term stability. By addressing these challenges and adapting to the evolving economic landscape, Cambodia's financial sector can position itself for continued growth.

MICROFINANCE AT A GLANCE

Loan Outstanding

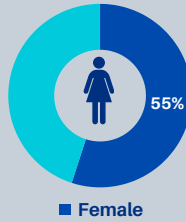


5.12
Billion USD

Borrowers



1.57
Million



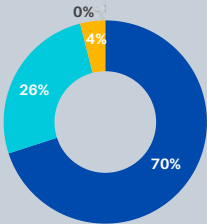
Offices



904
Offices

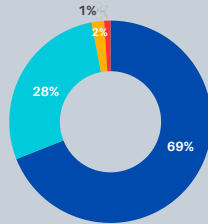


Share of Loan Outstanding



■ MDI ■ MFI ■ Leasing ■ RCI

Share of Borrower

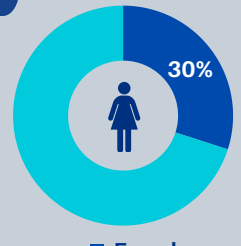


■ MDI ■ MFI ■ Leasing ■ RCI

Staff



21,576
Staff



■ Female

Deposit Balance

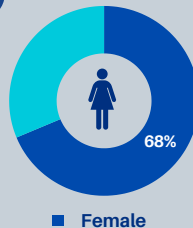


2.20
Billion USD

Depositors



2.01
Million



■ Female



PAR 30+
5.8%



Loan Restructure
4.1%



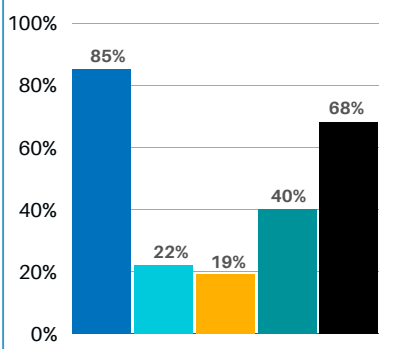
Loan Write-Off (within Q4)

0.8%

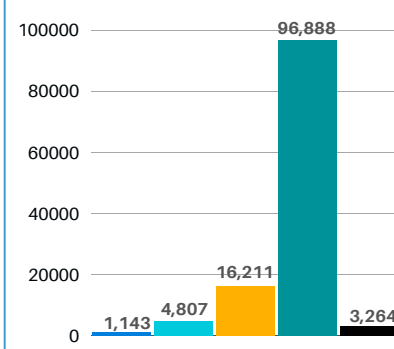
MICROFINANCE LOAN TIERS

■ T1. ≤ \$3,000 ■ T2. \$3,001 - \$10,000 ■ T3. \$10,001 - \$50,000 ■ T4. > \$50,000 ■ Total

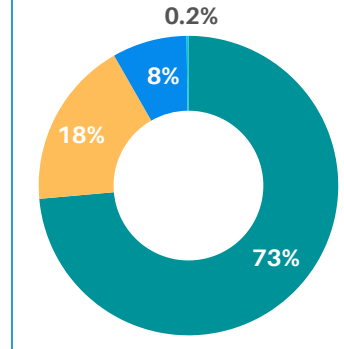
Loan Tiers in % - Without Real Estate Collateral Distribution



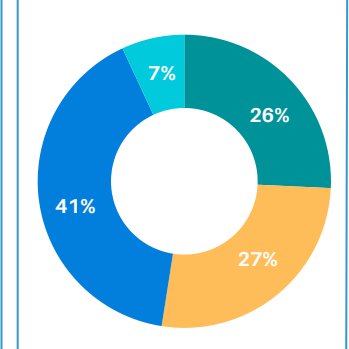
Average Loan Size by Tier in USD



Loan Tiers in % - Account Distribution



Loan Tiers in % - Outstanding Balance Distribution



* The data does not include banks



Vision

The Cambodian Microfinance Association is a non-profit professional association that aims to promote timely and comprehensive access to formal financial services among all Cambodians through a sustainable financial system.



Mission

- To create a sound atmosphere and contribute toward strengthening the regulatory framework for efficiency to ensure inclusive growth of the microfinance sector
- To conduct research study to tackle challenges and create opportunities to strengthen financial inclusion that fulfills the demands and improves the lives of Cambodian people
- To contribute toward raising awareness of financial knowledge to the clients, public, and stakeholders.
- To promote human resources

CORE VALUE

To transform CMA into an agile organization that effectively preserves the sustainability of Cambodia's microfinance sector, the management team, under the Board of Directors' leadership, recognizes the importance of establishing the core values for the association. These core values are as follows.



Partnership

Enhancing sustainable partnership with investors, donors & networks to deliver ending values for members and the sector.

Accountability

Taking responsible actions for members and partners.

Relevance

Aligning with emerging trends and adopting measurable solutions to benefit members and the sector.

Collaboration

Aligning with emerging trends and adopting measurable solutions to benefit members and the sector.

Innovation

Empowering creativity to develop immediate and long-term innovative solution for the sustainable development of the microfinance sector.

Responsiveness

Taking proactive and responsive actions to deliver timely services to members and the sector.

2022-2026 STRATEGIC OBJECTIVES

2022-2026 Strategic Pillar	Strategic Objectives
<p>Pillar 1: Strengthening the resilience and sustainability of members and microfinance sector</p>	<p>Improve Responsible Financial Inclusion and consumer empowerment in alignment to the National Financial Inclusion Strategy 2019- 2025</p>
	<p>Establish a CMA research program which will focus on data collection, storage, and analysis and disseminate through Financial Sectoral Monitoring Framework</p>
	<p>Strengthen new initiatives and programs to improve Business Continuity, Digitalization and Sustainable Green Finance Programs</p>
	<p>Strengthen responsible lending and monitor the implementation of the Lending Guideline and Financial Sector Codes of Conduct in addressing to sector risks and priorities</p>
<p>Pillar 2: Increase financial literacy and positive attitude toward microfinance among financial consumers and public</p>	<p>Improve the financial literacy of Cambodians through media, workshops, events and campaigns with the National Bank of Cambodia</p>
	<p>Enhance the role of microfinance sector in economic recovery and development of Micro, Small and Medium Enterprises (MSMEs), and local entrepreneurs that contribute to poverty alleviation thereby improves the image/reputation of the microfinance sector</p>
	<p>Protect and maximize the interests of the members through member service and development</p>
<p>Pillar 3: Strengthening the ethical and professional capacity of human resources for sustainable operations of microfinance sector</p>	<p>Training and Development Management</p>
	<p>Resource Center (Knowledge Hub)</p>
	<p>Talent Pool Program</p>
	<p>HR Professional and Compliance</p>
	<p>Manage and implement Staff Development Fund</p>
<p>Pillar4: Enhancing professionalism and sustainability of CMA in coordinating for sustainable development of microfinance sector</p>	<p>Strengthen internal control and financial performance management</p>
	<p>Build a strong people and culture within the association</p>
	<p>Strengthen coordination and facilitation member's and sector priorities</p>
	<p>Explore funding sources and incomes generation activities to sustain the association</p>



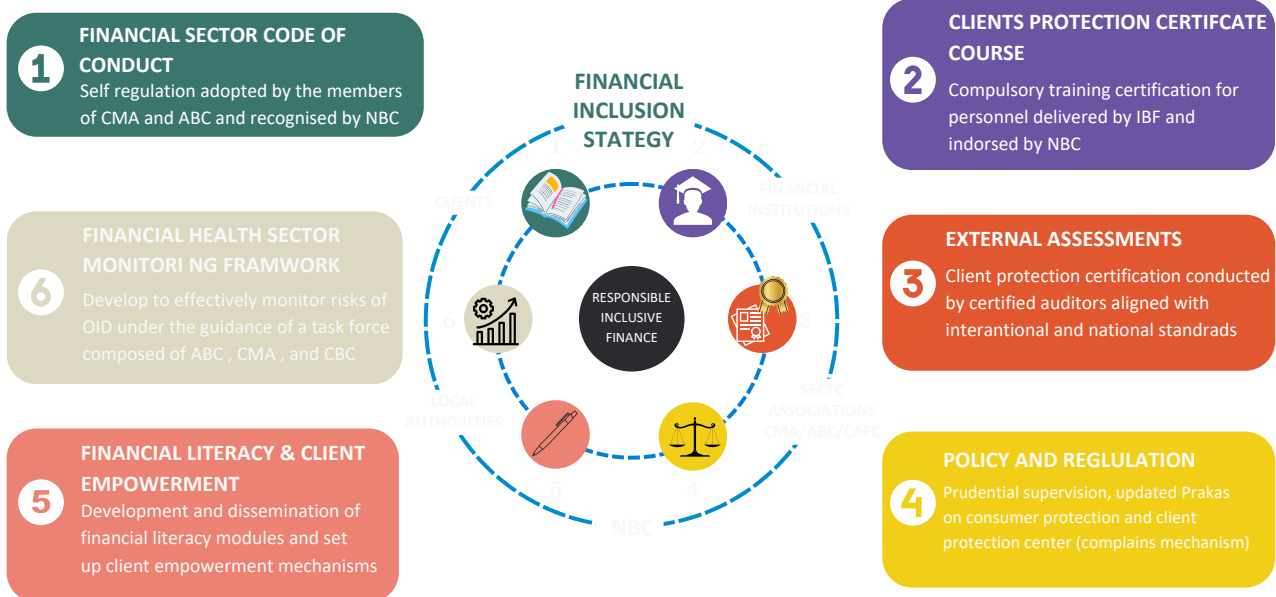
CMA 2023 HIGHLIGHTS

PILLAR 1: FINANCIAL INCLUSION AND SOCIAL IMPACT DEPARTMENT

INTRODUCTION

The Department of Financial Inclusion and Social Impact is a specialized division within the Cambodia Microfinance Association (CMA) that focuses on promoting financial inclusion and driving positive social impact within the microfinance sector in Cambodia. With a mission to create an inclusive financial system that serves all segments of society, the department plays a crucial role in advancing the microfinance industry's social and developmental objectives through the following:

➤ RESPONSIBLE INCLUSIVE FINANCE INITIATIVE



Over the past two decades, there has been a significant growth in Cambodia's financial sector, particularly in the microfinance industry. This growth has brought about various challenges due to high market penetration, rapid expansion, and intense competition. Aggressive lending practices, such as issuing multiple loans and risky refinancing, have raised concerns about over-indebtedness. In response, "Increased Client Protection" has emerged as a critical priority within Cambodia's National Financial Inclusion Strategy, aiming to ensure long-term market sustainability. CMA recognizes the importance of establishing a robust consumer protection system to foster sustainable financial inclusion, healthy competition, and most importantly, to enhance trust in the formal financial sector. To address these challenges, CMA is taking a proactive approach by supporting the development and implementation of a Responsible Inclusive Finance (RIF) strategy. This

strategy acknowledges the blurring lines between the bank and microfinance sectors in Cambodia, as both sectors now offer products and services to diverse consumer segments, leading to similar consumer protection concerns. Establishing a set of common principles aligns with the idea that all consumers, regardless of the financial service providers they choose or have access to, should be entitled to protections based on shared principles.

The primary objective of this initiative is to strengthen financial consumer protection from a risk management perspective, with the aim of promoting growth, enhancing financial stability, and improving consumer well-being. Additionally, as the Smart Campaign is phasing out, other stakeholders are expected to play a more active role in the consumer protection space. CMA intends to capitalize on the momentum already generated by promoting international best practices and implementing a Responsible Inclusive Finance (RIF) strategy, thereby reaffirming financial institutions' commitment to their clients and fostering a positive reputation for the sector.

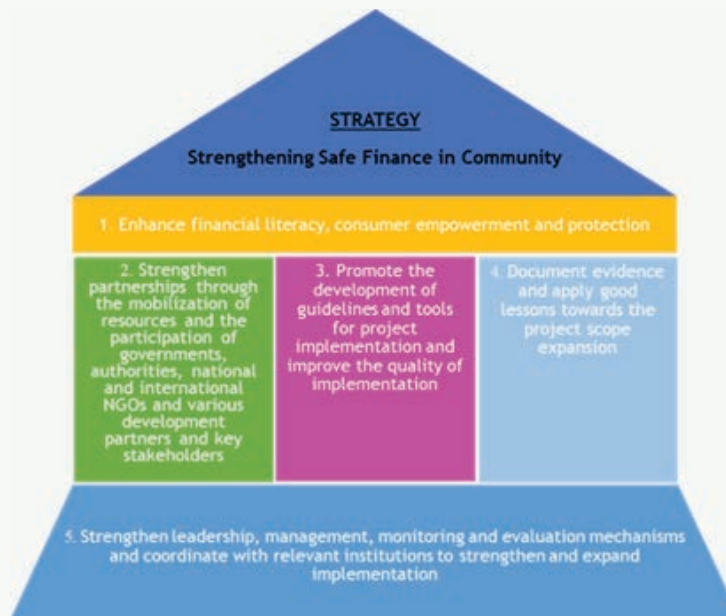
1 Community Safe Finance

A project, namely Community Safe Finance, to strengthening safe finance in communities is designed to contribute to the safe and secure use of formal financial services in the community, with a focus on enhancing financial literacy, consumer empowerment, and protection, aimed at increasing access to formal financial services in contribution to the improvement of living standards and development in accordance with the policies of the Royal Government of Cambodia (RGC). At the same time, the implementation of the project also calls for the support of the National Bank of Cambodia (NBC), CMA members, development partners, and key stakeholders to be able to expand the scope across Cambodia.

The project focuses on promoting financial literacy, consumer empowerment, and protection in Cambodia and it is piloting in four provinces: Kampong Thom, Kampong Speu, Svay Rieng, and Battambang. This project's scope will be expanded step by step based on positive results and continued stakeholder support. The implementation of the project is guided by 5 main strategies such as (1) Enhancing Financial literacy, consumer



empowerment, and protection, (2) Strengthening partnerships through resource mobilization and participation from governments, authorities, national and international NGOs, and development partners, (3) Promoting the development of guidelines and tools for project implementation and improving the quality of implementation, (4) Documenting evidences and applying good lessons toward the project's scope expansion, and (5) Strengthening leadership, management, monitoring, and evaluation mechanisms and coordinating with relevant institutions to strengthen and expand implementation.



The following are the achievements of the project:

- Conducting consultative workshops involving CMA, NBC and commune authorities in four provinces: Kampong Thom, Kampong Speu, Svay Rieng, and Battambang.
- Selecting a total of 58 community facilitators and village volunteers at the commune and village levels to serve as sub-national trainers.
- Jointly launching the project by NBC and CMA in February 2023.
- Successfully rolling out the project in four pilot communes.
- Establishing a Central Committee for Safe Finance, composed of a chair, a vice chair, and seven members from NBC, CMA, The Association of Banks in Cambodia (ABC), Credit Bureau Cambodia (CBC), and SPTF.
- Developing and printing 5 modules (Module 1 to 5) for the project implementation.
- Providing two training sessions on the Community Safe Finance modules to the sub-national trainers.
- Providing an awareness-raising session on financial literacy to 6,801 people from 46 targeted villages across 4 communes. The session was delivered by the project's focal point.
- Mainstreaming the agenda of "Enhancing Financial Literacy, Consumer Empowerment, and Protection" into existing community meetings led by commune chiefs. As a result, there were 136 participants in the four communes in August 2023, and 126 participants in September 2023, while in October 2023 the number of participants significantly increased to 1,509 and decreased to 224 participants in November 2023.

- Concluding a baseline survey for the project in term of the field data collection, which involved a total of 400 participants. This consisted of 200 individuals in the treatment group and 200 individuals in the control group. The data analysis for the survey finished and the primary results are anticipated to be released by January 2024.
- Taking proactive steps to promote its objectives at various levels, both nationally and internationally. Through these various national and international forums, as well as its online presence (Facebook and the LinkedIn platforms), the project aims to raise awareness, mobilize support, and foster collaboration to further its mission of promoting financial sustainability and inclusion.
- Implementing data and report management tools, facilitating effective monitoring, tracking, and reporting of key achievements and activities.

2 CMA Self-Regulation

CMA oversees the self-regulation of microfinance in Cambodia. This self-regulation is essential for protecting clients through fair and transparent practices. It also contributes to the stability of the microfinance industry by maintaining financial integrity and reducing risks. Additionally, CMA's self-regulation framework enhances the reputation and trustworthiness of the sector. Member institutions voluntarily adhere to high standards of conduct and transparency, showcasing their commitment to responsible lending and ethical practices. This fosters trust among clients, investors, and stakeholders, attracting more capital and supporting sector growth. A positive reputation and trust are crucial for the continued success and impact of the microfinance industry. Here is the existing self-regulation measures mandated by CMA:

a). Standard Loan Contract and Standard Contractual Terms

The Standard Loan Contracts and Standard Text of Contractual Terms aims to improve transparency, effectiveness, and consumer protection. It also allows all members to have a unified standard loan agreement and standard text of contractual terms in their respective financial institutions' loan contracts when banking and financial institutions (BFIs) communicate and provide loans to the public and their clients. Developed in 2023, the Standard Loan Contract and Standard Contractual Terms became fully enforceable in November of that year. The Standard Loan Contract covers the following categories:



For loans up to USD 50,000, all BFIs are required to use the same format and terms in the four categories of the Standard Loan Contract, including:

- Standard loan Contract on Secured Loan
- Standard Loan Contract on Clean Loan
- Standard Loan Contract on Financial Leases
- Standard Loan Contract on Group Loan

For loans range from more than USD 50,000 up to USD 100,000, all BFIs are required to incorporate only the Standard Text of Contractual Terms:

- The maximum lock-in period shall be half of the loan tenor but not more than 24 months for a term loan
- Advance notice of early settlement DURING lock-in period (Partial or Full): Max. 30 calendar days.
- Early settlement fee in Part or in Full during the lock-in period: Max. 3% of the partial or full pre-payment amount.
- Advance notice of early settlement AFTER lock-in period (Partial or Full): Max. 30 calendar days.
- Early settlement without prior notice: Max. 1% of the settled amount.
- Period of collateral release after full settlement: Max. 07 working days
- Hotline numbers of each BFI and of both associations (ABC and CMA: 015 365 222) Shall be available on the Loan Schedule and Letter of Offer or Loan Agreement/Contract or Terms and Conditions to the Loan Agreement/Contract or equivalent.

ABC and CMA do not establish any standard loan contracts with loan amounts greater than USD 100,000.

b). Banking and Financial Institutions' Codes of Conduct (COC)

BFI's Codes of Conduct (COC) were developed through a collaborative effort between ABC and CMA in 2021. Fully implemented in early 2023, these codes were developed with the following objectives:

- To promote effective, reliable, accountable, and responsible banking and financial practices by setting business operation standards for BFIs to follow and execute.
- To increase transparency so that consumers can have a better understanding of what they can reasonably expect from the services provided.
- To build a fair and professional relationship between consumers and BFIs based on the principles of equity and equality.
- To foster confidence in the banking and financial system; and
- To encourage a corporate culture of fair dealing and competition

These codes of conduct cover 21 standards for BFIs and fintech companies to follow, and apply to all members of ABC, CMA, and Cambodia Association Fintech & Technology (CAFT).

