



សហគមន៍ក្រុមហ៊ុនធុនតូចមូល Cambodia Microfinance Association

2017

ANNUAL REPORT



**TOWARD FINANCIAL
INCLUSION & EQUITABLE
MICROFINANCE**



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GLOSSARY OF ACRONYMS

| | |
|--------|--|
| ABC | Association of Banks in Cambodia |
| ADA | Appui au Développement Autonome (Luxembourg) |
| ADB | Asian Development Bank |
| AFD | Agence Française de Développement |
| CAFE | Consumer Awareness and Financial Empowerment |
| CBC | Credit Bureau Cambodia |
| CCC | Cambodia Chamber of Commerce |
| CEO | Chief Executive Officer |
| CMA | Cambodia Microfinance Association |
| CPP | Client Protection Principle |
| FSP | Financial Service Provider |
| F2F | Face to face |
| GDT | General Department of Taxation |
| IMF | International Monetary Fund |
| IT | Information Technologies |
| MDI | Microfinance Deposit Taking Institution |
| MEF | Ministry of Economy and Finance |
| MFI | Microfinance Institution |
| Mol | Ministry of Interior |
| MoU | Memorandum of Understanding |
| MSP | Mekong Strategic Partners |
| M-CRIL | Micro-Credit Rating International Limited |
| NBC | National Bank of Cambodia |
| PAR | Portfolio at Risk |
| PPI | Progress out of Poverty Index |
| RIM | Risk Management Initiative |
| RMGM | Risk Management Graduation Model |
| SPM | Social Performance Management |
| TA | Technical Assistant or Technical Assistance |
| UNCDF | United Nations Capital Development Fund |
| USD | United States Dollars |
| VoC | Voice of the Clients |

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Chairman's Message



SNAPSHOT OF MICROFINANCE IN 2017

- The Cambodian MFI industry continues to grow rapidly;
- Portfolios increased by 38.85% reaching USD 4,256.51 million;
- Customers decreased by (4.51 %) reaching 1,855,337 families
- Deposits fund increased by 34.14% reaching USD 1999.01 million

As CMA's Chairman, it is with great pleasure and honor that I introduce this 2017 Annual Report for our association. Since 2003, CMA has been serving its members with a strong attention for defending their interests and making sure their voices are heard. Cambodia has seen its microfinance sector improving at a high pace for more than a decade now, giving to poor and financially included individuals more chance to access financial services helping them to have a better life. Thanks to its 13 new members that freshly entered the network in 2017 and altogether with its 83 former members, I am highly convinced that, for the years to come, CMA will continue benefiting to the microfinance sector and hold high its fundamental mission.

The financial sector is vital for the economy. So far, it has widely been proved that a healthy financial system is essential for the development of a country. Today, the Cambodian microfinance industry plays an important role in the evolution of the financial system and is without any doubt a fully integrated sector contributing to the domestic economy. This is showed through the following figures highlighting the evolution of the microfinance sector in Cambodia between 2016 and 2017:

- The Loan Portfolio increased by 39% and reached 4 257 million USD (17 183 534 million KHR)
- The Deposit Balance increased by 34% and reached 1999 million USD (8 069 994 million KHR)
- The Portfolio At Risk after 30 days (PAR30) decreased to 1.31% in 2017, while it was 1.41% in 2016
- The Number of Offices increased by 5.81% as it went from 1290 to 1365 offices as well as the Number of Employees that increased by 10% to reach 28 839 employees
- The Number of Borrowers decreased by 3% and reached 1 855 337 borrowers
- The Number of Depositors increased by 22% and reached 1 955 575 depositors
- Total Numbers of employees are increase from 26,286 by 2016 to 28,839 by end of 2017

At this time and regarding those figures, microfinance institutions (MFIs) provide people with financial services in all provinces and cities of Cambodia. Moreover, some of those figures are particularly encouraging, such as the growth of the loan portfolio and deposit balance, the reduction of the PAR30 or the increase of the offices and employees.

In such a context, the encouraging expansion of this thriving sector thus continued in 2017, even though some of those figures seem to indicate a steady evolution, just like the reduction of the number of borrowers, and although some measures tried to guide the industry toward a stabilization of the growth level. Indeed, growth is essential and encouraging but must be observed, analyzed and mastered. If not, as pointed by many observers, it may lead to more flexible lending criteria, less efficient information sharing and, at the end, harmful over-indebtedness for borrowers. With a too high growth, the clients and the institutions themselves could be jeopardized. These are the reasons why some actions were taken in 2017. For instance, the National Bank of Cambodia issued a Prakas that became effective on 1st April 2017 and which aims at capping institutions' interest rates at 18% per year. This measure was set in order to make sure borrowers have access to financial services at reasonable prices and to face the impressive growth that the sector has known for a long time now. As representative of its members, CMA actively dialogued with NBC on this policy.

In order to address this issue, the main actors of the sector such as CMA, CBC, NBC but also MFIs, have to work together. This is why, additionally to this

regulation, the CMA also undertook some specific actions in 2017. As an example, one significant contribution of CMA is surely the implementation of Lending Guidelines to the sectorial level and which aims at dealing with the issue of over-indebtedness through the promotion of quality and accurate data, the prevention of unhealthy competition and the implementation of client protection mechanisms. In the same way, we also issued a Code of Equitable Microfinance Lending practices encouraging transparency and non-discrimination, comprehensive disclosure of the information for clients, and affordability and suitability of the services with the regulation and the Client Protection Principles. Moreover, we kept on supporting and improving the Consumer Awareness and Financial Empowerment (CAFE) Initiative in partnership with Good Return and focusing on the enhancement of financial literacy. With this project, we want to promote responsible lending practices. To achieve this objective, this initiative has a two-level perspective. On the one hand, it aims at improving clients' awareness through financial education and self-confidence development via orientations and trainings. On the other hand, the ambition is also to improve MFIs' social performance through providing quality trainings to their staff.

Besides, just like the microfinance sector in Cambodia, CMA has been developing and improving for many years in terms of both size and quality. Joined by more and more members from year to year and getting new partnerships, CMA has always been working for Cambodian people to have access to formal, appropriate and sustainable financial services including loans as well as savings possibilities and other facilities. CMA definitely wants to ensure that poor, remote and vulnerable microentrepreneurs who desire to start, maintain or expand their business can find adequate financial services that best suit their needs and eventually improve their quality of life. Putting this vision into practice, CMA pursued its activities in this sense in 2017, just like the CAFE Initiative described previously. 14 trainings were also organized for CMA's members and with a total of 258 participants. These trainings approached topics such as taxation, professional accounting skills, work strategy, advanced risk management, internal control, accounting standards in Cambodia, branch management, and so on. Additionally, branch meetings were also held along the year as well as workshops that respectively gathered 562 and 611 participants. We also used television and radio channels in order to inform and educate clients on various microfinance topics. Finally, CMA contributed to microfinance nationally and internationally thanks to welcoming students, researchers, NGO partners and trainers, in order to consolidate the financial literacy of our members as well as improve the knowledge in microfinance globally.

As a conclusion and on behalf of CMA, I would like to express my acknowledgments and appreciation to our partners and stakeholders, namely the National Bank of Cambodia, the Ministry of Economy and Finance, the Ministry of Interior, the Association of Banks in Cambodia, Appui au Développement Autonome (ADA), Agence Française de Développement (AFD), Good Return, and all the other actors supporting our association and its mission. Moreover, I would like to thank all our members for their active contribution and for improving the microfinance sector every day. Finally, I would like to give all my gratitude and gratefulness to all members of CMA's Board of Directors, clubs and committees for their active contribution and support, as well as CMA's managers and staff members for their efficiency, hard work and professionalism. Thanks to the collaborative work of all those actors, I have no doubt that CMA will keep on representing efficiently the microfinance sector in Cambodia and will overcome the future challenges – if any – the industry may face in the years to come.

I sincerely hope this report will bring relevant data and details about CMA's achievements and on the microfinance sector in Cambodia to its readers, whether they are academics, donors, investors or actors of the microfinance field.

May the year to come be interesting, attractive and successful for you.



Oknha Hout leng Tong,
Chairman of CMA

Notes from the General Secretary



I am pleased to introduce a new edition of the annual report to brief relevant stakeholders of the progress and achievements of the microfinance sector in 2017. All of these progresses should be viewed alongside the work of CMA, which has strived to play a leading role in the ongoing growth of the industry. Our chairman, Oknha Hout leng Tong, has highlighted many of our actions for 2016. These happen in conjunction with CMA core activities, which include, but not limited to:

- Facilitating new sources of funding, local and international,
- Ensuring smooth relations between CMA members and key stakeholders,
- Promoting and advocating for the interest of the sector at both national and international levels, providing our members and partners with networking opportunities,
- Providing our members with capacity building and training opportunities, promoting fair competition, client protection, prevention of over-indebtedness, and financial inclusion.