A workshop on Orientation and Reinforcement of the BFIs' Code of Conduct has been held on 18th January 2023 which is presided over by Mr. KITH Sovannrith, Deputy General of NBC's Supervision. The workshop aimed to strengthen the thorough implementation of the code, fostering sustain development of Cambodia's banking and financial sector.



c). Lending Guideline (LG)

CMA spearheaded the development of LG with support from international partners and investors. Following a successful pilot year in 2021, LG has been officially extended to the whole banking and financial sector on 1st January 2022. This expansion approved by both CMA Board and ABC Council aims promote healthy lending practice and ensure the sustainability of the financial sector. LG has been incorporated as an annex to BFIs' Codes of Conduct.

The objectives of LG include:

- To ensure that the borrowing capacity of clients is thoroughly and accurately assessed.
- To have sufficient data to monitor aggregate and institutional-level exposure to systemic risks
- To ensure that the incidence of multiple-indebtedness and rapid increases in household debt, both important causes of over-indebtedness and eventual delinquency, are reduced.

This LG is applicable to all lending institutions in Cambodia licensed by NBC including commercial banks, specialized banks, microfinance deposit-taking institutions (MDIs), microfinance non-deposit taking institutions, rural credit institutions (RCIs), and leasing companies. ABC and CMA have imposed three LG rules including:

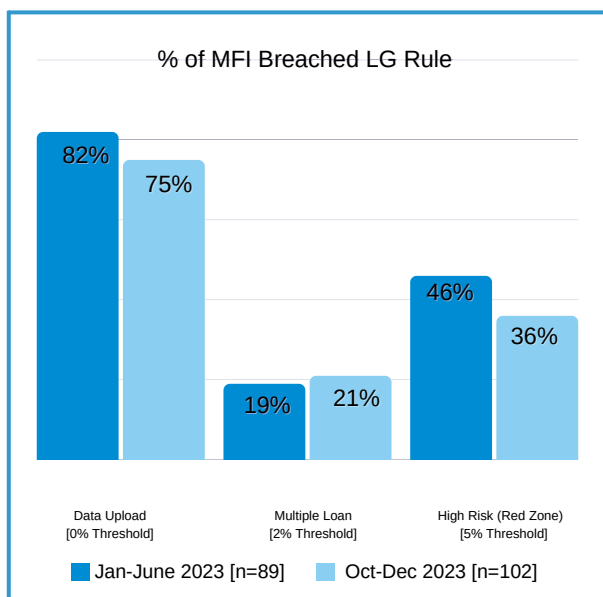
- **Data Upload:** All newly issued and closed loans are required to be reported to CBC on a weekly basis within 5 working days. No exception threshold for the violation on the data upload.
- **Multiple Loan:** BFIs are prohibited to issue a loan to any borrowers that already has group and/or individual outstanding loans from three (3) or more financial institutions. However, an exception allows BFIs to issue loans to such borrowers, but only up to 2% of their outstanding loan.
- **Refinancing – Red Zone:** Refinancing is allowed to do up to maximum 5% of high-risk refinancing (Red Zone). The high-risk refinancing refers to “loans refinanced existing loans early in their cycle with a much larger new loan”.

Following its full implementation on 1st January 2023, CMA, in collaboration with CBC, has diligently monitored its members’ compliance with LG. The association sent two written notification letters to the members who breached the rule, one in June 2023 and another in December 2023.

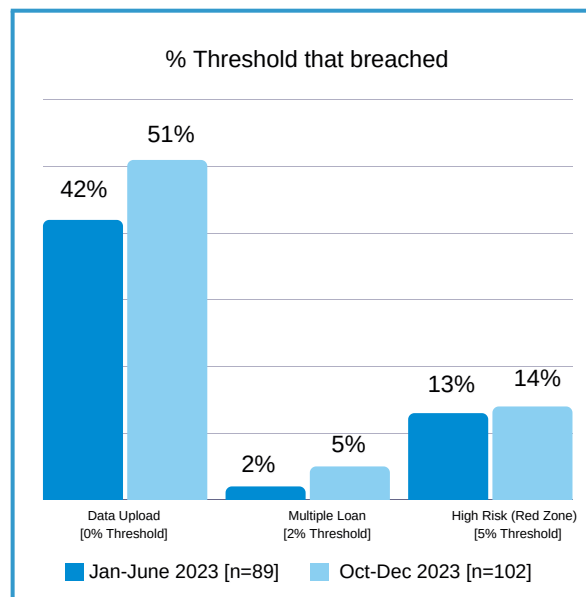
The number of institutions that violated the lending guideline’s rules is still significantly high, especially on the data upload. The last quarter of 2023 shows that up to 75% of CMA members violated the Data Upload rule, 21% on the Multiple Loan rule, and 36% on the Red Zone rule. [Please see Graph 1.](#)

The threshold violation for all three rules also significant increased from 42% to 51% in Data Upload and from 2% to 5% in Multiple Loan rule and from 13% to 14% in Red Zone rule. [Please see Graph 2.](#)

Graph 1



Graph 1



d). Codes of Equitable Microfinance Lending

The Code for Equitable Microfinance Lending ("the Code") has been approved and is implemented by all of CMA members based on shared commitment and trust in accordance with the recommendations of CMA’s Board of Directors (BoDs). This Code aims to raise quality and strengthen equity in microcredit provision with a view to ensuring the sustainability of the microfinance industry in Cambodia, promoting financial system soundness and reducing poverty in line with the social mission of the microfinance sector and the RGC’s strategic policy.

CMA developed this Code to complement the professional operations of its member institutions in order to enhance the quality and equity of microfinance lending by ensuring:

- The provision of transparent and non-discriminatory services.
- The public’s access to comprehensive information, especially on customers’ rights and obligations.
- The affordability and suitability of services in accordance with the NBC’s rules and regulations and the Client Protection Principles.

One of the main regulated rules in the Codes of Equitable Microfinance Lending are as follows:

- The institutions must implement the Prakas on Interest Rate Ceiling on Loan when lending to rural population, set at an interest rate of 18% p.a. or 1.5% per month with calculation based on the remaining balance method.
- The institutions must set total fees not exceeding maximum of 8% p.a. for loan at or lower than 3000\$ (or equivalent in other currency) and not exceeding maximum of 5% p.a. for loan more than 3000\$ (or equivalent in other

currency) depending on each institution.

- All institutions recognize that fees are different according to its type, size, currency and duration of loan, etc.

e). Financial Sector Health Monitoring Framework

This framework was initiated ABC and CMA in 2022, and was developed in order to effectively monitor Over-indebtedness (OID) and take proactive decisions to prevent any potential risks for the financial sector and as well as negative impacts on the well-being of Cambodian households. Under the guidance of the joint Financial Inclusion Committee of ABC and CMA, a three-party task force comprising of representatives from ABC, CMA and CBC with CBC as the chair of the Taskforce was established.

The comprehensive indicators in order to monitor the healthiness of the financial sector and the over indebtedness has been divided in two main categories:

- Macroeconomic and Social Monitoring
- Financial Sector Health Diagnosis Monitoring

The associations engaged in regular data collection, storage, and analysis. Quarterly meetings involving the three organizations was conducted to assess and evaluate the current status of the sector.

3 Regional Workshop on Strengthening Capacity for the Betterment of Effective Branch Performance Management with Sustainability, Ethics, and Professionalism

Initiated by CMA in 2022, this regional workshop targeted the management level in its members' branches including district-level branch managers, provincial/regional-level branch managers, and other branch managements levels. The workshop, which was conducted 9 times across the country by end of 2023, aims:

- To strengthen the capacity and qualifications within the framework of branch managers
- To provide opportunities for branch managers to learn about the codes and regulations related to operations, finance and consumer protection; and
- To provide a platform to share knowledges, experiences, challenges, solutions, and build network between branch managers, CMA and the regulator.

The key main topics to promote responsible lending included professional and ethical credit recovery, improving the quality of responsible and ethical financial services, responsible lending mechanism including the Codes of Conduct and the Lending Guideline.

4 Capacity Building of Loan Officers Through Responsible Credit Training of the Institute of Banking and Finance (IBF)

The objective is to provide individual loan officers with a focus on ethical principles and consumer protection which are the key to the sustainable financing and financial inclusion for their individual BFI specifically and for the Cambodia's banking industry as the whole. It is mandatory by NBC for all BFIs in Cambodia to send their credit related staff including branch managers, staff who originate, administrate, approve, monitor, and collect loan to join this course. The main course outline includes:

- Examination of Banking History and its Roles in the Society
- Evaluation of the Legal and Regulatory Frameworks in Responsible Lending
- Application of Ethical Principles and Environmental, Social, and Governance (ESG) Principles
- Conduct of Responsible Lending

5 Partnership with SPTF

Recognizing the need of a robust consumer protection system to promote responsible inclusive finance and ensure the sustainable development of Cambodia's microfinance sector, CMA signed a memorandum of understanding (MOU) with Social Performance Taskforce (SPTF) in 2022.



This partnership aims to strengthen responsible inclusive practices from a risk management perspective to promote responsible growth, enhance financial stability and increase consumer protection. The initiative also comes in the context of Smart Campaign phasing out, leading to the SPTF+CERISE partnership to play a more active role in that space. To this end, the partnership will also work toward the promotion and adoption of the SPTF+CERISE Client Protection Pathway and Certification on Client Protection.



Key achievements under the partnership between CMA and SPTF are as follows:

- Developed the harmonization between the COC and the CP Pathway,
- Successfully conducted a stakeholders workshop on “Strengthening Responsible Inclusive Finance in Cambodia” which the participants are from the industry leading players such as NBC, CMA, ABC, CAFT, CBC and IBF,
- Successfully conducted 8 workshops on “CEO’s and Shareholders’ Training Workshop on “The Roles of Governance in Ensuring Commitment and Effective Implementation of Client Protection in Banks and Financial Institutions”.
- Successfully completed a consumer empowerment research.
- Jointly developed a consumer empowerment project, namely “Community Safe Finance
- Promoted the Environment Social Performance Management (ESPM) and the Client Protection Pathway via series of trainings and workshops.
- Joint advocacy efforts with the international agencies.



6 Partnership with Cambodia Water Association (CWA)

CMA signed a MoU with CWA aiming to promote access to safe water on 9th June 2023. Through the partnership, capacity building sessions by CMA and CWA were conducted to support members of both associations in order to increase access to Credit for clear water operators.

This MoU details the following activities and their anticipated outcomes:

- Exchanging information regarding the disparity in water availability and access to financial resources.
- Conducting collaborative researches on the obstacles and requirements for financing water supply, as well as the demand for such services.
- Enhancing the availability of safe water for improved access.
- Providing capacity-building support to CWA's members to facilitate their access to financial resources.
- Undertaking additional initiatives for various projects beyond the scope of this MoU.



Both associations actively collaborated on exchanging and sharing information regarding the challenges and opportunities

faced by BFIs and Private Water Operators (PWOs) in securing access to credit.

Furthermore, CWA actively participated in a showcase discussion during the Annual Microfinance Conference (AMC) held in November 2023.



The discussion focused on "Partnership Modeling on Water and Sanitation in Financial Inclusion – Modeling Responsible Product Development."

7 Partnership with the Water.org

This partnership aims to increase nationwide access to safe water and sanitation by offering incentives to finance the sector. The collaborative effort directly addresses the critical issue of limited access to safe water and sanitation, especially in rural areas. The collaboration will focus on capacity building to CMA's potential members to implement Water Credit Adaptation. Participating financial institutions will also receive technical assistance to develop and improve financial products specifically designed to safe water and sanitation.

In 2023, this partnership achieved the following outcomes:

- Signed off an agreement for a program namely Water Credit Adaption (WCAD) between Water.org and CMA.
- Successfully completed a orientation workshop on WCAD program and conducted a kick-off workshop on WCAD program. A total of 12 BFIs who are CMA members participated in the program.
- Successfully completed a training workshop on Water and Sanitation (WASH) product development and marketing for the participatory members.
- Successfully developed WASH product marketing materials and printed 10,800 sheets and shared them amongst participatory members.
- Assisted CAMMA Microfinance Limited in delivering a WASH loan training to their staff.
- Six staff from CMA and one staff from MFI partner (CAMMA) joined learning exposure visits with Water Credit's partners in the Philippines.
- CMA and Water.org had meetings with SME banks and Credit Guarantee Corporation of Cambodia (CGCC) to discuss and explore feasibility of SME bank lending and CGCC collaboration to provide support to CWA's members (PWOs) and to explore other forms of partnership opportunities.



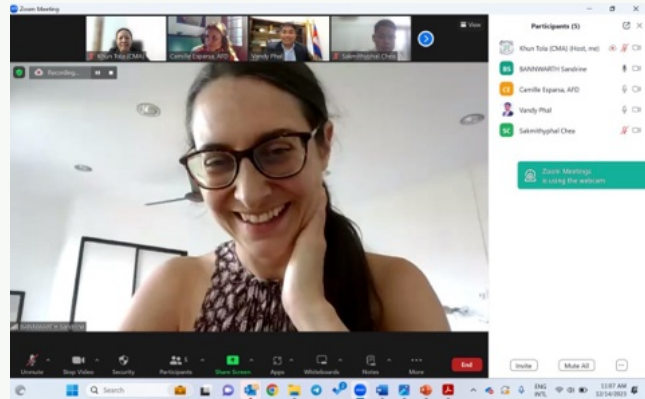
- Successfully provided a training course for Branch managers, credit officers/loan officers, and WASH focal points on Strengthening Techniques of Credit Assessment, Portfolio Management, Boosting Effective Financial Products, and WASH Selling Skills. A total of 96 participants attended the training, including 7 females.
- Conducted the second training session to enhance the skills of branch managers, credit officers/loan officers, and WASH focal points. The training focused on Strengthening Techniques of Credit Assessment, Portfolio Management, Boosting Effective Financial Products, and WASH Selling Skills. A total of 51 participants attended the training, including 5 females.
- Supported participatory members in development of WASH loan marketing materials, manual guide on case studies and video client testimonials as well as provided the support on mapping and sharing potential opportunities for selling WASH products.
- Actively participated in a showcase discussion during AMC 2023. The discussion focused on "Partnership Modeling on Water and Sanitation in Financial Inclusion – Modeling Responsible Product Development."
- From July 2023, member BFIs began implementing pilot WASH lending.



As of December 2023, the total number of loans issued amounted to 8,749 loans, with a total disbursement amount of USD 5,408,653.

8 Resilience of the Microfinance Sector in Cambodia – Funded by AFD

A project called “Resilience of the microfinance sector in Cambodia” was initiated by CMA and financed by the French development agency, Agence Française de Développement, (AFD). The project’s overall goal is to support CMA to promote the stable and sustainable growth of the microfinance industry, enhance financial stability, and increase consumer wellbeing.



In doing so, the project will contribute to each of CMA’s four strategic pillars. The project, led by consulting firm Applied Cross-Cutting Empowerment Strategies and Solutions (ACCESS Advisory), Inc. and started in November 2022, is expected to finish by May 2024.

The project consists of five components:

- Component 1: Develop the strategy for gender inequalities to access financial services.
- Component 2: Develop the strategy to better address climate finance.
- Component 3: Develop the strategy and action plan for customer complaint handling.
- Component 4: Strengthen CMA’s capacity to communicate on financial inclusion at a national and international levels.
- Component 5: Support CMA in monitoring/evaluation of the program.



As a result, Component 1, Component 2 and Component 3 were successfully completed. However, Component 4 and Component 5 are expected to be completed by April 2024.

9 Workshop on Strengthening Responsible Inclusive Finance in Cambodia



MA in collaboration with Cerise+SPTF hosted a two-day workshop in Kep province of Cambodia on “Strengthening Responsible Inclusive Finance in Cambodia.” The goal of the workshop included identifying sector risks and how responsible inclusive finance (RIF) can help manage the risks, building an understanding of global RIF standards and their applicability to the Cambodian context, exploring tools, and thinking ahead on how to strengthen RIF including the implementation of the BFI’s CoC. This workshop, Client Protection Standards, and the Harmonization Tool are funded by Luxembourg’s Development Cooperation, Dutch Entrepreneurial Development Bank (FMO), and AFD.

10 CEO’s and Shareholders’ Training Workshop on “The Roles of Governance in Ensuring Commitment and Effective Implementation of Client Protection in Banks and Financial Institutions”



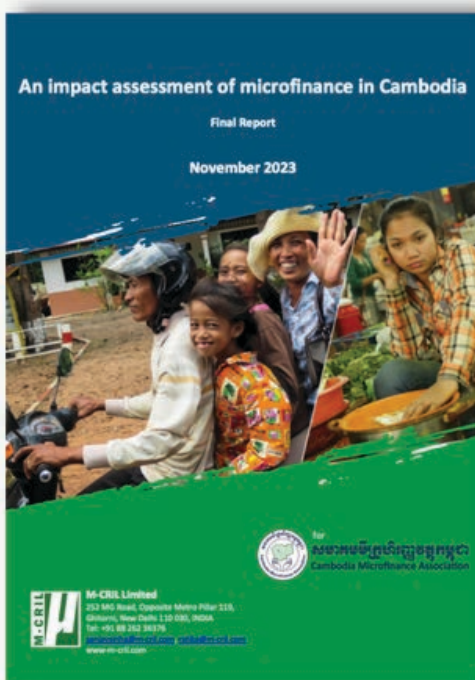
Under the NBC’s leadership, ABC in collaboration with CMA organized eight workshops with approximately **316 participants**.

This workshop aims to promote good governance and strengthen customer protection mechanisms, focusing on:

- Strengthening the leadership and technical capacity of the management and staffs.
- The structure of leaderships and clear management system.
- Transparency of the institutional information.
- Involvement of all stakeholders, BoDs, and CEOs. and
- Investment in human resource development.

11 Microfinance Impact Study

To gain a deeper understanding of the microfinance impact and identify areas for improvement, CMA commissioned an India-based international research company, Micro-Credit Rating International Limited (M-CRIL) to undertake an impact assessment study in 2022, and the study was completed in early 2023.



This independent impact assessment study undertaken against a background of the high growth rates of Cambodian MFIs over an extended period of time whereby not only did the number of borrowers served in Cambodia grow exponentially (if somewhat variably) from roughly year 2001 onwards, but the outstanding loan size also grew at a rapid pace. The impact assessment aims to assess the success and overall impact of the microfinance sector since the start-up of the microfinance program up to present against the SDG Goal.

The methodology for the study entailed a survey of 3,262 randomly sampled microfinance households/borrowers – including 4.5% exit (inactive) households – in a representative sample of over 450 villages within 100 communes in 30 districts across 10 provinces in Cambodia.



The findings of the study are a testament to the sector's significant contribution, particularly in uplifting low-income households, thereby bolstering Cambodia's economic growth. A noteworthy 67% of the sample size reported positive life changes, with 31% attributing substantial economic benefits and life enhancements to the microfinance services availed. Another 36% acknowledged noticeable improvements over the past five years.