Looking ahead to 2018, I believe the industry will continue to perform strongly if we continue to ensure professionalism and lend responsibly – putting the interests of our clients at the heart of what we do. I believe “it isn’t the mountains ahead that wear you out, it’s the pebble in your shoe” that we should pay attention to risk of microfinance in Cambodia, and to remain vigilant. Our main challenges lie in the promotion of the financial inclusion while ensuring sustainable growth of the sector with increased level of financial literacy. It encompasses many areas where improvement has to be made in the face of slow growth – yet, maintaining it at a sustainable level, promoting transparent competition between FSPs, promoting social performance, and improving the implementation of Client Protection initiatives.

In this report, you will find information related to the structure of our governance, including the committees and clubs [advisory committee] established to guide and ensure the objectives of CMA are being met. You will also find updates about the main activities and projects we have implemented together with our partners.

On behalf of the management and staff, I would like to warmly welcome our new members to the CMA family. Moreover, I would like to express my sincere gratitude to our Chairman and the Board of Directors for their leadership and tenacity for the well-being and representation of the sector. I would also like to thank Agence Française de Développement and Appuis au Développement Autonome, our main funding partners that have enabled us to go from strength to strength.

All in all, I would like to thank all of our members, partners and stakeholders for their support to CMA and to the microfinance industry in general. I sincerely hope this cooperation will be maintained, in order to continue to strengthen the industry and bring us closer to a country free of poverty.

Please feel free to contact us if you have any questions, comments or feedback.



Yun Sovanna
General Secretary

WHAT WE ASPIRE TO BE



VISION

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

WHO WE ARE, WHAT WE DO



MISSION

To facilitate microfinance operators in their operations and to strengthen communication with authorities, national and international donors, creditors and investors.

CMA Overview

FUNCTION

The purpose of CMA is to ensure the prosperity and sustainability of the microfinance sector in Cambodia. CMA plays a vital role in providing training, networking, advocacy opportunities and promoting financial awareness. All of these activities are designed to support and strengthen the ongoing success of each member FSP.

GOALS

- To ensure the sustainable association in the microfinance sector and create a strong representative,
- To create a sound communication with national and international markets, to learn from the exchange of experience,
- To create forums where experiences and knowledge are shared; in order to build confidence and improve self-sufficiency, transparency and management practices,
- To provide members with services that best meet their needs and continuously improve them,
- To promote and improve the client's protection mechanisms, to prevent over-indebtedness,
- To promote best practices and a transparent competition between FSPs,
- To increase microfinance awareness of the public and key stakeholders, including government agencies and policy makers,
- To improve the representative voice and protect the interests of the microfinance sector when negotiating and lobbying with the government and national and international stakeholders,
- To raise funds for the association and support MFIs in their fundraising.

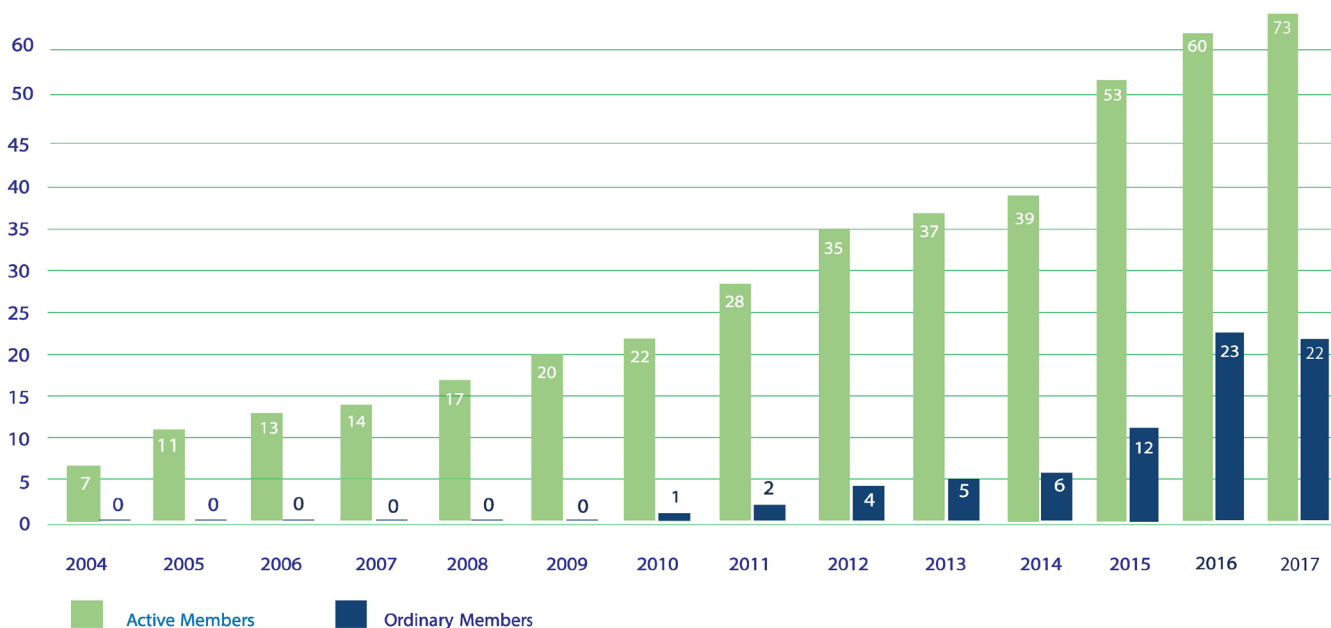
LEGAL FOUNDATION

According to the Banking and Finance Law in Cambodia (Chapter 22, Article 72), there is scope for only one professional association, related to banking services in Cambodia. The National Bank of Cambodia has enabled CMA to operate as a sub-division of the ABC, as recognized by NBC on 29 January 2008.

As a sub-division of ABC, CMA holds institutional membership with ABC and can negotiate relevant microfinance matters directly with NBC.

MEMBERS

Since its creation in 2004, CMA has grown from a membership association serving seven members to a much larger organization serving a total of 95 members in 2017, among which 73 are active members and 22 are ordinary ones.



BENEFITS OF MEMBERSHIP

There are two types of memberships:

1. Active Members - MFIs that are licensed by NBC and therefore legally required to apply for CMA membership.
2. Ordinary Members - any financial services operators (non-bank as well as MFI) and other institutions related to the microfinance sector, that have no legal obligation to apply for CMA membership but do it on a voluntary basis.

CMA membership brings several benefits, including:

- Information dissemination and sharing,
- Training and workshops opportunities,
- Profile raising and networking (with other local MFIs and international stakeholders),
- Advertising and public relations,
- Advisory services on microfinance issues, challenges and opportunities,
- Government lobbying and advocacy opportunities,
- Access to a broad range of research and publications.

CMA HISTORY

2002-2003

- A meeting in August 2002 between 7 MFIs including AMRET (formerly EMT), HKL, Seilanithih, VisionFund Cambodia, SATHAPANA (formerly CEB), PRASAC (formerly PCA), and HI/ADC resulted in an agreement to establish a microfinance association.
- From August 2002 until November 2003, a small sub-working group drafted a constitution for the association.
- In November 2003, the Cambodia Microfinance Association (CMA) was formed as an organization. Its governing structure included a General Assembly, Board of Directors, and an elected General Secretary and Board Chair.

2004

- CMA was formally established with seven member MFIs: SATHAPANA, AMRET, HKL, Maxima, Seilanithih, CREDO, and PRASAC.
- The team was comprised of a General Secretary (part time volunteer) and an Assistant Secretary.
- In October 2004 CMA was granted registration by the Ministry of Interior as a non-governmental organization.

2006

- AFD becomes a donor for the first time.
- The system of CMA Committees is established in the areas of IT & Marketing, Advocacy, Training and Audit.

2007

- ADA in Luxembourg provides a workshop on Microfinance Performance Analysis for CMA members.
- ADA commits to supporting CMA until 2016.
- The CMA team grows to include two full time staff members: General Secretary and Finance & Administration Officer.

2008

- CMA becomes a sub-division of ABC and is recognized by the NBC.