The study also highlighted the sector's pivotal role in advancing key Sustainable Development Goals:

- **SDG 1 (No Poverty):** A significant 58.6% of the participants found microfinance services accessible, with a substantial 67% reporting significant life improvements, marking a pivotal stride in poverty reduction.
- **SDG 2 (Zero Hunger):** Notable life improvements, particularly among the poor and vulnerable, have significantly contributed to reducing hunger, with only 0.8% of the respondents experiencing temporary food shortages.
- **SDG 3 (Good Health and Well-being):** A majority (67%) noted enhancements in their quality of life, indicating a positive trajectory towards overall well-being.
- **SDG 5 (Gender Equality):** Microfinance has notably contributed to gender equality, with a higher percentage of female borrowers (46%) compared to males (41%), although challenges in women's empowerment and financial autonomy were acknowledged.
- **SDG 8 (Decent Work and Economic Growth):** Entrepreneurs, both female and male, reported utilizing microfinance for business growth, resonating with the essence of SDG 8.
- **SDG 10 (Reduced Inequalities):** For the 31% who reported substantial life improvements, there's an evident correlation with reduced inequalities, aligning with the zero-poverty ambition of SDG 1.
- **SDGs 11 and 12 (Sustainable Cities and Communities, Responsible Consumption and Production):** While these goals generally apply at a macro level, the report acknowledges the microfinance sector's role in promoting responsible financial behaviors and contributing to sustainable economic progress.



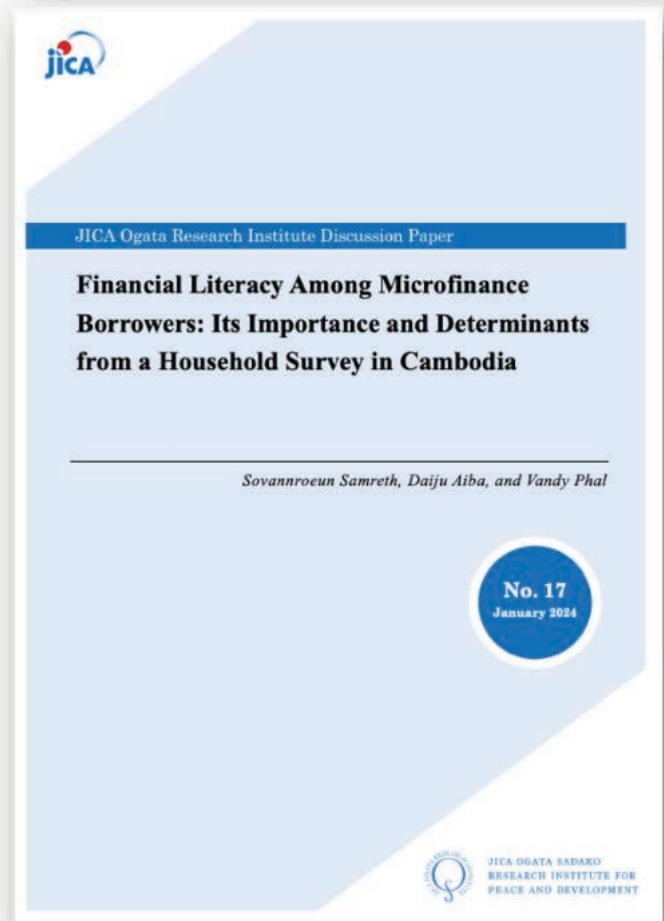
For more details on the impact assessment study, please visit: <https://tinyurl.com/yc45zm6n>

12 Other Researches

CMA and JICA Ogata Research Institute jointly conducted a research on “Financial Literacy Among Microfinance Borrowers: Its Importance and Determinants from a Household Survey in Cambodia”.

The study explores primary factors influencing financial literacy. Through meticulous analysis, it identifies a positive correlation between general education and financial literacy, shedding light on the significant gap in financial literacy levels between low-income and higher-income households. Additionally, the study highlights the influential role of social capital, such as community networks, in enhancing financial literacy among individuals.

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These profound insights not only contribute to academic discourse, but also provide valuable policy recommendations for improving financial literacy in Cambodia. The study underscores the pressing need for tailored financial education programs and community development initiatives to equip individuals with the knowledge and skills necessary to navigate financial inclusion effectively.

For more details about this research, please visit link: <https://tinyurl.com/4kxmtc45>

PILLAR 2: COMMUNICATIONS DEPARTMENT

INTRODUCTION

Communications Department prioritizes financial literacy and positive attitude toward microfinance among financial consumers and the public. To achieve this, we educate Cambodians about finances, highlight microfinance's role in economic development, and champion the interests of its members.

IMPROVE FINANCIAL LITERACY AMONG CAMBODIANS THROUGH MEDIA, WORKSHOPS, AND CAMPAIGNS WITH NATIONAL BANK OF CAMBODIA

▶ EDUCATION COMEDY VIDEOS BY COMEDIAN PERK MI TEAM

CMA has produced [15 comedy videos on financial literacy](#). The videos, which were produced by LD Picture Production and featured by a famous comedian Perk Mi and his team, have been used as part of CMA's weekly financial literacy campaign participated by its member BFIs with an aim to raise awareness of financial literacy, promote understanding of debt, and increase a positive image of the financial sector, particularly the microfinance.



In 2023, 6 videos have already been published through [59 Facebook pages of CMA's members and partners which attracted 824K views](#). The 6 videos have also been published on [many Facebook pages and other social media platforms](#) which also received a lot of view; unfortunately, CMA team was unable to collect the data.

➤ FINANCIAL EDUCATION VIA SOCIAL MEDIA



CMA has taken an important step towards increasing financial literacy among Cambodians and strengthening the resilience of the microfinance sector. With the aim of reaching wider audiences, especially farmers, garment workers, Micro Small and Medium Enterprises (MSMEs), youth and the public, CMA has gone beyond traditional communication methods and has established a strong presence on various social media platforms. Besides its own main Facebook page namely Cambodia Microfinance Association, currently CMA is effectively managing several social media subpages on various platforms such as Facebook, Tiktok, and Youtube which each caters to a specific audience and purpose.

In the past year, 953 social media contents were produced and posted in different format on the four Facebook subpages. The Here are the four Facebook subpages:

- 1) [លុយខ្ញុំ - My Money](#) with 31K followers and 25K like, targeted youth and the public,
- 2) [កសិផលខ្ញុំ - MyFarm](#), with 8.9K follower and 4.5 Likes targeted farmers,
- 3) [ការងារខ្ញុំ - MyWork](#), with 5.9k followers and 4.3K likes targeted garment workers and employees,
- and 4) [អាជីវកម្មខ្ញុំ - My Shop](#) which is just created in late 2023 and now it has 125 followers and 31 likes targeted MSMEs. In addition to Facebook platform, My Money and My Farm have also expanded their presence to TikTok.

➤ FINANCIAL STREET TALK SHOW

Led by Apsara Media Services (AMS) with support from NBC, ABC and CBC, CMA has supported the production an online talk show program called “Financial Street”. The program has 20 episodes with 20 topics on financial literacy including loans management, MSMEs, Access to Finance, client protection at BFIs, sector efforts, and good experiences in financial management. The program aims to promote financial literacy among Cambodians with the focus on farmers, garment workers, and MSMEs.



As the main technical advisor to the show, CMA provided both funding and expertise on financial education. CMA supported the show on strategic direction and mobilized stakeholders such as member BFIs, speakers, and partners to participate in the production. CMA also played a key role in coordinating between AMS production team and the speakers to include BFIs successful clients among others. The 20 episodes were simultaneously live every Saturday on social media channels of AMS, CMA, ABC and member BFIs between August and December. Some key messages from the shows will be used as a part of CMA Weekly campaign, sectoral efforts to promote financial literacy every Monday.

➤ PROVINCIAL DISSEMINATION WORKSHOP ON “MICROFINANE SECTOR IN CAMBODIA”



In 2023, CMA provided financial and manpower support to 6 Microfinance Workshops, organized by NBC across 5 provinces of Kampong Cham, Battambang, Kampong Thom, Siem Reap and Banteay Meanchey. Over 1200 participants have attended the 6 workshops to learn about microfinance and financial literacy.

The workshops are also platforms for participants to raise questions, complaints, concerns, suggestion and requests related the banking and finance sector.



The participants including local authorities, BFI representatives and the public gained valuable insights and updates on the latest trends and regulatory measures in Cambodia's microfinance sector, particularly on how the National Bank of Cambodia's past and future initiatives aims to ease borrowers' burdens and protect their interests.

➤ YOUTH ASSEMBLY'S REAN PI LUY 2.0

CMA has provided technical support to a financial education project of Union of Youth Federations of Cambodia, namely Rean Pi Luy version 2. The project provided financial literacy training to high school students in Phnom Penh, Kandal and Svay Rieng province. Initiated UYFC Svay Rieng's arm Youth Assembly with support from NBC, the project focused on improving financial knowledge, especially on personal finance, digital banking and security on mobile payment among Cambodian youth.



The project in 2023 has trained 318 students in grade 10 and 11 at 5 high schools. The project has allowed CMA to build positive relation with key influential stakeholders.

➤ ASEAN SAVINGS DAY



ASEAN Savings Day is celebrated on 31st October every year in ASEAN member countries. In Cambodia, NBC hosted events with an aim to increase public awareness of the importance of saving as well as to promote the culture of saving through formal financial institutions among Cambodians with support from stakeholders including CMA. In 2023, CMA supported to NBC in organizing ASEAN Savings Day in Kampong Thom province.

Over 1,000 participants have joint the event under the theme "Start Your Saving Behavior for You and Your Family."

Prior to the event day, CMA and its members launched a 2-week online campaign to raise awareness about savings, particularly among young people through various materials such as texts, posters, writing competition on saving, and live talk show.



ENHANCE THE ROLE OF THE MICROFINANCE SECTOR IN ECONOMIC RECOVERY AND DEVELOPMENT OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES), AND LOCAL ENTREPRENEURS

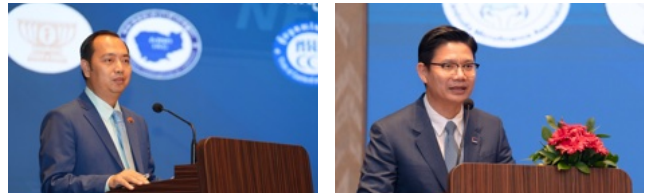
➤ MEDIA TRAINNING

CMA in partnership with ABC, Insurance Association in Cambodia (IAC), and Club of Cambodian Journalists (CCJ), conducted a media training in 2023 to build a better understanding of the financial sector including microfinance. The training highlighted the sector role in economic growth and poverty reduction. The training also built positive relationship between journalists and professionals in banking, microfinance, and insurance industries.



The program consisted of several key activities, including 6 half-day training sessions for 40 journalists, and 4 half-day training sessions for 20 editors from over 20 media outlets to promote basic understanding of the sector, 2-day field visits to help them better comprehend the sector's impact at the ground level, and a networking event including certificate-award ceremony to foster connections and collaboration among bankers, insurers, and reporters.

During the networking event and certificate-award ceremony in September 2023, H.E NETH Pheaktra, the minister of the Ministry of Information, recognized CMA and its partners for their efforts in strengthening the sector growth, and he also emphasized the ministry's continued support for similar initiatives aimed at promoting positive relationships and collaborations between the financial sector, media, and other stakeholders.



➤ ACCESS TO FINANCE FOR MSME

CMA, ABC and Young Entrepreneurs Association of Cambodia (YEAC) in September 2023 signed a Memorandum of Agreement (MoA) to cooperate on matters of mutual benefits/interests in relation; 1) to improve access to finance and inclusive finance of MSMEs; 2) to raise awareness on Khmer Riel usage among MSMEs and 3) to joint-effort on other related issues to support MSMEs which is not limited to capacity building/trainings, workshops, networking events and exchange guest speakers.



Within this MoA, CMA and other two parties jointly work on matters of gender equality, green and sustainable, socially responsible business initiatives promotion and awareness, financial literacy, technology, and entrepreneurship-oriented events and efforts.

The parties also agreed on some tasks such as conducting joint workshops focusing on the challenges, policy & procedure, advocacy; support monthly financial literacy campaigns; raise awareness of the Khmer Riel, good practices, and the use of Khmer Riel currency among MSMEs; provide/exchange guest speakers for training, workshops, podcast programs; among others.



Through this MoA, YEAC actively mobilized the participation of **749 MSMEs, including 249 females, from various provinces and cities**, and CMA and ABC helped connect banking and finance institutions (BFIs) to MSMEs. Through facilitating dialogues with BIFs, CMA helped address challenges faced by MSMEs, leading to a design of tailored financial products and services, facilitated loan disbursements totaling **US\$2,162,000.00, providing valuable financial resources for MSME growth.**



CMA also played a key role in capacity building, empowering **189 MSMEs (67 females)** with the necessary skills and knowledge to access finance effectively. Overall, CMA's involvement greatly contributed to the program's success in improving access to finance and fostering MSME growth in Cambodia.

▶ NGO AND CIVIL SOCIETY DIALOGUE

CMA in partnership with ABC, The NGO Forum, and IAC, on 28th April 2023 conducted a forum on "The Role of the Financial Sector and Consumer Protection Mechanisms".



The main objective of this event was to strengthen partnerships and cooperation among the financial sector, insurance providers, civil society organizations and other relevant stakeholders, and to promote a better understanding and discussion of the challenges currently faced in of financial inclusion in Cambodia.



During the event, [Mr. DOS Din, a board member of CMA](#), emphasized the crucial role of civil society organizations in enhancing financial literacy and promoting the use of formal financial services, particularly consumer protection mechanisms in Cambodia.

In addition, he also mentioned that this forum served as a platform for discussions and presentations related to the financial sector's contributions to economic and social growth, as well as the legal and regulatory frameworks governing the financial sector.

▶ INTERNATIONAL PUBLIC RELATION

To promote the Cambodia's microfinance sector on the international stage, CMA has engaged in some intentional platform. In 2023, CMA delegates participated in the following events:

1 23rd ASEAN Banking Conference and 51st ASEAN Banking Council Meeting in Laos



CMA Chairman Mr. SOK Voeun and CMA Secretary-General Mr. PHAL Vandy attended the prestigious 23rd ASEAN Banking Conference and 51st ASEAN Banking Council Meeting under the theme: “Digitalization and Sustainable Growth in Banking Sector of ASEAN: Opportunities and Challenges”.

The event was hosted by the Lao Bankers Association and ASEAN Bankers Association in Vientiane, Lao PDR from 6th December 2023 to 8th December 2023 where it brought together industry leaders, regulators, and experts from across the ASEAN region to discuss and share insights on the latest trends, challenges, and opportunities in the industry under the coordination of the ASEAN Bankers Association.



Facilitated by the ASEAN Bankers Association, the conference served as a vibrant platform for insightful discussions and presentations by industry luminaries. Topics covered ASEAN Macro Economic Outlooks, Role of Payments in Driving Financial Inclusion and Financial Integration Across ASEAN Countries, The Modern Digital Economy and Its Implications for the Evolving Payments Landscape, Interlinking of Payment Infrastructure Across the Region – Implications and Next Steps, among others.

2 European Microfinance Week (EMW) 2023 in Luxembourg

CMA Chairman and the Secretary General also attended the European Microfinance Week (EMW) 2023 in Luxembourg. The event, running from 15th to 17th November 2023, organized by the European Microfinance Platform (e-MFP) and supported by the Luxembourg Ministry of Foreign and European Affairs and Directorate for Development Cooperation and Humanitarian Affairs of the Luxembourg Ministry of Finance.



EMW 2023 aimed to promote responsible financial inclusion, green finance, food security, and digital innovation. With over 600 professionals attending from more than 50 countries, the event provided a platform that allows practitioners, investors, and development partners to meet and discuss emerging trends in the microfinance industry.



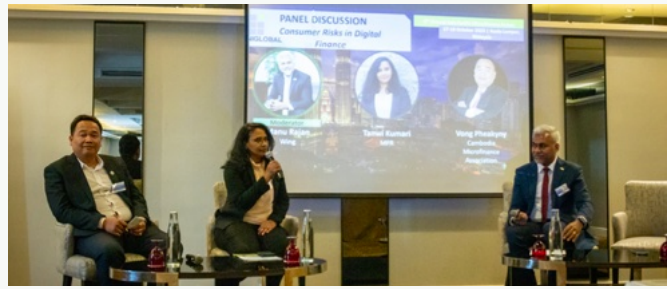
The CMA Secretary General was also invited to join a panel discussion where he presented initiatives on responsible financial inclusion in Cambodia to investors, development partners, and key stakeholders as well as hold a private meeting with the Secretary-General of e-MFP and the Social Performance Task Force (SPTF) to strengthen cooperation and partnerships with the goal of promoting responsible financial inclusion in Cambodia. CMA efforts have been appreciated by stakeholders.

3 4th Annual Asia Pacific Microfinance Forum, Kuala Lumpur, Malaysia

CMA Head of Department of Financial Inclusion and Social Impact, Mr. VONG Pheakyny, attended 4th Annual Asia-Pacific Microfinance Forum, held in Kuala Lumpur, Malaysia, from 17th to 18th October 2023.



During the event, Mr. Vong was a keynote speaker at a panel discussion on "Consumer Risks in Digital Finance", in which he shared how the microfinance sector contributes to the development of Cambodia, CMA's efforts to promote financial technology, and reduction of consumer risks in the context of financial technology.



He also highlighted CMA's collaborations with NBC in promoting financial literacy, consumer empowerment, and client protection and in building a protected client environment from risks in the context of financial technology in cooperation with stakeholders such as NBC, the Ministry of Posts and Telecommunications, the Ministry of Economy and Finance, the National Police Commissariat, and the international partner CERISE + SPTF.



4 APRACA's General Assembly and Executive Committee Meetings



CMA delegate participated in 23rd APRACA's General Assembly, 76th Executive Committee Meetings, and Regional Policy Forum on "Green and Climate Finance in Agriculture: Critical Trigger to Sustainable Food System" on 5th to 7th September 2023 in Nanning, China. The forum discussed on key issues related to agricultural financing policies and shared good experiences in order to enhance agricultural financing while focusing on climate change, enhancing food resilience and safety, as well as boosting agricultural value chains and good cooperation between all stakeholders.

The three days forum and meetings were attended by APRACA members and representatives from Central Banks, International Food Policy Research Institute, Asian Development Bank, and other development partners with approximately 300 participants, including NBC, CMA and Agricultural and Rural Development Bank (ARDB).



➤ MEDIA ENGAGEMENT

1 Press Releases

Since 2020, CMA has strengthened its effort in public relations (PR) leveraging the vast knowledge and insights. With its robust media engagement, CMA is recognized and respected by many media outlets for its efforts to strengthen access to information including capacity building for local journalists.



CMA issued 16 press releases and statements in 2023 on topics of sector progress, promotion of financial literacy, client protection, Standard Loan Contract and Standard Text of Contractual Terms to Strengthen Consumer Protection and Fair Competition, partnership, clarification over aggressive loan collections and response to The Kanitha Show on debt crisis commentary.



These press releases and statements were picked by both foreign and local media for their publication.

2 Interviews

During the past year, CMA management and BoDs launched a robust communications campaign, conducting **over 150 interviews and participating in talk shows across prints, radios, and televisions**, focusing on microfinance, economic development, and social impact in the face of criticism from the public, NGOs, and social media influencers. These interviews and talk shows helped to counter criticism, provided clarification, and gave more understanding to the audiences about the microfinance sector.



➤ CORPORATE SOCIAL RESPONSIBILITY (CSR)

1 Build Two Kindergarten Buildings in Kampong Thom

CMA delegates and Hatha Bank, under NBC's initiative, organized an inauguration and handover ceremony to hand over **two community kindergarten buildings in Ampos and Kal Mek villages, Tbong Krapeu commune, Santuk district, Kampong Thom province**, on 30th August 2023 to contribute to the promotion of children's education at the local level.



The inauguration ceremony was presided over by His Excellency Rath Sovannorak, NBC Deputy Governor, Mr. Oknha HUOT Ieng Tong, Member of CMA Board of Directors and also representative of Hatha Bank, Mr. HAN Peng Kwang, ABC Treasurer, Santuk District Governor, Tbong Krapeu Commune Council, Working Group of both Associations and over 200 local people.

2 Build A Kindergarten Building in Kampong Chhnang



On 19th May 2023, CMA delegates led by CMA Chairman Mr. SOK Voeun attended an inauguration and handover ceremony presided over by Mr. MEN Pheakdey, Director of NBC's Macro-Surveillance and Supervisory Data Management, HE Dr. SOEUR Socheata, Undersecretary of State of Ministry of Education and Youth, ABC representatives with other over 300 participate including teachers, citizens, grandparents and students to hand over a **Tanop-Chambok Paem Community Kindergarten in Sep Commune, Kampong Tralach District, Kampong Chhnang Province.**

The construction of this community kindergarten which was initiated by NBC with financial support from CMA, ABC and other stakeholders will help develop human resources in Sep commune to contribute to the promotion of children's education at the local level.



PROTECT AND MAXIMIZE THE INTERESTS OF THE MEMBERS THROUGH MEMBER SERVICE AND DEVELOPMENT

➤ HOTLINE

Every year CMA received client complaints through the hotline and social media platforms. More than 80% of these cases have been solved at the association level, while the unsolved cases were forwarded to the National Bank of Cambodia (NBC).

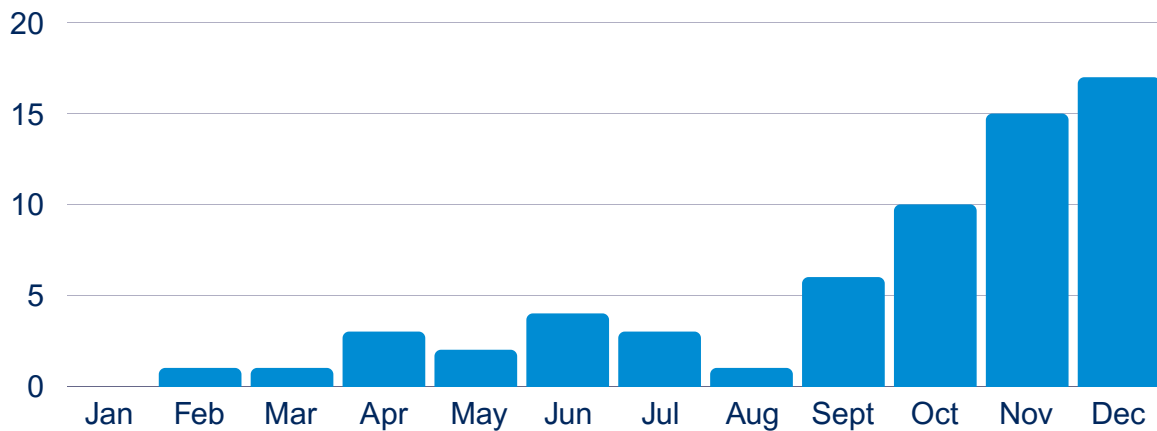
Most of the cases which were brought to the CMA’s complaint mechanism are:

- Request to pay off the loan early.
- Request to get back the collateral after paying off the loan.
- Request for loan restructure.

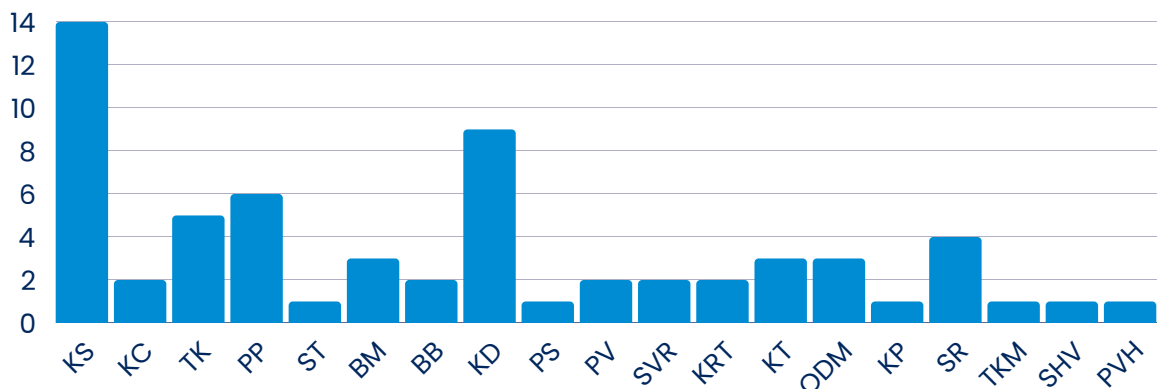
Here are the data on complaints handling by CMA:

1 Client Complaint Handling

Monthly Customer Complaint Log FY2023

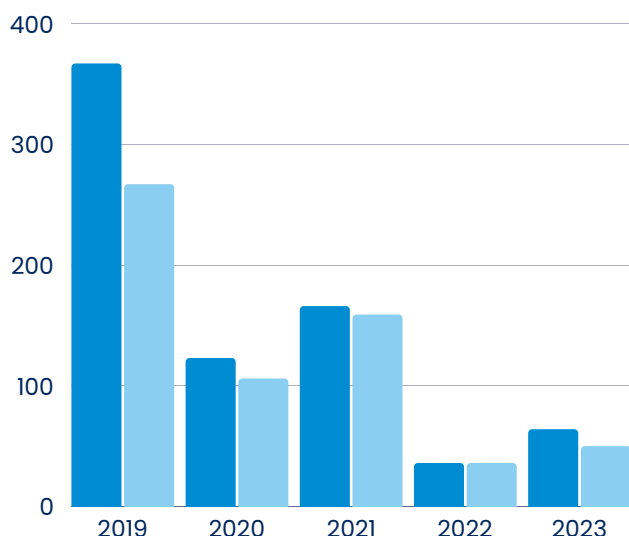


Customer Compliant by Area

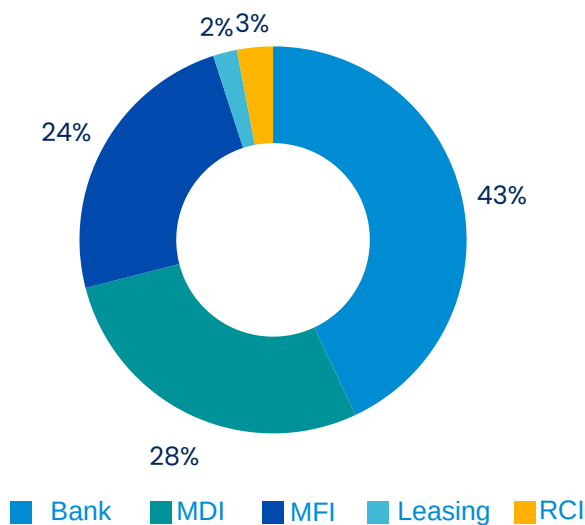


2 Strengthening Complaint Hotline

Customer Complaint and Solved Cases 2019-2023



Complaint Ratio



Note: *Missed information and pending cases is not included.
 Source: CMA, Communication Department, December 2023

MEMBERSHIP SERVICE

1 Member Orientation Meeting

CMA conducted a member orientation meeting in July 2023 at DK Meeting Centre in Phnom Penh to provide an overview of CMA and its various clubs and departments, and also to introduce CMA management team and present updates on CMA's progress.



The meeting was attended by a significant number of 33 new CMA members, providing an opportunity for networking and knowledge sharing among participants. Mr. PHAL Vandy, CMA Secretary General, delivered a warm welcome speech, expressing gratitude to all attendees and emphasizing the importance of their participation in advancing the goals of the association.

The agenda included presentations on different aspects of CMA's work. Mr. Phal provided an overview of CMA's progress, highlighting key achievements and initiatives. Ms. PHENG Vouchnice, Senior Finance Manager, made a presentation on Audit and Finance Club, and shared insights on Taxation, Financial Reporting Standards, Report to NBC, Report to ACAR and financial management practices within CMA.

Head of Financial Inclusion and Social Impact Department Mr. VONG Pheakyny, Head of the Training Department Mr. CHHORN Vatanak, and Head of the Communication Department Mr. KAINING Tongngy gave overview on what their respective departments have been doing.



2 RCI Annual Workshop



CMA, in collaboration with Credit Bureau Cambodia Co., Ltd (CBC), On 18th November 2023, hosted the RCI Annual Workshop on "Accelerating Innovative Rural Credit in Cambodia through Digitalization and Inclusive and Responsible Credit." The workshop aimed to promote two key objectives: promoting operational efficiency and sustainability in rural credit institutions through digitalization, and providing update on laws and regulations.

H.E. DITH Nita, Vice Chairwoman of the CMA, delivered the remark highlighting emerging challenges in the financial sector. These challenges included the impact of the global economic crisis and the rise of social media attacks. She emphasized the need for financial institutions to strengthen their ethical practices and professionalism, particularly regarding client protection. H.E. Nita also encouraged representatives from rural credit institutions to actively participate in knowledge sharing and implement best practices within their organizations.



Over 100 representatives attended the workshop, including those from rural credit institutions, the National Bank of Cambodia, the CMA Board of Directors, and Credit Bureau Cambodia.

3 FinTech and ICT Club Meeting

CMA successfully held its inaugural meeting for the FinTech and ICT Club in June 2023,. The meeting focused on three key objectives: electing the club's chair and vice chair, fostering networking among CMA member financial institutions, and sharing knowledge related to financial technology and information technology (FinTech and ICT) within Cambodia.



The elected chair and vice chair will lead the club for the benefit of its members. Their initiatives will include providing updates on the FinTech and ICT sector, raising and addressing common challenges, and strengthening relationships between member financial institutions.



4 MarCom Club Meeting

CMA on 20th November 2023 organized a launch meeting for the Marketing and Communication Club (MarCom Club), aimed to establish the club and elect its chair and vice chair. H.E. DITH Nita, Vice Chairperson of the CMA Board of Directors, presided over the event.

Following the election process, Mr. CHAN Soratha, Head of Public Relations at Wing Bank (Cambodia) CMC, was elected as the Club's Chair, and Ms. EM Somean, Admin Unit Manager at Chokchey Finance, was elected as Vice Chairperson. These leaders will play a crucial role in guiding and coordinating club members, particularly on marketing and communication initiatives. Their shared goal is to promote microfinance to a broader audience.



In her address to the approximately 80 participants from CMA member institutions, H.E. DITH Nita congratulated the newly elected Chair and Vice Chair. She encouraged both the leadership and members to collaborate on client protection, strengthen the code of conduct, and undertake other initiatives to enhance the sector's reputation. These efforts will ultimately contribute to national economic growth and support the poverty alleviation efforts of the Royal Government of Cambodia.



➤ FINTECH ENGAGEMENT

1 Digital Economy and Business Committee

CMA played a coordination for a consultation discussion between its members and Digital Economy and Business Committee of the Ministry of Economy and Finance to discuss on the challenges and concerns in the private sector, especially in areas related to financial technology, which may be barriers to the development of the digital sector in Cambodia. The inputs from the discussion would be contributed to the Public-Private Forum.



2 Techo Startup Center



Another fintech engagement is with Techo Startup Center. CMA is a Community Partner with the center to support Reverse Innovation 2023 - Cohort 3. Reverse Innovation is an accelerator program that aims to source key challenges and needs from corporates, and seek startups/innovators to solve them.

The 20-week program consists of 2 rounds: Pre RI Bootcamp (2 weeks) & RI Acceleration (10 weeks). It was kicked off with Challenge Roadshow, followed by Reverse Pitch Day, Startup Pitch Day as elimination round, and wrapped up with Forward Pitch Day as the Finale. In this program, CMA is a challenge owner on personal financial literacy.

3 Singapore FinTech Festival

CMA is a Community Partner with the Singapore FinTech Festival 2023 (SFF 2023), the world's most impactful FinTech festival. SFF 2023 focused on the growth and adoption of artificial intelligence (AI) and how this technology can potentially be used in financial services. As the world's most impactful FinTech event, last year's edition brought together over 62,000 participants from 134 countries. SFF is organized by the Monetary Authority of Singapore, Elevandi and Constellar and in collaboration with the Association of Banks in Singapore. For this festival, CMA helped promote this event to its members and stakeholders while providing special prices and features for CMA members who wished to join the event.



➤ ADVOCACY DIALOGUES

CMA BoDs and management conducted courtesy calls to key ministries, NBC, UN in Cambodia and stakeholders to advocate for the microfinance sector. These calls aimed to strengthen relationships, foster dialogue, and promote policies and regulations that support the growth and development of microfinance in Cambodia. The BoDs and management also raised challenges faced by the sector and seek recommendations, supports and possible solutions. Taking this opportunity, CMA delegates expressed their congratulations to all excellencies who were appointed to their respective new roles by the King of the Kingdom of Cambodia.

1 Courtesy Visit to the Ministry of Land Management, Urban Planning and Construction



CMA BoDs and management, led by CMA chairman Mr. SOK Voeun, paid a courtesy call to H.E. SAY Sam Al, Deputy Prime Minister and Minister of the Ministry of Land Management, Urban Planning and Construction on at the ministry headquarters on 4th October 2023. During the courtesy call, Mr. Sok gave a brief about the association's background, challenges and current progress of the microfinance sector, and also sought supports and recommendations to further develop the financial sector as a whole.



In response, the Deputy Prime Minister shared the ministry's strategies and priorities in land management, urbanization, and construction, where the private sector plays an important role. He also stressed the significance role of the microfinance sector in developing the country and encouraged the association to collaborate closely with other sectors to address the future challenges.

2 Courtesy Visit to the Ministry of Information

On 18th October 2023, CMA delegates led by CMA chairman Mr. SOK Voeun also paid a courtesy call to H.E NETH Pheaktra, Minister of the Ministry of Information to give a brief update on the microfinance and challenges faced by the sector. On that occasion, besides giving an overview of the association and its effort in strengthening the sustainability of the financial



sector, the CMA chairman sought recommendations and support from the minister on possible projects, particularly BFI spokesperson training, publication of news about microfinance and financial literacy on the ministry's own channels.



The Minister expressed his support for the activities initiated by the association including the training plan for the spokesperson and the dissemination of financial knowledge, and he also recommended the association to work directly with the National Television of Cambodia to promote and raise awareness of the financial literacy among Cambodians.

3 Courtesy Visit to the National Bank of Cambodia

On 19th October 2023, CMA delegates paid a courtesy call to [Her Excellency Dr. CHEA Serey, NBC Governor](#). The delegates led by [CMA chairman Mr. SOK Voeun](#), [Her Excellency DITH Nita, CMA Vice Chairman](#), other members of BoDs and Mr. PHAL Vandy, CMA Secretary General gave a brief to Her Excellency governor about the progress and challenges in the microfinance sector and also made some requests.



In response, Her Excellency recommended CMA to enhance the resilience and sustainability of its members and the microfinance sector, raise awareness of financial literacy to clients and the public, increase the positive behavior toward the sector, strengthen human resources and the implementation of BIF code of conduct. She also suggested CMA delegates to prepare any documents relevant to illegal lending companies before seeking an intervention from the relevant authorities. She also encouraged the continuation of a culture of dialogue between the private sector and the authorities in solving problems and promoting the development of the sector in an environmentally friendly manner.

4 Courtesy Visit to the Ministry of Agriculture, Forestry and Fisheries

CMA led by CMA Chairman Mr. SOK Voeun paid a courtesy call to His Excellency DITH Tina, Minister of the Ministry of Agriculture, Forestry and Fisheries on 20th October 2023. During the call, Mr. Chairman gave an overview of the association's background, current progress, and efforts in developing the microfinance sector particularly the dissemination of financial knowledge among farmers.



In addition, the delegate also sought recommendations and support from the minister on various topics, including the sharing of data and research in agriculture, the implementation and utilization of agricultural insurance and business review.

5 Courtesy visit to the Ministry of Interior



CMA delegates also paid a courtesy call to His Excellency SAR Sokha, Deputy Prime Minister and Minister of the Ministry of Interior on 8th November 2023. The meeting aims to provide a brief update on the progress of the banking and financial sector as well as to discuss ongoing initiatives, and explore solutions to ensure the financial sector's sustainability in Cambodia.

In response, His Excellency Deputy Prime Minister acknowledged the challenges faced by the sector and continued to support the banking and financial institutions in disseminating financial knowledge to the community. In addition, His Excellency also allowed the association to continue to discuss with the General Commissariat of National Police to address online fraud cases, clean up, and to prevent other scams in the future.

6 UN Engagement Through Multi-Stakeholder Meeting

In light of current challenges and opportunities in the microfinance sector, the UN in Cambodia and the National Bank of Cambodia jointly convene the Multi-stakeholder Meeting on Microfinance Sector in Cambodia. The main purposes are to facilitate a constructive stakeholder engagement, build a shared understanding, identify specific actions, and generate political will to address challenges and seize opportunities.

To prepare for the Multi-stakeholder Meeting, a series of preparatory dialogues with stakeholders from the government, microfinance institutions and banks, business associations, civil society organizations, non-governmental organizations, development partners, international financial Institutions, and private sector and investors were organized from 1st to 8th November 2023. Each stakeholder group dialogue was structured as a small group discussion, using a semi-structured approach, and held under the Chatham House Rule.

Stakeholders are individuals, groups and institutions working directly or indirectly in the microfinance sector. Stakeholders were categorized into six groups: (i) regulators/government, (ii) business associations, microfinance institutions (MFIs) and banks, (iii) local civil society/ non-governmental organizations (national and provincial-based), (iv) international NGOs, think tanks and experts, v) development partners, UN agencies and IFIs, and vi) investors/private sector. In total, there were 116 senior representatives from 91 entities participating in the stakeholder group.