- The CMA team expands to four full time paid staff members: General Secretary, Finance & Administration Officer, IT & Project Assistant Officer and Admin Assistant & Driver. Funding for additional staff is provided by ADA and Planet Finance.
- CMA produces the first MOU of Healthy Competition.
- The Cambodian microfinance industry is severely affected by the Global Financial Crisis (GFC).

2009

- CMA grows to six full time staff members: General Secretary, Finance & Administration Officer, IT & Marketing Assistant Officer, Training Manager, Admin & Training Assistant Officer and Cleaner.

2010

- CMA changes its membership structure to include "Ordinary Members" to accommodate for market conditions following the global market recovery from the GFC.
- CMA staff numbers grow to seven.
- Planet Finance agrees to support CMA's SPM Project until 2012.
- CMA's clubs were established including CEO Club, Operation Club, Finance Club and HR Club. CMA release the second version of Healthy Competition MOU.
- CMA receives volunteer support from Australian Youth Ambassadors for Development.

2012-2013

- CMA staff numbers grow to eight.
- AFD commits funds to the CPI project until 2015.
- CMA receives volunteer support from Australian Youth Ambassadors for Development.

2014

- CMA enters a partnership with Australian development partner Good Return to implement the CAFE project. This includes two full time members of the Good Return team working from CMA premises.

- CMA creates a new documentary series with the purpose of financial education for the Cambodian public.
- CMA receives volunteer support from Australian Volunteers for International Development

2015

- CMA supports the organization of the Social Performance Task Force's Annual Meeting in June 2015.

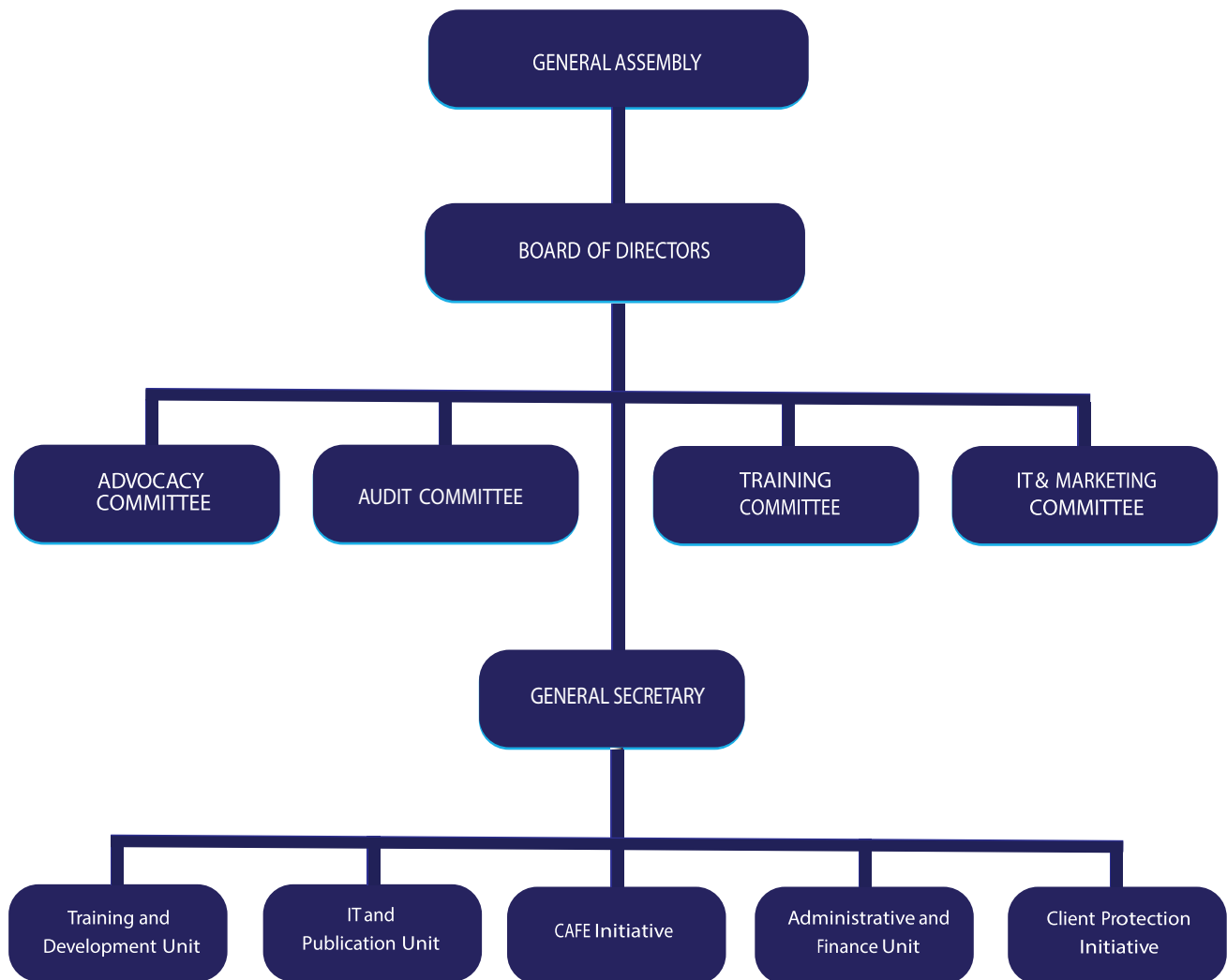
2016

- CMA launches the Preah Sihanouk MoU initiative, which consists of providing FSPs with sector-wide lending guidelines, in order to provide an overall framework within which FSPs can review and enhance their credit policies.