PILLAR 3: TRAINING AND DEVELOPMENT DEPARTMENT

INTRODUCTION

Training and Development Department is committed to strengthening the ethical and professional capacity of human resources for sustainable operations of microfinance sector. To achieve this, we implement five strategic objectives. These objectives focus on enhancing human resource development by providing targeted training programs, developing a comprehensive resource center for our members, offering access to informative materials, digital content, and e-courses relevant to the microfinance industry, and managing a talent pool program to connect skilled individuals with member institutions. Additionally, we actively promote professional and compliance standards within the HR sector and manage a staff development fund to support ongoing learning initiatives.

CAPACITY DEVELOPMENT MANAGEMENT THROUGH TRAINING AND WORKSHOP

▶ SHORT-COURSE TRAINING ON BFI CORE FUNCTIONS

Capacity development for member BFIs' staffs remained a key priority in 2023. Training and Development Department, under the support and direction from Chairwoman of Education committee, H.E. DITH Nita, has successfully arranged and delivered 27 short-course trainings covering diverse core functions essential for BFI business operations. These courses impact 576 participants from member BFIs. The training program aims to provide participants with the knowledge, skillsets, and tools needed to excel in their respective roles and contribute to the overall growth and development of the microfinance sector.



No	Course Name	Planned	Actual	Plan Vs Actual
1	Practical Data Analysis and Dashboard Report	18	9	9 less ▼
2	Effective Fraud Prevention and Practical Risk Mitigation Management	18	9	9 less ▼
3	Annual Tax Declaration and Differed Tax Calculation	18	19	1 more ▲
4	Effective Branch Management for Branch Manager	18	19	1 more ▲
5	Funding Management in Financial Institutions	18	16	2 less ▼
6	Credit Risk Management	18	12	6 less ▼
7	Financial Risk Management	18	11	7 less ▼
8	Effective and Practical Internal Audit Implementation at Fis	18	12	6 less ▼
9	Business Strategy Development	18	13	5 less ▼
10	Practical Regulatory Compliance for Fis	18	14	4 less ▼
11	Corporate Governance for Fis	18	26	8 more ▲
12	Managing Micro Credit for BFIs	18	39	21 more ▲
13	Credit Risk Management for BFIs	18	38	20 more ▲
14	Operational Risk Management BFIs	18	41	23 more ▲
15	Practical Accounting by CIFRS for SME	18	38	20 more ▲
16	Effective Branch Management for Branch Manage	18	18	0 ▲
No	Course Name	Planned	Actual	Plan Vs Actual
17	Effective Administration Management	18	21	3 more ▲
18	Financial Statement and Analysis Complied by CIFRS for SMEs	18	14	4 less ▼
19	Practical IT Audit function for Financial Institution	18	10	8 more ▼
20	Personal Growth and Change Management 1	18	27	9More ▲
21	Personal Growth and Change Management 2	18	32	14 more ▲
22	Internal Audit and Internal Control System	18	33	15 more ▲
23	Management and Leadership Skills for New Manager	18	23	5 more ▲
24	Human Resource Management and Compliance in Practice for Management Level	18	10	8 less ▼
25	Practical Regulatory Compliance For Financial	18	14	4 less ▼
26	Effective Branch Management for Branch Manage	18	16	2 less ▼
27	Practical Taxation and Financial Report Analysis	18	42	24 more ▲
TOTAL ENROLLMENT:		486	576	90 ▲

Testimony:



Ms. PHOIN Socheata
Finance Manager, Cam Capital
Public Limited Company

“I am grateful to have the opportunity to participate in the short course training conducted by the Cambodia Microfinance Association. I found the material and the resources very pertinent to the issues that we are dealing with today in issue and experience. I have learnt a lot from trainer’s sharing his valuable practical experiences. The group discussion was wonderful as we can share our current practise and proplem we faced to seek for solution. The tools shared by our trainer were very helpful to improve our work quality and timely.”

1 Customized Training

Customized training courses offered several distinct advantages over the off-the-shelf training programs, making them valuable for both individuals and institutions. These causes are tailored to address specific institutional needs and expectations.



In 2023, in responding to member BFIs' need, the Training and Development Department conducted 2 customized training courses on "Effective Management and Leadership Skill for New Managers" and "Personal Growth and Change Management" specifically designed for ACTIVE PEOPLE'S MICROFINANCE PLC and JACCS MICROFINANCE PLC., impacting 90 participants.

2 Institutional Capacity Development for BFIs' Executives (Phase II)

This institutional capacity development for BFIs' executives aims to equip them with knowledge, skills, and best practices necessary for improved leadership and management.



The program, with strong support from NBC and RCI Club, is designed to strengthen their institutions for healthy growths, resilience, sustain, and regulatory compliance. With fund support from Agence Française de Développement (ADA), the program successfully ran from July to October 2023, and 9 mandatory courses (Corporate Governance, Managing Micro Credit, Credit Risk Management, Operational Risk Management, Accounting by CIFRS for SME, Financial Management, Internal Audit, Regulatory Compliance and AML, Management of Human Resources) were successfully delivered to 32 participants from 21 RCIs and MFIs.

Testimony:

"After completing CMA's 9 courses specifically designed to build capacity of the BFIs' executives to equip them with necessary knowledge and skills to effectively manage their institutions, I now feel more confident in performing my role as the general manager. I have learnt from expertise trainers from microfinance sector and the regulator. I will use what I have learnt from this comprehensive program to improve my institution in term of promoting internal management, financial statement and compliance with standard accountant system and compliance."



Ms. KHOUT Sok Heng
General Manager, Mamede
Microfinance

➤ COMPETENCY WORKSHOP

1 Regional Workshop for Branch Managers

To enhance the efficiency and productivity of branch managers within member BFIs, CMA in 2023 organized 3 workshops to provide a forum for branch managers to strengthen their qualifications and provide an opportunity to build a network among them and with the regulator and gain a deeper understanding of key financial regulations in Cambodia.



The workshops, delivered by the Training and Development Department with the tremendous support from the central bank, attracted 243 branch managers participants.



2 CEO and Shareholder Workshop

The Training and Development Department, in collaboration with ABC and with support from NBC's Center for Banking Studies (CBS), successfully conducted 8 workshops focused on promoting a culture and practice of consumer protection within BFIs.



These workshops provided a valuable platform for 311 participants who are CEO, board of directors, and shareholders of BFIs to learn the best practice of effective client protection mechanism from industry experts from NBC, SPTF and BFIs.

In addition, the participants had the opportunity to share and exchange their success stories, challenges, and build network. Following these workshops, 93% of participated BFIs expressed their commitment to implementing Consumer Protection Pathway, demonstrating the workshops' significant impact.



3 WASH Loan Workshop

To promote access to safe water and sanitation through affordable financing in Cambodia, Training and Development Department collaborated with Financial Inclusion Department to deliver a competency workshop to our implementing partners. Funded by Water.Org, this workshop focused on the topic “**Strengthening Techniques of Credit Assessment, Portfolio Management, Boosting Effective Financial Products and WASH Selling Skill**”, provided a learning and sharing platform to share success stories in implementing the project by partner BFIs.



The workshop also known as WASH Loan attracted **96 participants (7 Females)** from our partner BFIs, and we are confident that this training workshop will equip them with the knowledge to effectively and impactfully add WASH Loan products into the market, ultimately promoting access to safe water and sanitation.



► DEVELOPING TALENT POOL AND RESOURCE CENTER

PARTNERSHIP WITH UNIVERSITIES TO ATTRACT NEW TALENT



To leverage resources for strengthening the microfinance sector, CMA is establishing mutually beneficial collaborations (through MoUs) with partner universities. These MoUs will create positive outcomes for both the sector and university students. Recognizing universities as a valuable talent pool, CMA aims to attract young talent for BFIs through internship programs, joint training initiatives, and guest lectures.

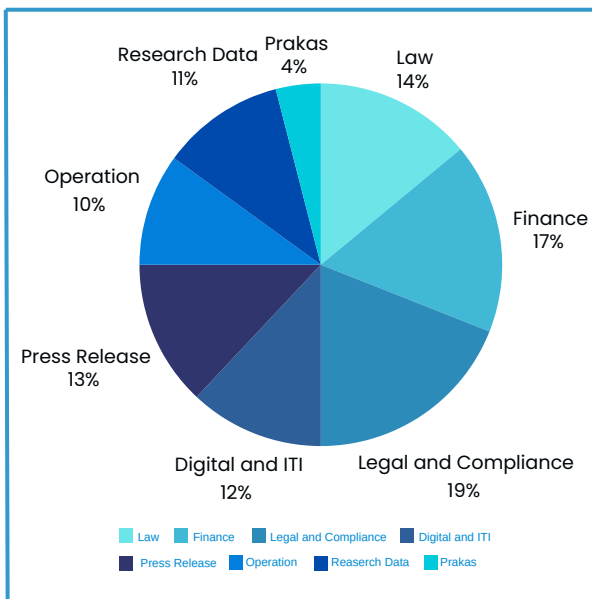
These programs will expose students to microfinance and potentially lead to future recruitment opportunities. Additionally, the collaboration provides a real-world testing ground for researchers and students to refine their theories and models, resulting in more practical and relevant research outcomes. Four universities have already signed MoUs, and activities related to a talent pool development are underway. These collaborations have led to the creation of curriculums, workshops, career opportunity, and recruitment events for CMA members and students.



The universities who have signed MoU with CMA are as follows:

- The Center for Banking Studies (CBS) in 2023
- Cambodia University for Specialties (CUS) in 2023
- Haman Resource University (HRU) in 2022
- Cambodia Mekong University (CMU) in 2022

➤ BUILDING ONLINE RESOURCE CENTER HUB



To address a common challenges faced by member BFIs’ staffs, especially those who are new to the sector in finding banking laws, regulations, Prakas, guidelines, and industry documents, Training and Development Department with the support of Education Committee has developed an online platform called “Online Resource Hub”. This user-friendly platform will provide easy access to thousands of essential documents related to the microfinance sector.

As of December 2023, more that 4,367 Documents have been uploaded and are currently undergoing testing by CMA technical team. This Online Resource Hub is expected to launch in 2024., empowering BFI staff with efficient access to critical information.

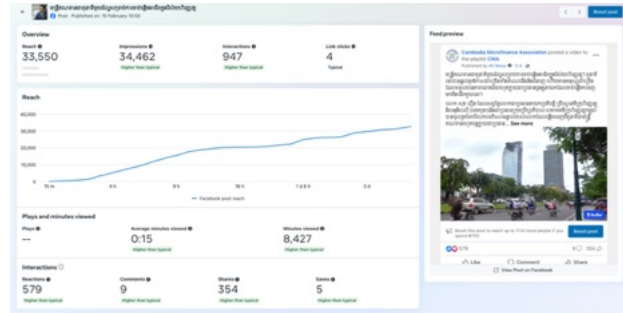
➤ JOB IN MICROFINANCE

To foster stronger relationship and engagement with member BFIs’ human resource departments, the broader public, and job seekers, particularly recent graduates, the Training and Development Department leverages social media platforms like Telegram group and channel as well as Facebook page. These platforms serves as a valuable communication within the microfinance sector. This not only benefits job seekers by providing them with relevant opportunities, but also assists member BFIs in disseminating their recruitment needs effectively.



➤ PROMOTION VIDEOS FOR CREDIT OFFICERS' ROLES

To respond to concerns from member BFIs about difficulty in recruiting credit officers (CO) due to criticism on social media. The T&D Department launched a project to address this challenge by producing videos to highlight the essential role the credit officers play in the microfinance.



The project, which produced 3 videos in 2023, aims at:

- Attracting a wider pool of qualified candidates.
- Increasing awareness and understanding of the CO's role.
- Showcasing the impact and fulfillment associated with the position.
- Boosting employers' brand and building a positive image.



➤ ACADEMIC LIVE SHOW

This live show aims to promote understanding on finance sector and its vital role in Cambodia's economic development and job market. The program also serves as a channel to share experiences and knowledges from managements and industrial experts from cross function in BFIs with university students.

This initiative showcases the diverse and impactful career parths available in the financial sector. It provides students practical advice on career planning, skill development, and networking within the microfinance sector.



Additionally, it features successful stories and insights from leading microfinance professionals, ultimately creating a more efficient and effective pathway successful careers for students.

The program kicked off with a first live event, featuring esteemed participation from Rector of Human Resource University, Vice Rector of Cambodia University for Specialties and Vice Rector of Cambodia Mekong University (CMU). The show was streamed lived across CMA’s and partner universities’ official Facebook pages.

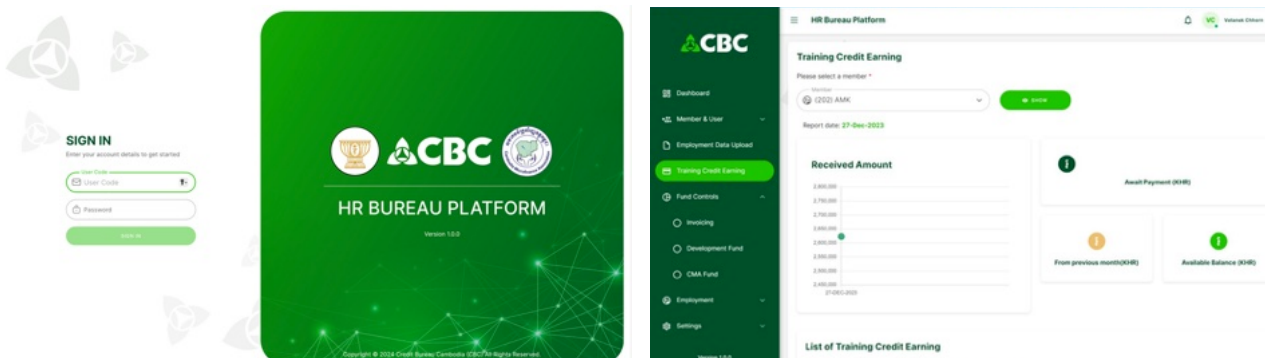
MANAGING AND IMPLEMENTING STAFF DEVELOPMENT FUND

▶▶ DEVELOPING HR BUREAU SYSTEM

To ensure its holistic role in supporting members, CMA has collaborated with ABC and CBC to develop a comprehensive high-level system called HR Bureau System, enabling participating FIs to upload staff movement data and access staff history, streamliinig HR processes. This automatical system empowers both associations to efficiently manage and solve some issues related to managing training credit, staff turnover ratio, watch-list, salary increasement survey and staff development fund management.



Developed collaboratively throughout 2023 ith input from a technical working group and implementing FIs and participating FIs, the HR Bureau System is undergoing final testing, and is expected to launch in 2024.



➤ SDF FUND MANAGEMENT



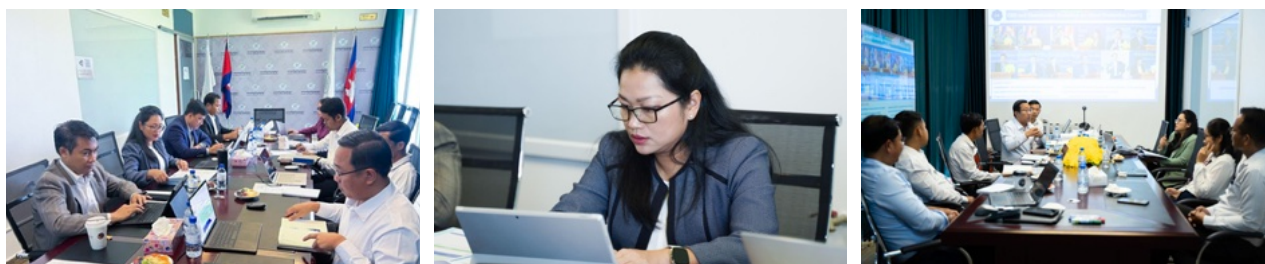
Staff Development Fund Management Policy, developed in 2019 and implemented in 2020, aims to ensure the fair labor market competition among member BFIs, especially for small- and medium-size MFIs. As of December 2023:

- For the cash inflow, SDF received a total of USD 512,908, generated by matching staff movement data.
- For the cash outflow, SDF received a total of USD 216,902 which is used for sector education and members' Training Credit).
- The SDF Balance (Payable to Sector Fund and TC for members to claim) is USD 296,006.
- Of USD 220,022 from the SDF cash out-flow, USD 65,177 was used by members as Training Credit for their staff training expenses with CMA and IBF. Another USD 154,845 was used to support the development of the online HR Bureau System, education innovation for the sector, and staff cost of SDF Secretariat.
- Of USD 292,886 form SDF balance, USD 135,132 is the sector fund and USD 157,754 is payable to SDF Member Training Credit which will be used by members when they need to cover their staff training expense.

SECRETARIAT SUPPORT AND COORDINATION

➤ EDUCATION COMMITTEE

Training and Development Department in 2023 provided the secretariat support to conduct 3 meetings for Education and SDF Committee. Chaired by H.E Dith Nita, Vice Chairwoman of CMA Board of Directors, the three meetings focused on discussing, updating and approving some education agendas the sector.



➤ RISK AND COMPLIANCE COMMITTEE



Training and Development Department has also supported Risk and Compliance Committee through facilitating physical and online meetings to discuss on some emerging sector agendas. The meetings, held with relevant stakeholders, focused on topics such as loan restructure/loan to income, liquidity reserve requirement, shadow banking/non-banking authority, taxation and GDT, and cases in Kampot. The key results of meetings were shared to member BFIs.

➤ HUMAN RESOURCE CLUB

Human Resource Club is one of the important mechanisms that put in place to foster the strong compliance with labour law, Prakas, and industry regulations. It also serves as a valuable platform for member BFIs' HR professionals to connect, share best practices, and stay updated on current HR trends and legislation.

In 2023, the Training and Development Through discussions, presentations, and resource sharing, the club facilitated peer-to-peer learning and relationship building.

Department has facilitated 4 HR Club meetings to discuss and update on HR Compliance, Integrity Monitoring, Turnover Ratio etc. Chaired by Ms. PAING Pisak, AMK's Chief of People and Development, the club boasts a membership of 136 HR professionals from member BFIs.



➤ COMPLIANCE OFFICER NETWORKING GROUP CLUB (CONG)

The Compliance Officer Networking Group Club (CONG Club) is formed to serve as a platform for professional development, networking, and advocacy for compliance staff in member BFIs. The CONG Club fosters a more knowledgeable, connected, and influential compliance community within the microfinance sector. Ultimately, the club helps ensure that member BFIs operate in compliance with relevant laws and regulations, Prakas, and guidelines. It also serves as a valuable channel for CMA to stay informed about the needs of its members.



In 2023, Training and Development Department facilitated 3 CONG Club meetings. These meetings focused on discussing, clarifying and updating risk and compliance frameworks within the sector among the Compliance Directors, and reinforcing compliance practices and gaining clarity on and response to the regulations, supporting in areas such as the standard loan contract development and legal review. The CONG Club is led and chaired by Mr. UK Kosal, AMK's Chief Legal Officer.