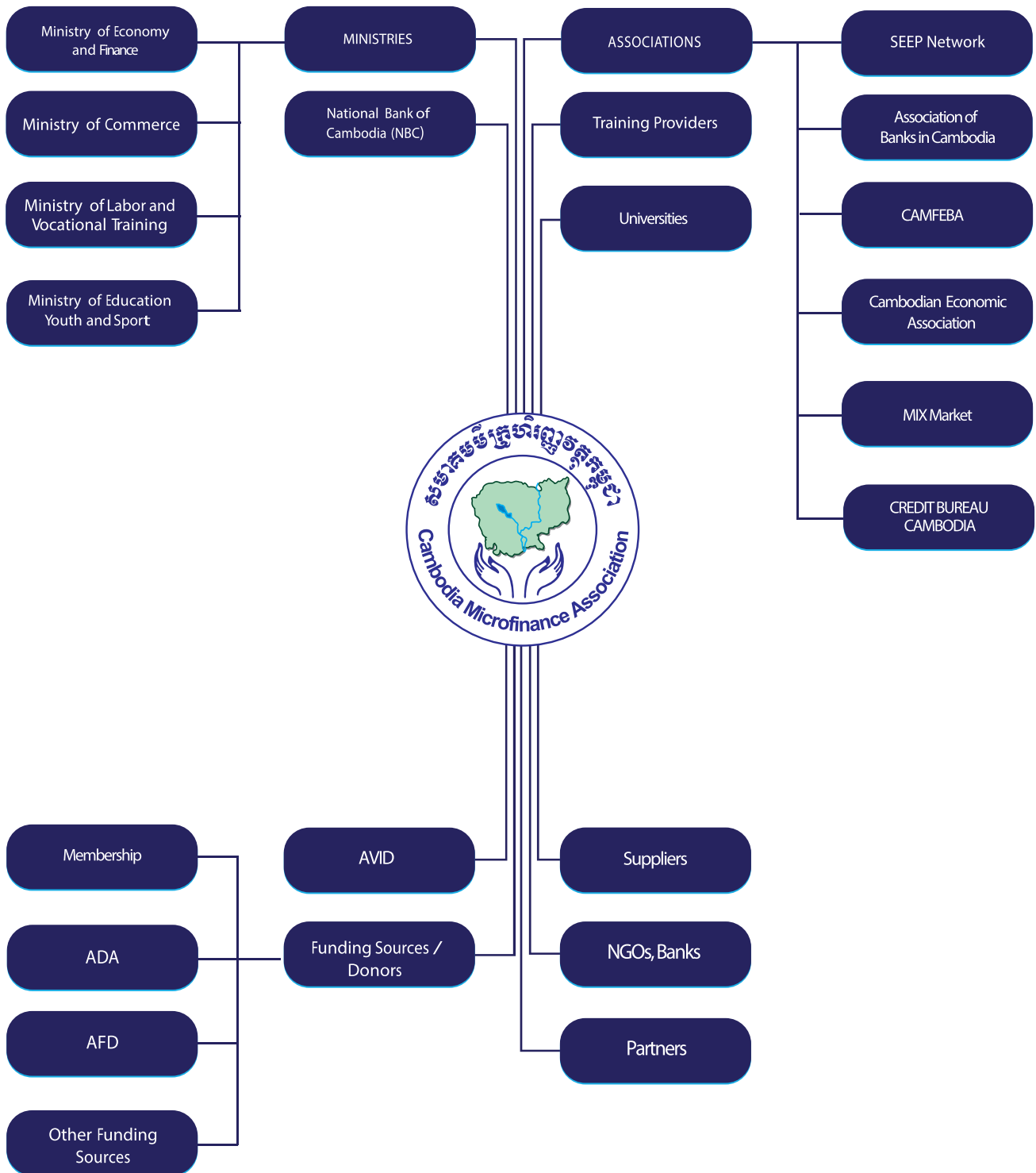
2017

- CMA launches Code of Equitable Microfinance Lending, which this Code is an initiative of the CMA with the main purpose of complementing the professional operations of the Institutions in order to enhance the quality and equity of microfinance lending by ensuring:
 - a) the provision of transparent and non-discriminatory services
 - b) the public's access to comprehensive information, especially on customers' rights and obligations
 - c) the affordability and suitability of services in accordance with the rules and regulations of the National Bank of Cambodia and the Client Protection Principles.

ORGANIZATIONAL STRUCTURE



STAKEHOLDERS





Cambodia's Economic Performance in 2017

Over last seven years Cambodia has witnessed impressive growth. As a result, poverty decreased strongly and is expected to continue declining over the coming years.

The overall growth is nonetheless slowly declining year after year, towards a stable level. For the year 2017, the Cambodian economy remained at a relatively high real GDP growth level of 6.9%, a slight increase from a rate of 6.7% in 2016. Growth is projected to remain strong, expanding at 6.9% and 6.8% in both 2018 and 2019, respectively. The World Bank has officially revised the status of Cambodia's economy, moving it from the low-income bracket into the lower-middle income bracket.

The Cambodian economy is still mostly dominated by micro, small and medium-sized enterprises. However, the trends of GDP growth and poverty reduction are being driven by the garment, construction & real estate, services and tourism sectors in urban areas. In rural areas, where about 80% of the population live, the agricultural sector and microfinance sector has been the main driver of poverty reduction over the past. Its growth has recently eased but showed a sign of strengths over 2018. This was due to better climatic conditions and longer raining season, but mitigated by depressed agricultural commodity prices.

Resilient exports coupled with higher oil prices widened trade deficit (-20 % of GDP) in 2017 and improved the country's overall external position. This, coupled with a positive economic outlook, contributed to increases in the net inflow of foreign direct investment (10.7% of GDP) and to increase the balance of payment surplus to 6.9%, as compared to 5.7% in 2016. Inflation slightly increases to 3.8%. The main reason for the inflation is the increase in the food, clothing and oil prices, as a result of a rising domestic demand in line with the improvement of the living standards. The reason why inflation remained low is the low oil price environment coupled with the supportive fiscal and monetary policies.

The banking sector's overall credit growth has been high over the last few years and 2017 was no exception with credit growth of 25.7%. There is no slow sign of credit growth as compared to 2016. This overall increase is mainly due to customer's growing demand. The Liquidity Coverage Ratio, increases to 139% for banks and 172% for microfinance service providers, higher than in 2016 (128% and 152% respectively). At the same time, this high level of liquidity ratio, together with high level of solvency ratio (23% for banks and 22% for MFIs) and low ratio of non-performing loan (2.4% and 2%, respectively) enabled the banking system to remain healthy. Since the banking sector is very competitive, lending rates had fallen to an average of 11.72% for commercial banks and 22.92% for MFIs. The dollarization of the financial system remains high, foreign currency deposits remains unchanged around 83% of total deposits (M2) as in 2016, making the implementation of monetary policy difficult. To overcome this problem, the government has increased the Cambodians awareness of using of Riels, decrease transaction costs of payments in Riel, and required banking and financial institutions to provide loans in Riel on a gradual basis

| STATISTIC | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------|------|--------|------|------|------|-------|-------|-------|-------|
| Nominal GDP US\$bn | 10,3 | 10,4 | 11,242 | 12,8 | 13,9 | 15,4 | 16,9 | 18 | 20,2 | 22.2 |
| GDP per capita US\$ | 739 | 739 | 830 | 909 | 990 | 1024 | 1139 | 1024 | 1078 | 1434 |
| Real GDP growth % change y-o-y | 6.7 | 0.1 | 6 | 7.1 | 7.3 | 7.6 | 7.2 | 7 | 6.9 | 7 |
| Exchange rate KHR/US\$ eop | 4081 | 4169 | 4050 | 4039 | 4100 | 4100 | 4040 | 4050 | 4037 | 4050 |
| Goods imports US\$bn | 5 | 4.4 | 5.4 | 6.7 | 7.4 | 8.2 | 10.43 | 12.28 | 12.24 | 15.55 |
| Goods exports US\$bn | 3.4 | 2.9 | 3.8 | 5.2 | 5.7 | 6.4 | 7.69 | 7.44 | 10.18 | 11.2 |
| Inflation % per year | 25 | -0.7 | 4 | 5.5 | 4.8 | 4.2 | 3.5 | 1.2 | 3 | 3.8 |
| Government Revenue (%of GDP) | 12 | 12.0 | 13.1 | 13.2 | 13.8 | 14.2 | 15.4 | 20.33 | 17.6 | 18.57 |
| Government Expense (% of GDP) | 14.8 | 20.4 | 20.6 | 20.6 | 20 | 20 | 19 | 17.07 | 17 | 23.63 |
| Foreign Direct Investment, (USD million) | 815 | 928 | 1322 | 1343 | 1800 | 1827 | 1667 | 1668 | 2164 | 2383 |

Figures Sourced From: Ministry of Economy and Finance, NBC, IMF and The World Bank. .



The Development of Microfinance in Cambodia

BEFORE 1990: LIMITED FINANCIAL SERVICES

In the late seventies, the Khmer Rouge government eradicated Cambodia's local banking system. Only in the early nineties did the banking system recovered, with financial services being only provided by commercial banks in Cambodia's urban centers. However, the great majority of the Cambodians were living in rural and remote areas. Without access to formal, sustainable and timely accurate financial services, Cambodians typically relied on informal money lenders that provided them with unregulated financial services with high usury interest rates.

1990-1995: THE FIRST MICROCREDIT SEEDS ARE PLANTED

In the early 1990s, microfinance emerged in Cambodia from non-profit microcredit projects initiated by international donors, NGOs and other institutions, designed to fill the financial gap and meet the demand for credit. Organizations such as GRET (1991), World Relief (1992), ACLEDA and CRS (1993) started to run microcredit projects by handling cash transfers. This initiative was lately recognized by the new Cambodian Government and international aid

started to pour into the country, with a strong emphasis on community rehabilitation projects. However, despite the progress, microfinance initiatives failed to reach the population on a big scale, with approximately 44,000 recipients in 1994.

1995-2000: GOVERNMENT SUPPORTED INSTITUTIONALIZATION

To support development of the sector, in 1995 the Royal Government of Cambodia established the Credit Committee for Rural Development (CCRD), with financial support from the UNDP and ADF. Their goal was to formulate a strategy for rural credit expansion, strengthen its overall management and secure funding.

In 1997, the NBC set up the Supervision Office of Decentralized Banking System Bureau, that later was divided in two branches: the Specialized Bank and the MFIs Supervision Office, whose aim was to oversee the coordination, supervision and regulations of the sector and to support capacity building programs.

By 1998, the sector had undergone a strong growth and had served 214,000 individuals. Nevertheless, this growth was accompanied with new risks for clients and promoters, which encouraged the government to design a regulatory framework.

In 1999, given the impact on rural populations, the Royal Government of Cambodia adopted a two-tier system under the Law on Banking and Financial Institutions for supervising microfinance.

2000-2005: COMMERCIALIZATION DRIVES THE SECTOR UP A NOTCH

The year 2000 brought several milestones to the sector. A Prakas on microfinance regulation was enacted and implemented by the NBC. Moreover, the Government support of a free-market economy and a more stable political environment allowed MFIs to attract an increasing number of foreign private investors. ACLEDA was the first MFI to transform from an NGO to a specialized microfinance institution.

As a result, taking ACLEDA as a rolemodel, other NGOs started to transform into commercial MFIs. This eventually led to stronger growth of the sector and increased competition. This commercialization brought positive effects such as a drop from 42 to 32 % of the average annual interest rates charged to clients between 2003 and 2004, improvements in financial products and services design, and diversification to new innovative products.

In that context, the establishment of CMA by seven MFIs in 2004 encouraged internal collaboration among the sector's main actors, including information sharing and the design of tailored training programs. CMA started to operate as a sub-division of the ABC in accordance with the legal framework, enabling direct negotiation channels with the NBC on relevant microfinance topics.

2005-2015: MICROFINANCE AS AN INTEGRAL ECONOMIC PLAYER

Since 2005, the microfinance field has undergone significant changes. In 2006 the NBC, with technical assistance from the ADB, established a Credit Information System (CIS) designed to collect and share negative credit information from commercial banks.

Between 2006 and 2013, microfinance activities fostered a healthy lending environment, with the number of borrowers.

This growth was impacted by the global financial crisis of 2008, which had detrimental impacts on all Cambodia economic sectors as seen in the following year. In the microfinance sector, this was reflected by a rising PAR; although, the sector showed rebound in 2010.

December 2007 was characterized by a big milestone: eligible MFIs received the authorization to attract deposits from the general public, which provided MFIs with cheaper sources of funds primarily in the local currency at a time when foreign investment contracted significantly and which was a highly valued service by clients themselves. This whole period was also characterized by the offering of new innovative financial products, such as mobile banking technologies.

Up to 2015, the tremendous growth of the microfinance sector was perceived by most as a sign of performance, with MFIs providing financial services to underserved clients. But some experts started to argue that the microfinance sector in Cambodia has become overly profitable for both existing and new entrants. In 2015, the number of loans kept on increasing by 13.5% and the portfolio volume by 39.6%, as compared to previous year. Cambodia's credit growth ratio has started to substantially diverge from a path considered as sustainable. This eventually led to a situation of market saturation, highlighted by Mimosa Report. Indeed in the great majority of Cambodian provinces, the MIMOSA score indicates that loan penetration has exceeded capacity. Since an infinite growth is not possible in a finite world, the detrimental consequences can be diverse; reduction of information sharing between MFIs, relaxed criteria for obtaining a loan, aggressive sales practices and so on. This might in turn ultimately bring increased over-indebtedness problems.

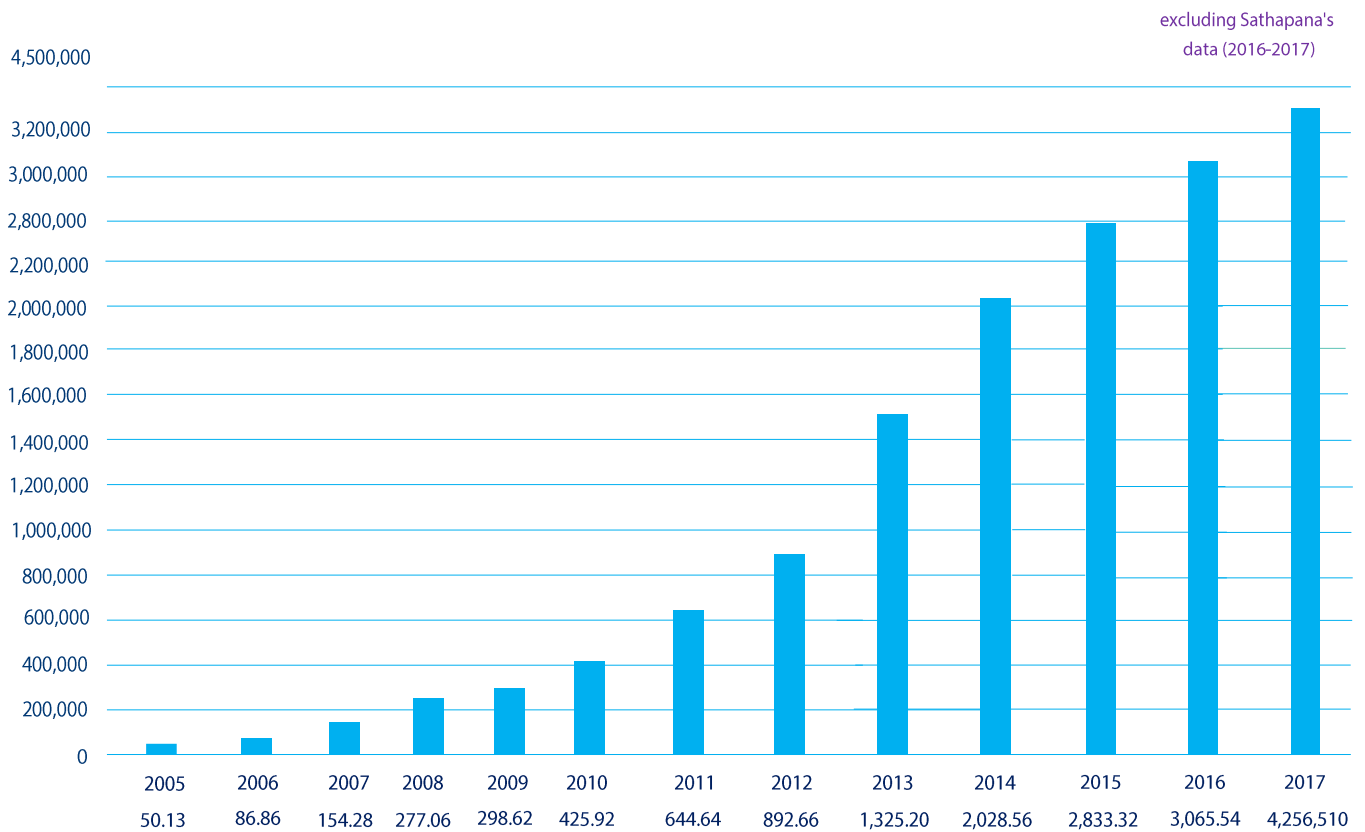
Stabilising the credit growth is now a priority. Credit growth in 2016 has slowed to 23% (including small loan portfolio of Sathapana, which has been reclassified as commercial bank) and should be seen as a positive development. However, the reasons behind it might not be positive. The reclassification of Sathapana from a MFI to a commercial bank might be the main reason. Indeed, Sathapana had nearly USD 600 million in outstanding loan portfolio at the end of 2016, which was not included in the end-of-year portfolio. If this has been included in the total calculation of MFI credit, it would have led to a much stronger growth. However, the increased competition between MFIs, leading to relaxed lending criteria might become common practice. Indeed, the first financial service providers to lower their lending standards are the private and unregulated moneylenders, meaning more credits might be informal and therefore not accounted for. On the demand side, reason for lower credit growth might be a lower demand for credit from farmers, given the slowdown in the agricultural sector. The slowdown of the growth might then come from different sources simultaneously, and might be illusory, linked to external factors or the switch of a share of the clients towards informal sources of credit. It is now too soon to tell if this trend will persist over the long run to talk about credit growth stabilization. This situation needs constant monitoring and a host of issues need to be addressed to ensure growth stabilization.

For now, the implementation of preventive measures to avoid the negative effects of market saturation, such as building the capacity of the sector, regulatory guidance on clients protection, reporting mechanisms as well as the promotion of healthy and responsible lending practices are highly valuable and should continue to be a priority.