PILLAR 4: OPERATIONS DEPARTMENT

INTRODUCTION

Operations Department is committed to enhancing and sustainability of CMA in coordinating for sustainable development of microfinance sector. To achieve this, CMA has established several strategic objectives.

STRENGTHEN INTERNAL CONTROL AND FINANCIAL PERFORMANCE MANAGEMENT

➤ FINANCIAL PERFORMANCE

In 2023, CMA implemented Cambodian International Financial Reporting Standards (CIFRS) for Small and Medium-Sized Entities (SMEs), significantly improving the accuracy and transparency of our financial reporting. This commitment to strong financial management reflected our accountability to our members, partners, and donors. We actively monitored and controlled our budget, income, and expenses to ensure adherence to our budget plan and efficient and effective use of funds.

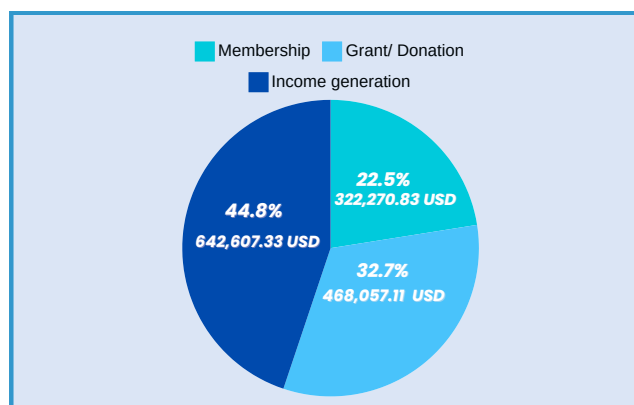
The Audit and Finance Committee plays a vital role in overseeing the accountability and transparency of our financial practices. They also provide valuable support to the CMA's Finance Club.

By adopting CIFRS for SMEs, we gained deeper insights into the CMA's ability to generate revenue, manage expenses, and maximize our impact. This shift from the Non-For-Profit Entities (NFPEs) to CIFRS for SMEs represents our commitment to best practices in financial reporting.

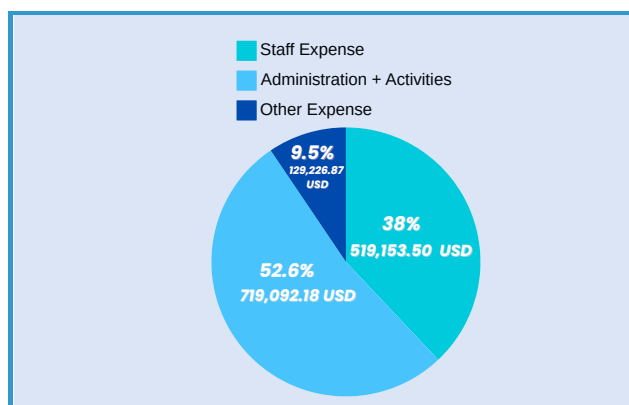
Our financial reports undergo rigorous reviews – quarterly, semi-annually, and annually – by the CMA management team and the Audit and Finance Committee. This dedication to transparency culminated in a successful external audit by PricewaterhouseCoopers (PwC) for the year 2023.

➤ SOURCES OF FUNDING

1. INCOME



2. EXPENSE



➤ AUTID REPORT

In the audit opinion, the financial statements of the Cambodia Microfinance Association (the Association) present fairly, in all material respects, the financial position of the Association as of December 31, 2023, and its financial performance and cash flows for the year that ended by the Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). The Cambodian International Standards on Auditing (CISAs) conducted the audit. There is not much concern about the audit's management letter.



Independent auditor's report

To the Board of Directors of Cambodia Microfinance Association

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cambodia Microfinance Association (the Association) as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (CIFRS for SMEs).

What we have audited

The Association's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policy information and other explanatory information.

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 Association in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial statements in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code.



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

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

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association to cease to continue as a going concern; and
- 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 Benilda C. Fernando
Director

Phnom Penh, Kingdom of Cambodia
28 June 2024

CAMBODIA MICROFINANCE ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023		2022	
		US\$	KHR'000	US\$ <i>(Restated)</i>	KHR'000 <i>(Restated)</i>
Grants income	12	452,012	1,857,769	226,231	924,606
Membership subscription fees		322,271	1,324,534	313,882	1,282,836
Training and workshop income		175,640	721,880	276,592	1,130,432
Sponsorship		174,898	718,831	82,484	337,112
Donation income		89,355	367,249	122,955	502,517
Development fund income	13	113,032	464,562	7,917	32,357
		<u>1,327,208</u>	<u>5,454,825</u>	<u>1,030,061</u>	<u>4,209,860</u>
Other income	14	2,611	10,731	466,959	1,908,461
Total income		<u>1,329,819</u>	<u>5,465,556</u>	<u>1,497,020</u>	<u>6,118,321</u>
Staff costs	15	(462,010)	(1,898,861)	(441,610)	(1,804,860)
Administration expenses	16	(235,675)	(968,624)	(176,079)	(719,635)
Training and workshops		(223,984)	(920,574)	(146,608)	(599,187)
Financial inclusion programs		(173,685)	(713,845)	(32,754)	(133,866)
Conference expenses		(109,042)	(448,163)	(53,505)	(218,675)
Membership and professional expense		(52,119)	(214,209)	(61,950)	(253,190)
Networking and media expenses		(42,422)	(174,354)	(10,552)	(43,126)
Other expenses		(41,816)	(171,864)	(92,482)	(377,974)
		<u>(1,340,753)</u>	<u>(5,510,494)</u>	<u>(1,015,540)</u>	<u>(4,150,513)</u>
Operating (deficit)/surplus		(10,934)	(44,938)	481,480	1,967,808
Finance income		101,954	419,031	33,135	135,423
Surplus of income before income tax expense		91,020	374,093	514,615	2,103,231
Income tax expense	17	-	-	(83,661)	(341,923)
Surplus for the year		91,020	374,093	430,954	1,761,308
Other comprehensive income: <i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	(36,523)	-	40,417
Total comprehensive income for the year		91,020	337,570	430,954	1,801,725
Surplus attributable to:					
The Association		<u>91,020</u>	<u>374,093</u>	<u>430,954</u>	<u>1,761,308</u>
Total comprehensive income attributable to:					
The Association		<u>91,020</u>	<u>337,570</u>	<u>430,954</u>	<u>1,801,725</u>

The notes form an integral part of these financial statements.

▶ ANNUAL GENERAL ASSEMBLY

The Cambodian Microfinance Association (CMA) successfully convened its 17th Annual General Assembly and the 3rd Annual Forum on Strengthening Responsible Inclusive Finance in Cambodia in February 2023. This event, attended by the CMA Board of Directors, Chief Executive Officers, member BFIs, and other key stakeholders, aimed to celebrate the association's achievements in 2022 and outline its action plan for 2023.



During the assembly, the CMA management team presented the association's significant accomplishments from 2022 and its strategic plan for the coming year. Additionally, committee representatives provided updates on their progress and future initiatives.

Furthermore, the General Assembly saw the official launch of the "Community Safe Finance" project, a collaborative effort between the CMA and the National Bank of Cambodia (NBC) and other stakeholders. This project aims to raise awareness and promote financial literacy, client rights and protection within local communities.

Finally, the CMA, Water.org, and the Cambodian Water Association (CWA) signed a strategic partnership agreement to improve access to finance for water and sanitation services through WASH Loans.



➤ ANNUAL MICROFINANCE CONFERENCE



CMA in November 2023 hosted the Annual Microfinance Conference (AMC) 2023 under the theme "Responsible Inclusive Finance, Resilience and Sustainability of the Financial Sector in Cambodia." NBC's Director General of Banking Supervision H.E. KITH Sovannarith presided over the event with 320 participant stakeholders. As one of the biggest microfinance events in Asia, AMC 2023 discusses trends, challenges and solutions, as well as key developments in the sector, in particular to share new experiences and knowledge from expert speakers.



During the full-day event, the current economic situation, challenges, initiatives, microfinance sector landscape, as well as presentations on the results of research studies were discussed and presented.

BUILD STRONG PEOPLE AND CULTURE WITHIN THE ASSOCIATION

➤ STAFF CAPACITY BUILDING

To enhance staff capabilities in video production, CMA, with financial support from AFD, provided a Video Documentary and Talk Show Production training to our video-production-related staff from July to December 2023.

The training covered on scriptwriting, filming techniques, and the use of various production tools included cameras and sound equipment to effectively produce the live show and documentary videos.



The training, which was delivered by STUDIO FOUR, aimed to equip over 15 staff members from various departments with the skills to produce high-quality work efficiently and keep pace with evolving industry trends.

➤ STAFF REFLECTION MEETING

The Staff Annual Reflection for FY23, held in Sihanoukville from 26th to 28th December 2023, was an off-site event designed to foster team spirit and collaboration within the CMA team. This retreat offered a relaxed and informal setting, creating a safe and inclusive space for everyone to share their thoughts, insights, and perspectives. The sessions encouraged active listening and respect for diverse viewpoints.



The aim of the event was to bring the team together to reflect on their achievements for the past year. Open discussions allowed for honest feedback and brainstorming to identify areas for improvement. This collective reflection served to enhance future performance. It also provided valuable opportunities for team building, collaboration, learning, and rejuvenation. The reflection sessions focused on the team's accomplishments in 2023, challenges faced, and desired improvements for 2024. Team discussions addressed goals like fostering better communication, enhancing teamwork, and brainstorming new ideas. Team-building activities incorporated exercises that promoted collaboration, trust, and communication among participants. The event also served as a time to celebrate achievements, milestones, and outstanding contributions from team members.

Looking ahead to FY 2024, the team is committed to careful planning, clear communication, and creating an environment that encourages active participation and engagement. This includes fostering a balance between work, learning, and fun, ultimately providing employees with a valuable and memorable experience.

STRENGTHEN COORDINATION AND FACILITATION MEMBERS' AND SECTOR PRIORITIES

➤ CEO CLUB MEETING

In 2023, CMA hosted three CEO Club Meetings dedicated to advancing the Cambodian microfinance sector. These meetings, held on 24th February, 23rd June and 3rd November, attracted over 300 participants from CMA member institutions. The discussions centered around key sector updates, identification of emerging risks and challenges, and collaborative development of solutions.

Mr. SOK Voeun, CMA Chairman of the Board of Directors and also the chairman of the meetings, provided an overview of the sector's growth trajectory, highlighting both its achievements and challenges it faced. Mr. Sok emphasized the crucial role of cooperation among CMA members, urging them to collectively strengthen the sector through responsible lending practices and adherence to ethical and professional standards.



➤ FINANCE CLUB MEETING

In 2023, the Operations Department organized the Finance Clubs meetings twice, facilitating discussions and collaborations on taxation, financial reporting standards, reporting to NBC, ACAR and others. We actively supported the selection of the club chair and two vice chairs and established the club core group which has been tasked to review and analyze any new regulations and laws, give advices on the issues and jointly propose solutions for to the club members as well as the microfinance sector.



EXPLORE FUNDING SOURCES AND INCOMES GENERATION ACTIVITIES TO SUSTAIN THE ASSOCIATION

STUDY VISIT BY LAO DELEGATES



CMA, in partnership with the Lao Access to Finance Fund (LAFF) project established by the Bank of Lao PDR (BoL), hosted a practical learning visit for Lao financial institutions from 4th to 8th April 2023. This visit aimed to equip representatives from three banks and four microfinance institutions participating in the LAFF project with valuable insight into Cambodia's microfinance practices.



The visit focused on Cambodian MFIs' loan disbursement strategies including marketing techniques, sales approaches and product promotions, tailored to reach micro, small, and medium-sized enterprises (MSMEs) in both urban and rural areas. Participants also gained a comprehensive understanding of Cambodia's financial sector's landscape, regulations, rules, and laws.

Furthermore, the visit also explored the governance and risk management practices of Cambodia's MFIs and banks, with a

particular focus on lending methodologies for MSMEs, specifically those designed to increase outreach, ensure profitability, and maintain portfolio quality.

To gain practical experience, the learning visit included visits to several financial institutions, including LOLC, AMK, AMERET, SME Bank, and Chamroeun Microfinance Plc., located in Phnom Penh capital and Preah Sihanouk and Kampong Speu provinces. Through these interactions, participants gained valuable knowledge and best practices applicable to their own institutions in Laos.

CORPORATE GOVERNANCE

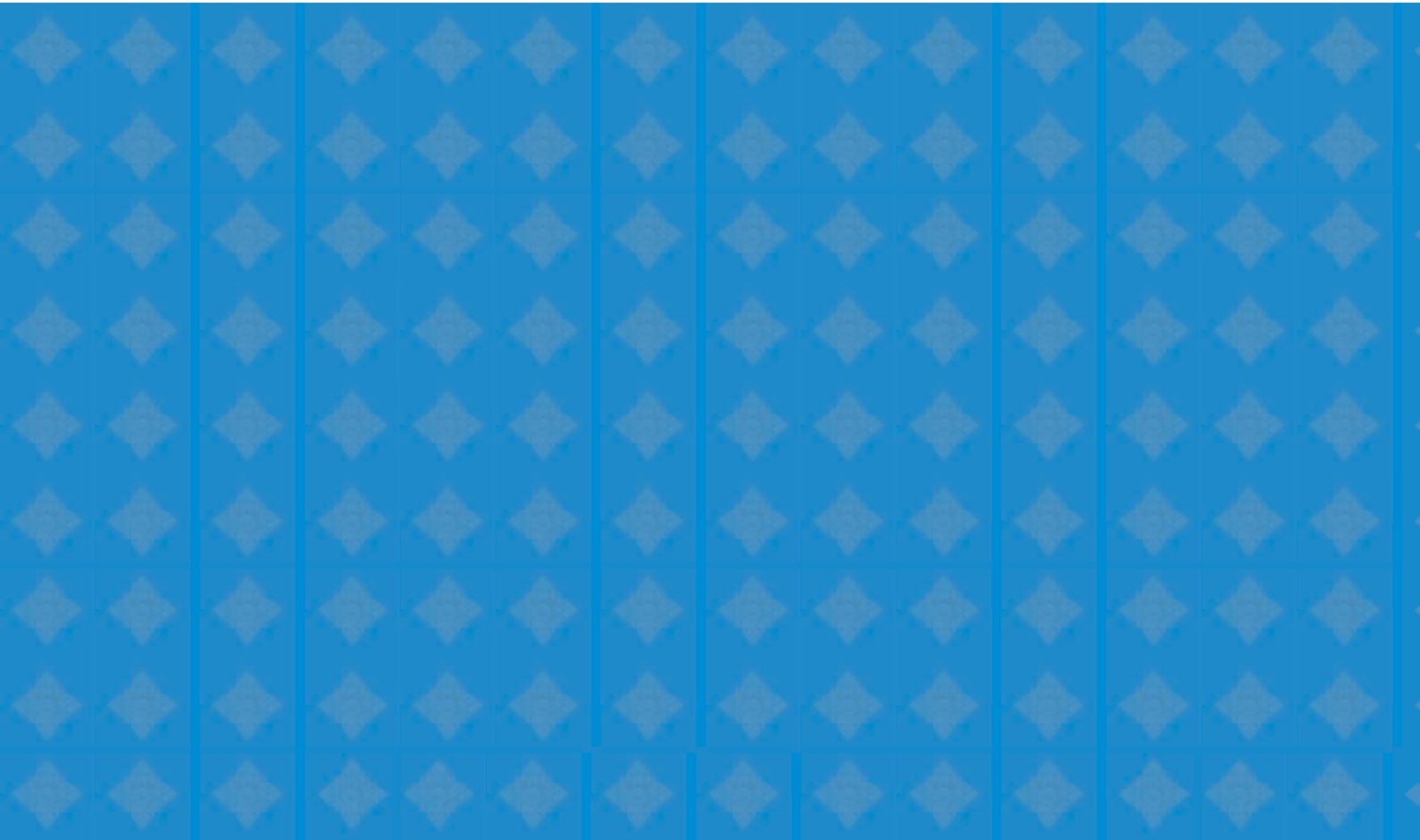
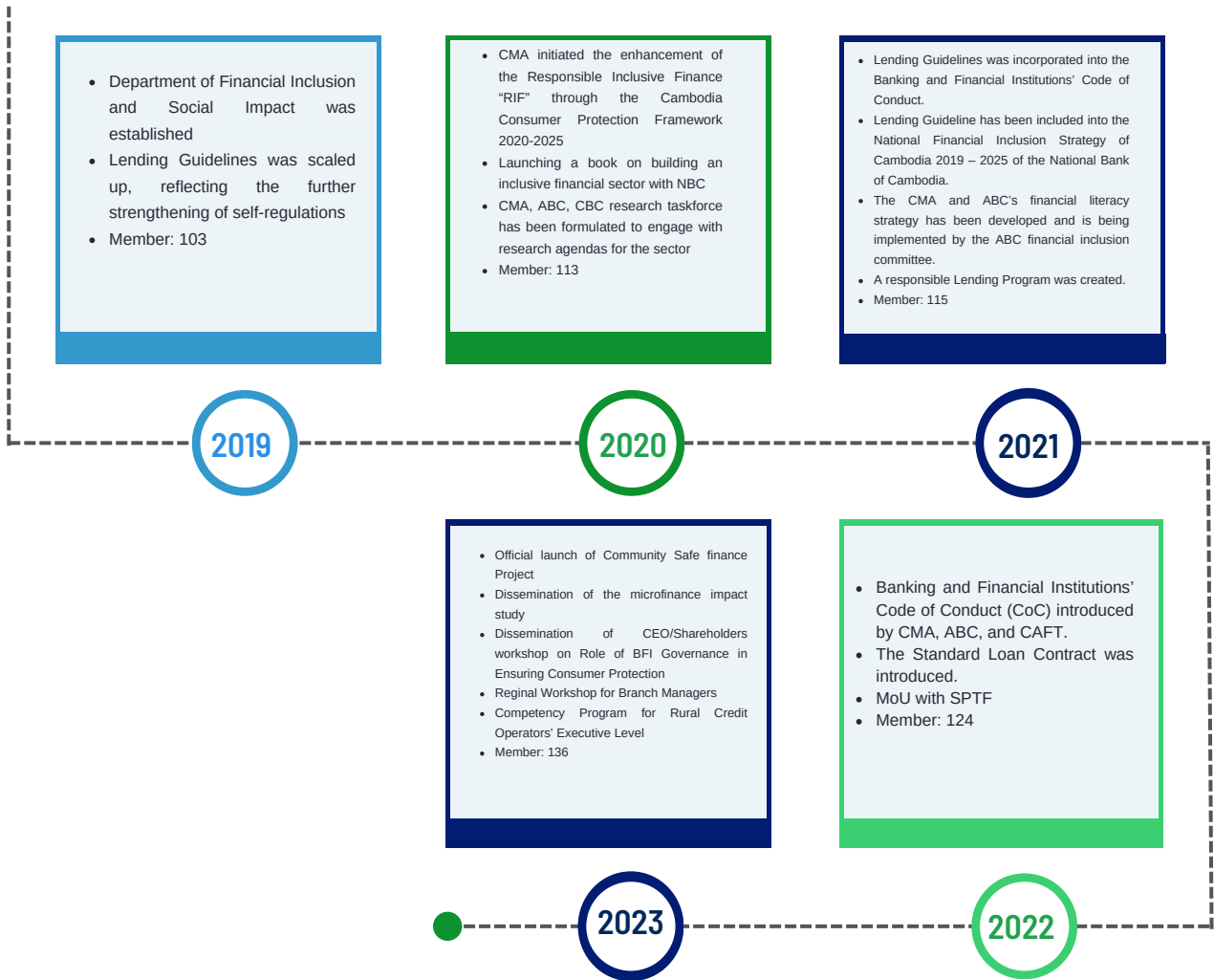
OVERVIEW

The Cambodia Microfinance Association aims to ensure the prosperity and sustainability of the microfinance sector in Cambodia. CMA plays a vital role in creating local and international networks, seeking equity and loan funds, new technologies and overseeing conflict resolution between microfinance operators.