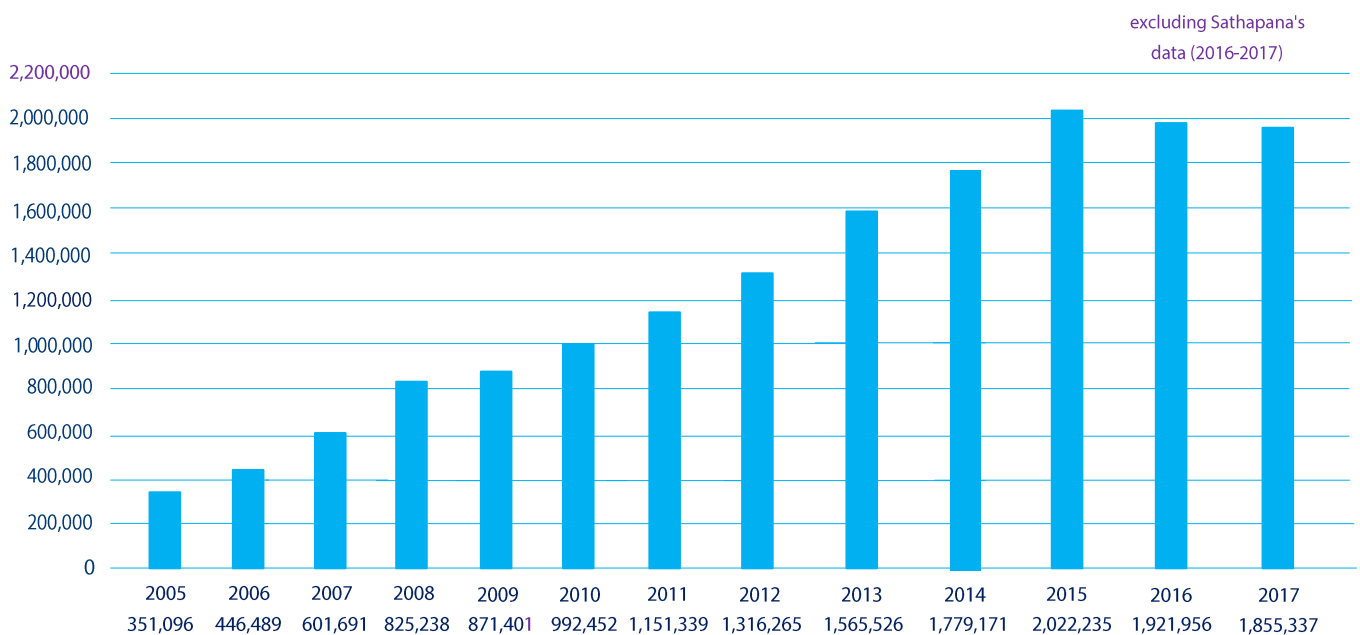
2017

The Ministry of Commerce announced that private banks and MFIs using logos similar in appearance to the branding of the Finance Ministry or the National Bank of Cambodia (NBC) would be required to change their logos. Prime Minister Hun Sen spoke at a graduation ceremony in Phnom Penh and give instruction to media outlets and mobile phone companies to publicize the message: "All microfinance institutions are private, not state-owned." On 13 March 2017, the National Bank of Cambodia (NBC) announced Prakas B7-017-109 P-K on the setting of interest rate ceiling on loan of 18 percent per annum for microfinance institutions, deposit-taking MFIs and licensed rural credit institutions to protect consumers from excessive interest rate charged by the institution and to effectively promote the use of affordable loan. The measure was set to come into effect on 01 April 2017.

Loan Outstanding (in Million USD)



Number of Clients





WORKSHOPS AND EVENTS

ANNUAL GENERAL ASSEMBLY

The 11th Annual General Assembly (AGA) of CMA was conducted on 14 February 2017 at the Phnom Penh Hotel with over 80 participants including representation from all our members - MDIs, MFIs, Leasing & Finance institutions and Rural Credit Operators.

The AGA is the highest and most important level of meeting of CMA members, and is the main forum whereby CMA presents its progress and achievements for the year and provides an opportunity for members to raise discussion points and ask questions openly. During the AGA the following areas were presented and discussed:

- Review of minutes of the 10th Annual General Assembly (held 4 March 2016)
- Year in review-highlight of key activities in 2016
 - Update of Preah Sihanouk Memorandum of Understanding on Lending Guidelines
- Financial results of CMA in 2016
- Budget and work plan for 2017
- Recent developments in the Microfinance Sector
 - Private Institution signboard display
 - Interest rate and pricing transparency
 - local authority as agent.



CAMBODIA ANNUAL MICROFINANCE CONFERENCE 2017

Growing Together: Inclusive Growth, Informative Transparency and Digital Innovation



Since 2008, Cambodia Microfinance Association (CMA) has organized its annual conference that has brought together of policy makers, prominent business leaders and key stakeholders' representatives to discuss trends and key issues related to microfinance development and growth in Cambodia.

The 2017 Annual Conference held on 15 December 2017 at Independence Hotel, Preah Sihanouk Province has featured presentations from key industry leaders and recognized experts in this industry on the current and future paths of microfinance in Cambodia. 240 participants, governor of National Bank of Cambodia, Director General of Ministry of Economy and Finance (MEF), primarily senior executives of microfinance institution members attended this important conference. The Conference benefited to CMA's members on a platform to connect, engage and learn about the challenges and opportunities to implement inclusive finance, maintain sustainable growth and seize new opportunities to use new, innovative technologies.

The theme for 2017 annual conference is "Growing Together: Inclusive Growth, Informative Transparency and Digital Innovation" explored how microfinance institutions could continue to foster inclusive practices for the benefit of all stakeholders. The AMC 2017 examined the transparency practices that should underpin the operations of socially-conscious microfinance lending, as well as look at the continued rise of digital innovation, such as mobile banking and digital payment, in the Cambodian financial sector and how the microfinance practitioners could take full advantage of the evolution to further social mission and economic contribution.

CMA, as industry representative, introduced its recent and on-going initiatives – such as self-regulated code of practices, client protection, and financial education – aimed at setting the backdrop of the discussion. On the panels discussion gave participants discuss on the two points 1) Capitalizing on MF service for inclusive growth and 2) Informative transparency for the right decision and equitable financial access and other topic on 'Innovation and efficiency' also raised and discussed in conclusion.

The conference is wrapped up with industry leaders dialogue and panel discussions to emphasize key talking points about the directions of the industry beyond 2017 in light of past development and innovations that have taken place and continue to change the industry – and with that the microfinance place in the socio-economic landscape of Cambodia in the years to come. The results of the conference received with huge recognized by participants who came with new initiatives, long term visions in cooperative spirit to help this industry success and thankful to AMC sponsorships who provided their times and budgets to work with us to pushed this important event beyond successful.



Our Sponsors:

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CMA Lending Guideline Funders





BRANCH NETWORK MEETING IN PROVINCIAL AREA

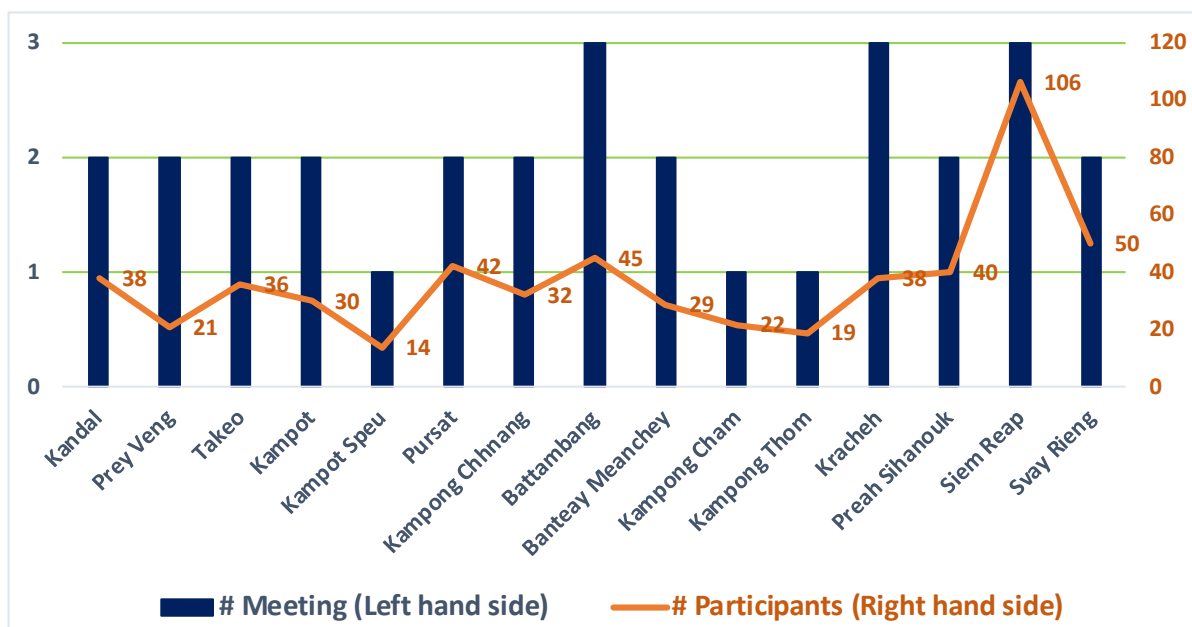


Cambodia Microfinance Association (CMA) has facilitated and attended 25 Branch Network Meetings in 15 provinces from January- November 2017, with 30 meetings and total 562 participants including regional managers, provincial managers, branch managers, deputy branch managers and credit officers.

The following critical topics have been discussed:

- The creation of a platform for branch managers to voice their concerns to CMA top management,
- The identification of key faced challenges/root causes of over-indebtedness such as lack of financial education, managerial skills for running a business, communication between MFIs' staff and local authority, information sharing between MFIs, etc.,
- Ways to address key operational issues faced by branch offices,
- The exchange of knowledge and experiences on best practices,
- The establishment of workshops with local authorities,
- The informal money lenders (that charge higher interest rates) issue,
- The election of new chairman and vice-chairman of branch network.

| No. | Date | Provincials | Chairman | Venue | # Meeting | Total |
|--------------|-----------|-----------------|----------------------------|-------------|-----------|------------|
| 1 | 17-Mar-17 | Kandal | Mr. Touch Samvoeun, LOLC | Vision Fund | 2 | 38 |
| | 27-Oct-17 | | | LOLC | | |
| 2 | 25-Jul-17 | Prey Veng | Mr. San Pheakdey, Prasac | PRASAC | 2 | 21 |
| | 24-Oct-17 | | Mr. Chan Vandara, Kredit | Kredit | | |
| 3 | 1-Mar-17 | Takeo | Mr. Tin Sroeuon, Amret | HKL | 2 | 36 |
| | 11-Aug-17 | | Mr. Tin Sroeuon, Amret | AMRET | | |
| 4 | 25-Jan-17 | Kampot | Mr. Mil Pros, Samic | Sathapan | 2 | 30 |
| | 27-Jul-17 | | Mr. Mil Pros, Samic | Sathapan | | |
| 5 | 26-Jul-17 | Kampong Speu | Mr. On Pheap, Amret | BNKC | 1 | 14 |
| 6 | 25-Aug-17 | Pursat | Mr. Chim Sokha, Amret | HKL | 2 | 42 |
| | 5-Dec-17 | | | AMRET | | |
| 7 | 23-Mar-17 | Kampong Chhnang | Mr. Chem Vannin, Kredit | Kredit | 2 | 32 |
| | 24-Aug-17 | | Mr. Chem Vannin, Kredit | Vision Fund | | |
| 8 | 22-Mar-17 | Battambang | Mr. Chheng Bunhieng, Amret | AMK | 3 | 45 |
| | 17-Aug-17 | | Mr. Preung Vuthy, Amret | LOLC | | |
| | 24-Nov-17 | | | Niron | | |
| 9 | 21-Mar-17 | Banteaymeanchey | Mr. Mam Thorn, HKL | HKL | 2 | 29 |
| | 18-Aug-17 | | Mr. Mam Thorn, HKL | HKL | | |
| 10 | 18-Jul-17 | kampong Cham | Mr. Tek Sokheng, Amret | AMRET | 1 | 22 |
| 11 | 21-Aug-17 | Kampong Thon | Mr. Khay Menglin, Amret | Chamroeun | 1 | 19 |
| | 12-Jan-17 | | Mr. Kan Borun, Prasac | Sathapan | | |
| | 25-Apr-17 | | Mr. Kan Borun, Prasac | PRASAC | | |
| 12 | 11-Aug-17 | Kracheh | Mr. Bo Pich, HKL | Kredit | 3 | 38 |
| | 5-Jul-17 | | Mr. Im Phirun, Amret | HKL | | |
| 13 | 29-Nov-17 | Preah Sihanouk | Mr. Im Phirun, Amret | SPM | 2 | 40 |
| | 26-Jan-17 | | | Kredit | | |
| 14 | 6-Apr-17 | Siem Reap | Mr. Hem Mara, YCP | LOLC | 3 | 106 |
| | 22-Aug-17 | | Mr. Hem Mara, YCP | HKL | | |
| | 28-Mar-17 | | Mr. Ven Samean, Amret | HKL | | |
| 15 | 2-Aug-17 | Svay Rieng | Mr. Ven Samean, Amret | Amret | 2 | 50 |
| | | | | | | |
| Total | | | | | 30 | 562 |



Training programs

In 2017, in order to provide its members with best quality capacity building programs at lower costs, CMA offered 18 training courses to a total of 343 participants. Those were spread across 2 categories, as follows: training program 15 training sessions to a total of 299 participants, and exposure visit training 3 sessions to a total of 44 participants.

| N° | TOPIC | TRAINER | DATE | LANGUAGE | PARTICIPANTS |
|-------|---|---------------------|-------------|----------|--------------|
| 1 | Financial Modelling for Corporate Budgeting | Mr. Varabott Ho | 19-20 Jan | English | 26 |
| 2 | Internal Control, Audit and Managing Key Risks | Mr. Phat Reatana | 28-29 Jan | Khmer | 13 |
| 3 | Effective Branch Management for Branch Manager | Mr. Lun Borey | 17-18 Feb | Khmer | 14 |
| 4 | Innovative ways to asses customer risk | Consultant | 27-Feb | English | 29 |
| 5 | International SME Lending School | Mr. Kenny Tay | 6-10 March | English | 33 |
| 6 | Human Resources Management & Leadership | Mr. Lun Borey | 24-25 March | Khmer | 6 |
| 7 | Professional Accounting Skill for Financial Institution | Mrs. Vath Sovanna | 25-26 March | Khmer | 7 |
| 8 | Operational Risk Management | Mr. Hans Hekkenberg | 7-9 June | English | 22 |
| 9 | Liquidity & Market Risk Management | Mr. Hans Hekkenberg | 12-14 June | English | 19 |
| 10 | Training of Trainers | Mr. Oul Vann | 20-21 June | Khmer | 40 |
| 11 | How become Professional Trainer | Mr. Si Len | 17-18 Jun | Khmer | 32 |
| 12 | Effective Branch Management for Branch Manager | Mr. Lun Borey | 29-30 June | Khmer | 10 |
| 13 | Cambodia Accounting Standard | Mr. Heat Heng | 7-8 July | Khmer | 6 |
| 14 | Advanced Credit Risk Management | Mr. Soeung Phyry | 20-21 July | Khmer | 20 |
| 15 | How become Professional Trainer | Mr. Si Len | 19-20 Aug | Khmer | 22 |
| Total | | | | | 299 |

Exposure visit

| N° | DELEGATES FROM | COUNTRY | DATE | LANGUAGE | PARTICIPANTS |
|-------|---|---------|------------------|----------|--------------|
| 1 | Center for Self-help Development (CSD) | Nepal | 23-24 March 2017 | English | 13 |
| 2 | Nepal Rastra Bank - Central Bank of Nepal | Nepal | 29-31 March 2017 | English | 27 |
| 3 | Nepal Rastra Bank - Central Bank of Nepal | Nepal | 3-7 April 2017 | English | 4 |
| Total | | | | | 44 |

Workshop on Microfinance awareness

On 17 November 2017, at Banteay Meas district, Kampot province, Cambodia Microfinance Association (CMA) coordinated with the authority of Banteay Meas district conducted its workshop on "Microfinance awareness". The workshop was presided over by Mr. Yun Sovanna, General Secretary of Cambodia Microfinance Association, Mr. Men Pheakdey, National Bank of Cambodia, Mr. Tong Tithanou, Deputy of Department of Marketing and Finance of Ministry of Economic and Finance, Mr. Our Sothearoath, Chief Executive Officer of Credit Bureau Cambodia, Mr. Moung Noeun, District governor of Banteay Meas. The workshop was also attended by more than 100 participants, there are from Branch managers of Banks and MFIs in Kampot province, Chief Commune and Chief villages in Banteay Meas district.

The purpose of this workshop is to promote financial awareness and build the strong relationship among, local authorities with financial institutions, especially to promote and enhance Financial Education to local authorities and MFIs' client to prevent multiple lending.





Microfinance Information Exchange 2017

CMA regularly collects and consolidates information from members such as: amount of loans outstanding, number of borrowers and depositors, balance of deposits, number of provinces, districts, communes, and villages where MFIs operate, PAR and number of staff. Some key statistics collected from the year were:

At the end of 2017, 73 licensed MFIs and 22 registered RCIs were operating within 25 of Cambodia's provinces

- Total loans outstanding amounted to 4,256.51 million USD, an increase of 38.85% on 2017
- The number of borrowers decreased to -3.47%, equating to 1,855,337 people
- The PAR ratio increased from 1.41% to 1.31%
- Total deposit balances have increased 34.14% to 1999.01 million USD, which is contained in 1,955,575 savings accounts. This equates to an increase of 22.46%
- In 2017 microfinance provided jobs to 28,839 staff, an increase of 9.71% over the past year.

Note: Sathapana's data is excluded from 2017.