All of these activities have led each member institution to become stronger and more successful and thereby attract support from the international market to enable industry expansion.

CMA Key Milestones





BOARD OF DIRECTORS

The Board of Directors is CMA's main policy arm to which all major decisions are submitted for approval. The Board is composed of 13 members chosen by the General Assembly, all of whom are important players in the microfinance industry. 11 members represent Microfinance Deposit-Taking Institutions, Microfinance Institutions and banks, 1 member represents Financial Leasing Institutions, and 1 member represents Rural Credit Institutions.



Mr. SOK Voeun

CMA Chairman
LOLC (Cambodia) Plc.

Mr. SOK Voeun, LOLC Chief Executive Officer, holds a Master's Degree in Business Administration with a specialization in Finance and Banking from Build Bright University in Cambodia, which he obtained in 2005. In 2000, he also earned a Bachelor's Degree in Economic Science with a focus on Management of Enterprises[C1] from the former Faculty of Law and Economics, which is now Royal University of Law and Economics.

Throughout his career, Mr. Sok has actively pursued professional development opportunities in microfinance and related fields. He has participated in microfinance training programs at Boulder Institute of Microfinance in Italy, as well as other relevant trainings in countries such as the United States, South Africa, India, Bangladesh, and Thailand. Moreover, he has attended various training programs in Cambodia on topics including credit management, financial management, human resource management, risk management, digital innovation, good governance, and leadership, among other.

His professional experience includes working at ACLEDA Bank Plc. as a Credit Officer from 2000 to 2001, followed by a promotion to Head of Credit Control Unit at the Head Office from 2001 to 2005. He then served as Operations Manager at SATHAPANA Ltd. (MFI) from 2005 to 2010, overseeing day-to-day operations related to loans, savings, money transfer transactions, and market expansion. In April 2010, Mr. Sok joined LOLC as Chief Operations Officer and was subsequently promoted to Deputy Chief Executive Officer in December 2012. Since 1 June 2014, he has held the position of Chief Executive Officer, appointed by the Board of Directors.



H.E. DITH Nita

CMA Vice-Chairwoman
CAMMA Microfinance Limited

H.E DITH Nita is the founder and Chairwoman of CAMMA Microfinance Limited. She holds a Bachelor's Degree in Commerce, which she obtained in 2003, and a Master's Degree in Finance Management, which she earned in 2005 from Australian National University. With over a decade of experience in business management and credit management, H.E Dith has demonstrated her expertise in these areas since 2008.

Prior to establishing CAMMA Microfinance Limited, H.E Dith owned and managed a construction company. Concurrently, she operated a Credit Operator that later became registered as a microfinance institution. In 2010, her institution received official recognition from the National Bank of Cambodia.



Mr. KEA Borann

CMA Board of Director
AMK Microfinance Institution PLC

Mr. KEA Borann is a highly accomplished senior executive with extensive expertise in microfinance leadership. Currently serving as the Chief Executive Officer at AMK microfinance, one of the leading microfinance institutions in Cambodia with the largest customer base, he has made significant contributions to the organization for over ten years since 2004. Throughout his tenure, he has held various key leadership positions, including Finance Manager, CFO, and Deputy CEO, playing a pivotal role in the growth and development of AMK.

Before joining AMK, Mr. Kea served as Finance Director at World Relief Cambodia / CREDIT (microcredit program). His experience in this role further enriched his knowledge and skills in financial management.

Borann holds Bachelor of Business Administration (BBA) majoring in Finance and Accounting. Additionally, he has achieved the prestigious accreditation of ACCA (Association of Chartered Certified Accountant) and became an ACCA member in 2008.



Mr. DOS Dinn

CMA Board of Director
Amret Microfinance Institution

Mr. DOS Dinn assumed the role of Chief Executive Officer at Amret in January 2019. He embarked on his career at Amret in 1996 as a Supervisor in the provincial branch office. Within two years, he transitioned to Product Development Unit and a steadily progressed through the ranks. In 1999, he was appointed as Operations Manager, followed by his role as Chief Operations Officer from 2008 to 2011. Afterward, in February 2011, he was promoted to the position of Deputy Chief Executive Officer before ultimately being appointed as CEO.

Mr. Dos holds MBA from Utara University of Malaysia, which has equipped him with advanced business knowledge and expertise. In addition, he obtained a Bachelor's Degree from Royal University of Agriculture in Cambodia.

With his extensive experience and strong educational background, Dinn continues to lead Ameret with great dedication and proficiency.



Mr. PA Ponnak Rithy

CMA Board of Director
MAXIMA Microfinance Plc.

Mr. PA Ponnak Rithy holds the esteemed roles of Shareholder and Board of Directors at MAXIMA. He joined the company in December 2000, contributing his expertise and leadership to its success. Prior to his tenure at MAXIMA, Mr. Pa served as an Accounting and Administration Assistant at LWS from 1998 to 2000. He also held the position of Chief of Accounting at Pacific Commercial Bank from 1995 to 1998. Furthermore, he served as the Deputy Chief of the Credit Office of the National Bank of Cambodia in Kampot province from 1980 to 1995.

Rithy obtained his degree in Accounting/Finance and Banking in Cambodia and received a Bachelor of Business Administration in 1986. Alongside his professional qualifications, he possesses excellent proficiency in both English and Khmer languages.

In addition to his professional accomplishments, he is renowned for his compassionate leadership style. He leads his teams with affection, transparency, and, when necessary, firmness. He is affectionately referred to as "Pu" by the staffs who have known him for many years, embodying his role as a father figure.



Oknha Dr. BUN Mony

CMA Board of Director
Vithey Microfinance Plc.

With over two decades of experience in microfinance, Oknha Dr. BUN Mony is a highly skilled executive who founded CCB NGO before serving as Executive Director for eight years. Under his leadership, CCB NGO obtained its license as an MFI in 2003.

With a focus on finance, accounting, and management, Dr. Bun is an expert in the field. He holds Bachelor of Business Administration (BBA) from National University of Management, Master of Business Administration (MBA) from Utara University of Malaysia, and Doctor of Business Administration (DBA) from Preston University in the USA.



Mrs. TOP Sok Samphea

CMA Board of Director
Woori Bank

Ms. TOP Sok Samphea embarked on her journey with WOORI BANK (CAMBODIA) PLC. (Former WB Finance Co. Ltd.) in 2002, assuming the role of Director for Finance and Administration. Over the years, she showcased her exceptional capabilities and was promoted to Chief Operating Officer in 2008. In April 2021, she transitioned to the position of Chief Risk Officer.

Before her tenure at WOORI BANK (CAMBODIA) PLC., Ms. Top gained valuable experience as a senior auditor at Ernst & Young and PricewaterhouseCoopers. She has over twenty years of experience in finance, accounting, management, business planning and strategies, auditing, administration, and communication. Her academic qualifications include a Bachelor's Degree and Master's Degree in Business Administration, both earned from National University of Management in Cambodia. Additionally, she holds a Diploma in Accounting and Administration obtained from Noisy Le Grand College in France.



Mr. SIM Senacheat

CMA Board Advisor
First Finance Plc

Mr. SIM Senacheat is a highly qualified professional with an impressive educational background. He holds both Master's and Bachelor's Degrees in Business Administration and obtained a Diploma in Accounting and Finance in 1994. He has actively pursued professional development in the field of microfinance operations and management since 1995, attending several training courses. Notably, he is accredited under the Microfinance Training of Trainers course certified by ADBI, TDLC of WB, and UNCDF.

Mr. Sim started his career in the banking sector before joining PRASAC MFI in 1995 as Credit Officer. Through dedication and hard work, he steadily climbed the ranks and assumed various positions within the organization, including roles as an Accountant, Branch Manager, MB Trainer and Supervisor, and Finance Manager. In mid-2002, he made a transition to another MFI where he successfully held the positions of Branch Manager, Operations Manager, and Deputy CEO. However, his commitment and prior experience led him back to PRASAC in late 2003, where he served as President and Chief Executive Officer until early 2022.

Currently, Senacheat holds the esteemed position of Director and Chief Executive Officer at First Finance, showcasing his leadership abilities and expertise in the microfinance industry.



Mr. OUM Sam Oeun

CMA Board of Director
PRASAC Microfinance
Institution Plc.

Mr. OUM Sam Oeun is a highly qualified executive with an impressive educational background. He holds a Master's Degree in Business Administration, specializing in banking and finance, and obtained a Diploma in Accounting and Commerce in 1988. In addition to his impressive credentials, he holds a Bachelor's Degree in Business Management. He has also attended several training courses related to microfinance operations and management.

Mr. Oum professional experience began when he worked as Chief Accounting Officer in Takeo provincial Department of Commerce. In 1995, he joined PRASAC credit program and was promoted to Deputy General Manager of PRASAC MFI in early 2007. He also served as a member of the Board of Directors of PRASAC MFI from 2004 to 2017. Since 2011, he has held the position of Executive Vice President & Chief Operations Officer. He was later appointed as President and Chief Executive Officer, a position he currently holds today.



Oknha HOUT Ieng Tong

CMA Board of Director
Hattha Bank

Oknha HOUT Ieng Tong is an esteemed figure in the microfinance industry, serving as the President, CEO, and co-founder of Hatha Kaksekar Limited since 1996. With extensive experience in both financial and non-financial management, he has consistently excelled in his role. He holds a Bachelor's Degree in Agriculture, which he attained in 1991, and further pursued his academic journey by completing a Master's Degree at Build Bright University.

In addition to his educational achievements, Oknha Hout has broadened his knowledge through active participation in numerous microfinance-related workshops. These workshops have taken him to various countries, including the USA, the Philippines, Indonesia, France, Germany, and several others.

Oknha Hout served as the CMA's Chairman from 2008 to 2009 and from 2016 to 2017.



Mr. KHOU Buntry

CMA Board of Director
FUNAN Microfinance Plc.

Mr. KHOU Buntry is a highly accomplished finance professional with a wealth of experience spanning over two decades. He holds a MBA in Finance from Charles Sturt University, Australia, and a BBA in Accounting from the National University of Management (formerly Faculty of Business).

Throughout his career, Mr. Khou has held prominent senior management roles in various sectors, including Banking, Microfinance Institutions, and International NGOs. Since 2017, he has been appointed as Chief Executive Officer of Funan Microfinance Plc. Prior to joining Funan, he served as EVP & Chief Financial Officer for Cambodia Post Bank for four years. Additionally, he held the position of Finance Director at Hattha Kaksekar Ltd. for five years. Earlier in his career, he spent two years as Finance Manager for Room to Read Cambodia, four years as Finance Manager for Marie Stopes Cambodia, and two years as Accountant for Canadia Bank.



Mr. CHAN Mach

CMA Board of Director
Phillip Bank

Mr. CHAN Mach is the first local CEO of KREDIT (now Phillip Bank). Prior to promoting to this position, he held the position of Operations Manager since 2016. He began his journey with KREDIT in 1999, initially assuming the role of Auditor and Trainer, leveraging his background as a math teacher with a Bachelor of Mathematics degree. Recognizing his exceptional managerial potential, he was promoted to Phnom Penh Branch Manager in 2001, where he successfully led the branch to flourish. In 2003, he was appointed as Operations Director. Under his astute leadership, KREDIT experienced significant growth and sustainability, with the portfolio size tripling during his tenure.

His commitment to professional development is evident through his completion of two Master's degrees: MBA and MFB. Additionally, he has attended numerous courses nationally and internationally, focusing on microfinance and banking.



Mr. LAV Pokeat

CMA Board of Director
i-Finance Leasing Plc.

Mr. LAV Pokeat is a member of the Board of Directors at CMA and serves as the representative of Financial Leasing Institutions. He holds the position of Chief Operating Officer (COO) at i-Finance Leasing Plc which he founded in early 2015 and has served this position since then. Prior to his involvement with i-Finance, Mr. Lav held the role of Finance Manager at Borey Rivertown, a residential project based in Phnom Penh. In this position, he oversaw all financial matters and sales-related activities for the project.

Pokeat's educational qualifications have played a significant role in shaping his success in the finance industry. He earned a Master's Degree in Finance and a Bachelor's Degree in Economics & Finance from University of New South Wales in Australia.



Mr. PHENG Pheap

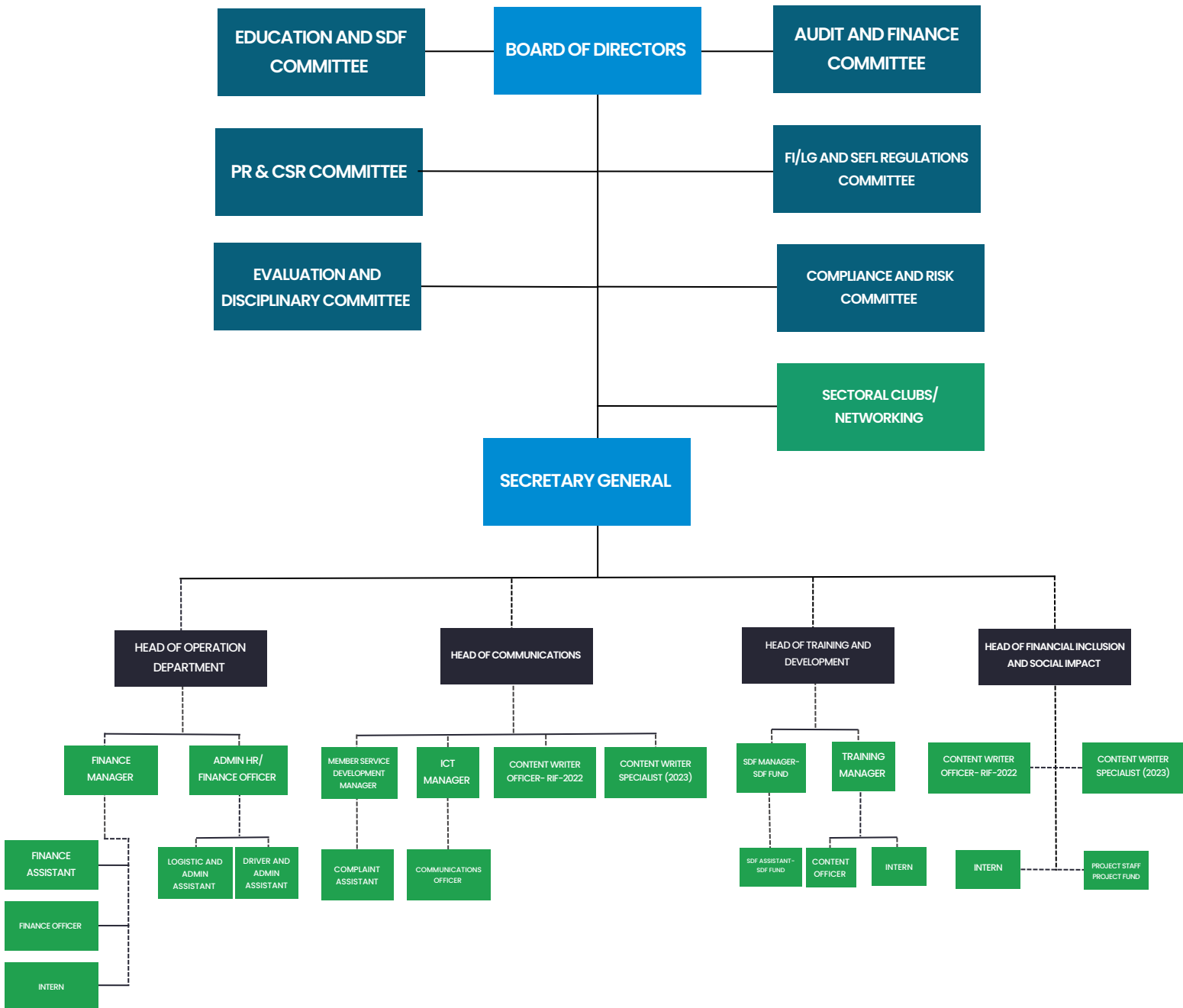
CMA Board of Director
CKLS Finance Plc.

Mr. PHENG Pheap is a highly accomplished individual in the financial industry, serving as Chief Executive Officer and being the co-founder of C.K.L.S Finance Plc.

Mr. Pheng's educational background includes a Master's Degree in Finance and Banking (MFB) from Norton University (NU), a Bachelor's Degree in English Literature from ASIA EURO University (AEU), and a Bachelor's Degree in Economic Development from Norton University (NU).

Prior to his role at C.K.L.S Finance Plc, Pheap served as a Sales Marketing Manager at YAKOMU F&B Co., Ltd. from 2006 to 2008. Following that, he joined ACLEDA Bank Plc and held various positions, including Loan Recovery Officer and Credit Officer, from 2008 to 2015. In addition to his role at C.K.L.S Finance Plc, Pheap also serves as a member of CMA Board of Directors (BoD) and has been a representative of RCI since 2020.

ORGANIZATIONAL STRUCTURE



SENIOR MANAGEMENT TEAM



Mr. PHAL Vandy
CMA Secretary General

Mr.PHAL Vandy has more than 20 years of progressive experiences in leading international development agencies, coordinating and managing multi-sectorial development projects with high-level partnership with relevant government ministries and development partners. His latest involvements as an active member of the Partnership Steering Committee on Social Accountability with the World Bank and EU projects with government ministries in strengthening public services including more quality of education, public health, and commune administrative services in the country.

Mr.PHAL joined the Cambodia Microfinance Association (CMA) as the Executive Director in late 2019 and later appointed as the Secretary General in January 2022. He also served as a member of the Board of Director for the Institute of Banking and Finance (IBF) between 2019 and 2022.

Mr. PHAL got a Master's Degree in Development Study from University of Cambodia in 2008, a Bachelor's Degree in Business Management from the National University of Management in 2004, Certificates of Law from University of San Francisco in 2000, Leadership and Management Development from the United Kingdom in 2016, Australian Leadership Award Program from DEAKIN University in Australia in 2017, Certificate in Executive Leadership Program on Leading Digital Transformation from STANFORD University in 2021, Certificate in Law and Regulation of Inclusive Finance from the University of Luxembourg in 2022.



Mr. CHHORN Vatanak
Head of Training and Development Department

Over 20 years of serving financial sector and civil societies with international non-governmental organizations and domestic professional membership-based associations, Mr. CHHORN Vatanak, has skills and expertise in organizational development (OD), human resources management (HRM), training and development (T&D), program and project management, fundraising and proposal writing, and information communication technology (ICT).

Currently, Mr. CHHORN is the Head of Training and Development (HTD) of the Cambodia Microfinance Association (CMA). He is in charge of ensuring and providing high-capacity development and strengthening the ethics and professionalism of the microfinance sector, especially employees of CMA's over 120 members of Financial Institution Members of CMA. In addition, he leads and facilitates the Human Resource Networking Club (HR Club) and Compliance Officer Networking Group (CONG) of the microfinance sector to ensure the high professional employee performance and ethical practices among HR practitioners and regulatory compliance of the sector.

Prior to joining CMA, Mr.CHHORN was head of programs, managers, and specialist with Cooperation Committee for Cambodia (CCC), World Vision International (WVI) and Good Return (Australian NGO) over decades.



Ms. KUN Kanhaphal
Head of Operations Department

Ms. KUN Kanhapha has over 8 years of experience in senior leadership and management with international and local development organizations and private companies in finance and operational roles. She worked for Singapor Private Company on finance and general operations before joining CMA as Head of Operations.

Kanhaphal graduated in the field of finance and banking from Build Bright University in 2010 and is currently pursuing a Master's Degree in Accounting Science + ACCA at CamEd Business School.



Mr. VONG Pheakyny
Head of Financial Inclusion and Social Impact Department

Mr. VONG Pheakyny is CMA Head of Financial Inclusion and Social Impact. He is responsible for development and execution of CMA's financial inclusion initiative, in line with the National Financial Inclusion Strategy 2019-2025. In addition, he oversees the implementation of microfinance development program in collaboration with stakeholders such as NBC, ABC, CBC, SPT, ADA, AFD, JICA and other development partners. He is also in charge of CMA's research programs including data collection, storage, analysis and reporting.

Mr. Vong has over 17 years of working experience in microfinance with a background and profession in Financial Inclusion, Social and Market Research, Market and Business Intelligence, Market Segmentation, Financial Consumer Behavior, Social Performance Management (SPM), Big Data Analysis, and Program and Project Management.

Before serving the role of Head of Financial Inclusion and Social Impact at CMA, Mr. VONG served in many roles and positions of Research Officer, Social Research Manager, and Head of Research at AMK Microfinance Institution.



Mr. KAING Tongngy
Head of Communications Department

Mr. KAING Tongngy is the Head of Communications Department at the Cambodia Microfinance Association where he oversees public relations, financial literacy, client complaints, member services, ICT, and event management. Tongngy has diverse working experiences over the last decades in the areas of journalism, public health, community development, agriculture, education, advocacy, ICT, and startups, but his area of expertise is in media and communications.

Mr. KAING graduated with BA in Media Management in 2011, BA in English Literature in 2007 and an Associate in Teaching Methodology in 2003. He is also passionate about integrating ICT for development.

COMMITTEES AND CLUBS

I. Committees

CMA's network of committees was established in 2006. Each committee are structured around a unique MFI business function. The groups allow MFI staff from each discipline to network, discuss key issues regarding their functions such as new regulatory requirements, share examples of best practice and brainstorm strategies for industry-wide issues.

• AUDIT AND FINANCE COMMITTEE



The committee was established to monitor and ensure that all elements of financial information to be disclosed and reported by the Association to stakeholders are completely transparent, accurate, reliable, relevant and in a timely manner. The Committee will meet at least once in every quarter or more frequently as required. The schedule of meetings, standard agenda and secretariat services are maintained by the Secretary of the Committee.

Chairwoman: **Mrs. TOP Sok Samphea**
Chief Risk Office of Woori Bank

- Members:**
- Mr. PA Ponnak Rithy, Shareholder and Board of Directors at MAXIMA Microfinance Institution
 - Mr. CHAN Mach, Chief Executive Officer at Philip Bank
 - Mr. SOK Sophal, Chief Finance Officer at LOLC (Cambodia) Plc.
 - Mr. KHOU Buntry, Chief Executive Officer at FUNAN Microfinance Plc.
 - Mr. OHM Sareth, Head of Finance at Amret Microfinance Institution

• EDUCATION & SDF COMMITTEE



This Committee meets twice a year (with extra meetings if required) to assess training needs and hence develop skill 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

Chairman: **H.E. DITH Nita**
Chairwoman of CAMMA Microfinance Limited

- Members:**
- Oknha Dr. BUN Mony, Chief Executive Officer at Vithey Microfinance Plc.
 - Mr. PHENG Pheap, Chief Executive Officer at CKLS Finance Plc
 - Mr. LAV Pokeat, Chief Operation Officer at i-Finance Leasing Plc
 - Ms. PEANG Pisak, Head of Human Resource Department at AMK Microfinance Institution PLC
 - Mr. THO Sroy, Vice President & Head of Training, Learning & Development at Hattha Bank

• PR AND CSR COMMITTEE



Chairman: Mr. DOS Dinn

Chief Executive Officer of Amret Microfinance Institution

Members:

- Mr. OUM Sam Oeun, Chief Executive Officer at PRASAC Microfinance Institution Plc.
- Mr. CHAN Mach, Chief Executive Officer at Phillip Bank
- Oknha CHHUN Sopheak, Chief Executive Officer at MOHANOKOR Microfinance Institution Plc.
- Mr. LY Bunrith, Chief Operation Officer at Chamroeun Microfinance Plc.
- Mr. BUN Zhicheav, DCEO of Samrithisak Microfinance Limited

The specific objective of the Committee is to support CMA with strategic direction and mobilize members' resources for CMA's public relations (PR) and cooperate social responsibility (CSR) initiatives. The Committee also provides supports CMA Board of Directors.

The Committee will play an important role in reviewing and addressing the needs for PR and CSR to ensure the positive image of the sector including promoting financial literacy, client protection, media relations, stakeholder relation, social works and other financial inclusion activities.

• FINANCIAL INCLUSION AND SELF-REGULATION COMMITTEE



Chairman: Mr. SOK Voeun

Chief Executive Officer of LOLC (Cambodia) Plc.

Members:

- Mr. KEA Borann, Chief Executive Officer at AMK Microfinance Institution PLC
- Mr. OUM Sam Oeun, Chief Executive Officer at PRASAC Microfinance Institution Plc.
- Mr. KHOU Buntry, Chief Executive Officer at FUNAN Microfinance Plc.
- Mr. PHENG Pheap, Chief Executive Officer at CKLS Finance Plc
- Mr. LAV Pokeat, Chief Operation Officer at i-Finance Leasing Plc
- Mr. SUON Pisey, Chief Retail Business Officer at AMK Microfinance Institution Plc.

The establishment of the Financial Inclusion and Self-regulation Committee is in line with the development of the microfinance sector and accordance with the National Strategy on Financial Inclusion 2019-2025. This committee aims at promoting and improving access to formal and responsible financial services in Cambodia.

• COMPLIANCE & RISK COMMITTEE



This Committee meets twice a year (with extra meetings if required) to ensure the microfinance sector fully complies with the rules and regulations and find ways to mitigate any risks which unexpectedly happen in the whole sector

Chairman: Mr. KEA Borann

Chief Executive Officer of AMK Microfinance Institution PLC

- Members:**
- Mr. DOSS Dinn, Chief Executive Officer at Amret Microfinance Institution
 - Mr. SOK Veoun, Chief Executive Officer at LOLC (Cambodia) Plc.
 - Mr. PHENG Pheap, Chief Executive Officer at CKLS Finance Plc
 - Mr. LAV Pokeat, Chief Operation at i-Finance Leasing Plc
 - Mr. SUON Pisey, Chief Retail Business Officer at AMK Microfinance Institution Plc.
 - Ms. PEANG Pisak, Chief HR office at AMK Microfinance Institution Plc.
 - Mr. OHM Sareth, Head of Finance at Amret Microfinance Institution
 - Mr. UK Kosal, Head of Compliant at AMK Microfinance Institution Plc.

• EVALUATION AND DISCIPLINARY COMMITTEE



The committee was formed to promote ethical and professional practice among the members of the Cambodia Microfinance Association by acting as an assistant to the Board of Directors in overseeing and evaluating the implementation of the LG Financial Code and other self-regulations.

Chairman: Oknha D.r BUN Mony

Chief Executive Officer of Vithey Microfinance Plc.

Members:

- Mr. PA Ponnak Rithy, Shareholder and Board of Directors at MAXIMA Microfinance Institution
- Mr. DOSS Dinn, Chief Executive Officer at Amret Microfinance Institution
- Mr. KEA Borann, Chief Executive Officer at AMK Microfinance Institution Plc.
- Mr. SOK Veoun, Chief Executive Officer at LOLC (Cambodia) Plc.
- H.E DITH Nita, Chairwoman of CAMMA Microfinance Limited
- Mr. SUON Pisey, Chief Retail Business Officer at AMK Microfinance Institution Plc.

COMMITTEES AND CLUBS

II. Club

The purpose of CMA's Clubs is to build and encourage strong relationships among members, and to define common issues and seek inclusive resolutions for the industry as a whole.

• CEO CLUB



The purpose of the CEO Club is to build strong relationships between CEOs across all of CMA's members, to address issues related to the whole sector that other clubs cannot solve, and to advise strategies to overcome the issues. The CEO Club members are a selection of CMA members in top management-level positions. The CEO Club meets twice a year with additional meetings if there are major issues that need to be addressed. This is the highest level of CMA's clubs.

Chairman: Mr. **SOK Voeun**, Chief Executive Officer, LOLC (Cambodia) Plc.

Vice Chairwoman: H.E **DITH Nita**, Chairwoman, CAMMA Microfinance Limited.

Members: Chief Executive Officers from each member

• OPERATION CLUB



The Operations Club meets four times a year to encourage strong relationships among Operations Managers. Members meet to share experiences and examples of best practices, define the key issues, create strategies to deal with these issues, and prevent future occurrences.

Chairman: Mr. **SUON Pisey**, Chief Retail Business Officer, AMK Microfinance Institution Plc.

Vice Chairman: Mr.**TAN Youhai**, Chief Sales Officer, Amret Microfinance Institution Plc.

Members: Operations Managers from each member

• COMPLIANCE OFFICER NETWORKING GROUP



The Compliance Officer Networking Group meets at least 4 times per year or more frequently as required. The meeting of the club aims to update members on the recent changes in Cambodia's laws and regulations governing Banking and Financial Sector as well as to discuss the common compliance and AML/CFT issues in the banking and financial industry.

Chairman: Mr. **UK Kosal**, Chief Legal and Compliance Officer, AMK Microfinance Institution Plc.

Vice Chairman: None

Members: Operations Managers from each member

• FINANCE CLUB



The Finance Club meets four times a year to encourage strong relationships between Finance Managers/Chief Finance Officers by providing networking opportunities in a variety of settings. Members of the Club share examples of best practice related to finance/accounting management, define key issues regarding the application of national and international standards and policies (IAS, CAS, CFRS, NBC regulation, Taxation Law) and other applications for respective institutions.

Chairman: Mr. **OHM Sareth**, Head of Finance, Amret Microfinance Institution

Vice Chairman: Mrs. **KEO Taraty**, Head of Fiance, LOLC (Cambodia) Plc.

Vice Chairwoman: Ms. **THAN Kimhou**, Deputy Head of Financial Analysis, Tax and Reporting, Amret Microfinance Institution

Members: Finance Managers/Chief Finance Officers from each member

• HR CLUB



The HR Club meets four times a year to encourage strong relationships between Human Resources Managers from member MFIs. The members share their experiences, and examples of best practices, define key issues, and discuss compliance with labor law and PRAKAS. All of these activities are designed to strengthen the human resource management of member MFIs in order to ensure they work effectively and professionally.

Chairwoman: Mrs. **PEANG Pisak**, Chief People and Development Officer, AMK Microfinance Institution Plc.

Vice-Chairwoman: Mrs. **LENG Thavy**, Head of Human Resource, LOLC (Cambodia) Plc.

Members: Human Resource Managers from each member

• FIN-TECH and ICT CLUB



The club members will meet 3 times a year on mutually accepted dates to share and learn best practices and discuss on key issues and challenges relating to the fintech industry. The club also aims to ensure the long-term sustainability of the Fintech industry among MFIs by creating opportunities and enhancing their skills professionally and socially.

Chairman: To be approved

Vice Chairman: To be approved

Members: Senior staff from IT department of each member

• MARKETING & COMMUNICATION CLUB



The MarCom Club was established to help improve the marketing and communication strategy, sharing lessons and best practices among MFIs while addressing issues and challenges related to the digital area. The club is scheduled to meet 3 times a year on mutually accepted dates.

Chairman: Mr. CHAN Soratha, Head of Public Relations, Wing Bank

Vice Chairwoman: Ms. EM Somean, Admin Unit Manager, Chokchey Finance

Members: Representatives from each member who oversee marketing and communications at their institutions.

• FINANCIAL LEASING CLUB



The Financial Leasing Club meets four times a year to encourage strong relationships among financial leasing members, discuss issues related to the financial leasing sector and devise strategies to overcome the issues.

Chairman: Mr. LAV Pokeat, Chief Executive Officer, i-Finance Leasing Plc.

Vice Chairman: Mr. SREY Vibol, Manager of Finance and Accounting, Toyota Tsusho Finance (Cambodia) Plc

Members: Representatives from each member financial leasing company

• RURAL CREDIT INSTITUTION CLUB



The Rural Credit Institution Club meets four times a year to encourage strong relationships among rural credit institution members, discuss issues related to the rural credit institutions and devise strategies to overcome the issues.

Chairman: Mr. PHENG Pheap, Chief Executive Officer, CKLS Finance Plc

Vice Chairman: Mr. HANG Sovanna, Chief Executive Officer, Preah Chan Finance Plc

Members: Representatives from each member rural credit institution

• RESEARCH WORKING GROUP

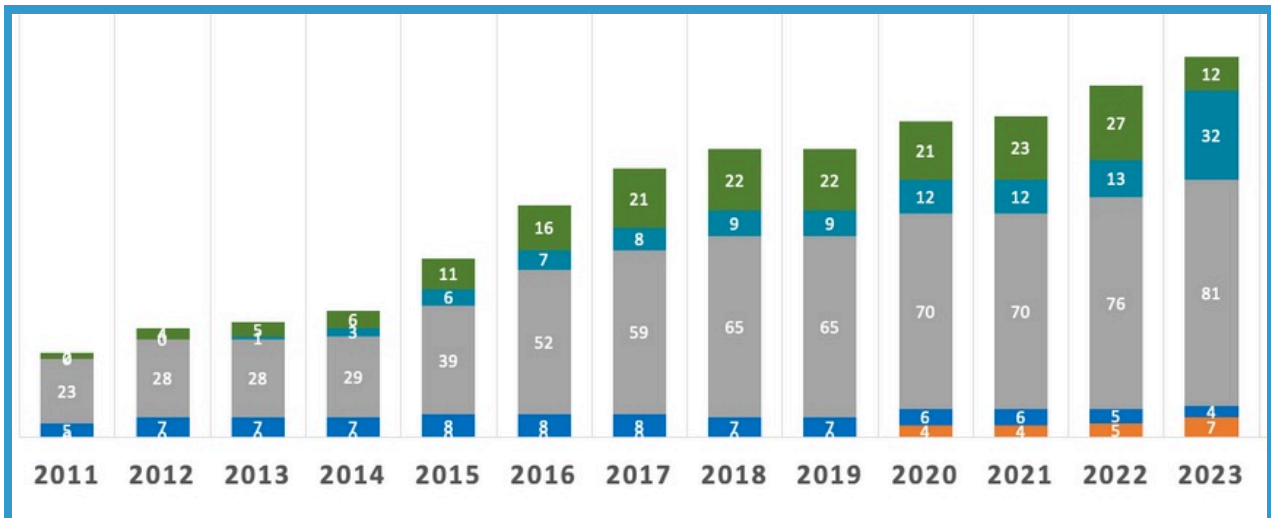


The research working group consists of professional researchers which all of them are the head of research from the institutions which is the members of CMA. The objectives of this research working group is to assist CMA Financial Inclusion and Self-regulation Committee to overview comments and feedback on various research projects.

CMA MEMBERS

Last updated in December 2023

By the end of 2023, the CMA has over **136 members**, encompassing a diverse range of financial institutions: 7 Banks, 4 Deposit-Taking Microfinance Institutions (MDIs), 81 Microfinance Institutions (MFIs), 32 Rural Credit Institutions (RCIs) and 12 Financial Leasing Institutions (FLIs). Our members play a vital role in Cambodia's development by providing crucial funding and financial services to those who need them most. Below is our members:







DONORS AND PARTNERS



French Development Agency is the operator of France's bilateral development finance mechanism. It is a public institution with the industrial and business status of a specialized financial institution. Its work is in line with the policy set out in France's Framework Document for Development Cooperation approved at the end of 2010.

AFD's teams are based in Paris and Marseille and in a Network of 70 agencies and representations in developing countries and the French overseas provinces.



Over the past 20 years, **ADA** has been dedicated to building and catalyzing the financial inclusion of populations excluded from conventional banking channels in developing countries.

ADA empowers microfinance institutions and networks. Through the Luxembourg Microfinance and Development Fund, ADA also helps them obtain the funding necessary for their sustainable growth. ADA focuses on the development of innovative inclusive financial services, capacity building, and action research.



Credit Bureau Cambodia (CBC) is the leading provider of financial information, analytical solutions, and credit reporting services to financial institutions and consumers in the Kingdom of Cambodia. With strong support from the National Bank of Cambodia (NBC), the Association of Banks in Cambodia (ABC), the Cambodia Microfinance Association (CMA), and the International Finance Corporation (IFC), a world-class private credit bureau was initiated in response to the demands of Cambodia's financial sectors to run a fair, transparent, and well-managed credit market to support the country's economic growth. The Prakas on Credit Reporting was passed in May 2011 and Credit Bureau Cambodia (CBC) was officially launched on March 19, 2012.



The Social Performance Task Force (SPTF) is a non-profit membership organization with more than 4,600 members from all over the world. Members include financial service providers, investors, donors, ratings agencies, researchers, and other stakeholders interested in inclusive finance. SPTF engages with these stakeholders to develop and promote standards and good practices for social and environmental performance management (SEPM), in an effort to make financial services safer and more beneficial for clients, and to ensure that the interests of employees, local communities, and the environment are given priority attention.



Wing (Cambodia) Limited Specialised Bank is Cambodia's leading mobile banking service provider. Launched in 2009, Wing is committed to providing financial inclusion to the unbanked and under-banked allowing every Cambodian access to services including local money transfers, bill payments and phone top-ups, online shopping and QR payment, as well as instant international money transfer from more than 200 countries.



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