As the representative voice of microfinance services providers (including MFIs, leasing companies and rural credit operators), CMA advocates for their interests with regulators and policy makers. In 2016, CMA continued long standing relationship of open and honest dialog about the real challenges faced by the Cambodian microfinance sector with our counterparts and partners such as Association of Banks in Cambodia (ABC), National Bank of Cambodia, Cambodia Chamber of Commerce (CCC), Ministry of Economy and Finance (MEF) and General Department of Taxation (GDT), etc. Meeting with stakeholders were requested, in order to discuss several key topics and identify appropriate solutions, including:

1. Provision for bad debts for determination of pre-payment of profit tax with GDT
2. Prakas 1704 about taxation mechanism of leasing company with GDT,
3. Retained earnings to capital conversion with GDT,
4. Staff loan and medical benefit for staff's spouse and children with GDT,
5. Tax on company's logo with GDT
6. CMA's taxation related issues with CCC and ABC,
7. Purpose of inspection mission officers (inspection-general) with MEF,
8. Draft of MOU lending guidelines with NBC,
9. Draft LPCO with NBC,
10. MFI lending in the rice/paddy sector with NBC,
11. Interest rate issue and pricing transparency with NBC.

In the future, market saturation and over-indebtedness are key issues to be addressed with regulators and policy makers as well as members of CMA.



ADVOCACY AND REPRESENTATION



1. Aims and objectives

The aims of the project are to contribute to the stability and promotion of responsible finance with a view to ensuring sustainable growth for the microfinance sector in Cambodia. Amongst several actions aimed at fighting the risk of over-indebtedness for clients, CMA is promoting and supporting the implementation of the Client Protection Principles (CPPs).

2. The detail objectives are below

Component 1: The CPPs' dissemination and implementation with a view to "Smart Campaign" certification of several MFIs

Component 2: Support the MFIs in their contribution to the CBC, by supporting (i) their purchase of the software with a view to homogenizing their database, (ii) the set-up of efficient information and monitoring systems, and (iii) the training of MFI staff on data collection and transmission.

Component 3: Strengthen the CMA's capacity in order to be able to pursue, improve and diversify its training and awareness building activities, as well as conduct some studies on microfinance

3. Client Protection Gap Overview

| BY PRINCIPLES | STRENGTH | AREA FOR IMPROVEMENT |
|--|---|---|
| Principle 1: Appropriate Product Design and Delivery | <ul style="list-style-type: none"> • Most FIs design products based on client requirements – one institution had product development committee to monitor suitability. • Diversity of products • Client dropout, exit surveys used to improve products and policies. • Sales not aggressive, clients had right to cancel applications. • Productivity targets were in line with industry | <ul style="list-style-type: none"> • Compulsory savings now phased out but were being used to offset late installment. • Collateral – lacked policy on non-collateral • Client surveys were informal |
| Principle 2 : Prevention of Over indebtedness | <ul style="list-style-type: none"> • Appropriate repayment capacity analysis for individual loans, but not consistent for group Loans. Debt services ratios used differ across the sector. • Trained Staff – repeated refresher trainings • Incentive structure: PAR monitored, highest weighting on quantitative variables, though shift towards qualitative parameters was noticed. • Credit bureau checks according to Prakas – risk reports submitted to board and management risk committees. | <ul style="list-style-type: none"> • Few institutions had policies to support good repayment capacity • Inconsistency in implementation of repayment capacity analysis -softening of loan assessment in second and third loans. • Incentives not fully understood by staff. • No clear definition on client over-indebtedness. • Practises differ at ground level, where assessors often discovered clients with three outstanding loans. • Difficult to determine client willingness to pay. |
| Principle 3 : Transparency | <ul style="list-style-type: none"> • Less than half of FIs were disclosing pricing, terms, and conditions to clients clear and detailed information to clients, loan contracts in local language. • Majority institutions were sharing data with infrastructure initiatives, regulatory and website. • Policy for disclosure of total cost and EIR to clients through pricing transparency sheet, explained during disbursement. • FIs with full disclosure employed several communication channels in Khmer: TV, radio, brochures, flyers, hotline/call center, COs, Customer Service Officers (CSOs), banners, posters. | <ul style="list-style-type: none"> • Discrepancy between policy and practice. • Repayment schedules not always comprehensive, lack information on loan amount, interest rate, loan terms, etc. Penalty on late payments and future implications for subsequent loans following late payments also not clear. • Fees not always included in APR calculations. • Clients not always provided passbooks but loan schedule, collateral agreement, saving deposit slip. • Scope to have simple contracts. |
| Principle 4 : Responsible Pricing | <ul style="list-style-type: none"> • More than two-thirds of FIs assessed offered market-based, non-discriminatory pricing. • One performed ongoing monitoring of competitor pricing in order to remain aligned with the market. This practice lead to consistent reductions in lending prices over recent years. • At another institution, interest rates depended on loan product, size, currency, competition, branch location, client's credit history, repayment capacity, collateral value and cash flow analysis. | <ul style="list-style-type: none"> • The performance yield of smaller institutions remained higher than the national benchmark (i.e. 32.7%). However, smaller institutions had the lowest average loan size in the market as it exclusively focused on the low-end market. • In a few institutions, cost of funds and operational efficiency ratios were high because the institutions were in expansion. |
| Principle 5: Fair and Respectful Treatment of Clients | <ul style="list-style-type: none"> • About half of FIs had a code of conduct, approved by the board – disciplinary action, detailed guidelines and pledges. • Eight FIs did not endorse zero PAR policy. • Five FIs reported having policy guarantees for clients to receive fair price • Majority of FIs recruited and trained staff on their own institutional Code of Ethics through case studies and field trainings. • Majority of FIs had performance evaluations that included ethical behavior, professional conduct and quality of interaction of customers. • Almost all FIs had internal audit departments for sanctions as necessary. | <ul style="list-style-type: none"> • Majority FIs did not require employees to sign their code of conduct handbook • Staff were often unclear on how to seize collateral or consequences for any behavioral lapses. • Institutions should also improve client-facing components of their internal audit and include client visits as part of the internal audit scope. • Payment rescheduling was clearly an area of concern for the Cambodian Microfinance sector. • Majority of the institutions were found not to explain to clients the consequences of non-repayment or the process through which collateral would be seized. |
| Principle 6: Privacy of Client Data | <ul style="list-style-type: none"> • Privacy clauses in staff handbooks – detailed penalties for exposing client data. • Systems to ensure security of client data present at majority of the institutions. • Strong IT protection systems with passwords. | <ul style="list-style-type: none"> • Seven institutions had incomplete or inadequate data privacy clauses in their contracts. • Institutions required strong HR policies for misuse or misappropriation of client information. • Lack of penalties for misuse of data • A large majority of the institutions were not informing client on how their data would be used, client communication was bit of a grey area. |

| | | |
|--|--|--|
| Principle 7: Complaint Resolution Mechanism | <ul style="list-style-type: none"> • Few FIs scored well on this principle • Call centre numbers were printed in brochures and banners, repayment schedules and hung at central locations at canter meetings in laminated sheets. • Less than half of FIs had dedicated staff for handling complaints who were adequately trained. • Few FIs had comprehensive complaint handling polices. | <ul style="list-style-type: none"> • Majority of FIs lacked appropriate guidelines to inform clients about their right to complaint. • Several FIs had confusing phone numbers • Verbal complaints were not documented at the branch level. • TA was not defined |
|--|--|--|

4. CPP Certified MFIs

| No. | Name of MFIs | Technical Assistance (TA) – Start (Month/ Year) | Certification Mission (Month/Year) | Certification Achievement (Month/Year) | Mid-Term |
|-----|----------------------|---|------------------------------------|--|-------------|
| 1 | KREDIT | Feb-2015 | Jan-2016 | Sep-2016 | - |
| 2 | HKL | Feb-2015 | Dec-2015 | June 2016 | - |
| 3 | VISION FUND CAMBODIA | Feb-2015 | Feb-2016 | May-2016 | - |
| 4 | AMK | Feb-2015 | May-2016 | November-2016 | - |
| 5 | SATHAPANA | Feb-2015 | October 2015 | May-2016 | - |
| 6 | SEILANITHIH | Feb-2015 | Mission Not Planned | No Certification. | - |
| 7 | LOLC | Feb-2015 | May-2015 | June-2015 | Done |
| 8 | CHAMROEUN | Feb-2015 | December 2016 | Likely in 2017 | - |
| 9 | AMRET | Feb-2015 | Nov-Dec- 2015 | June-2016 | - |
| 10 | SAMIC | Sep-2015 | August 2016 | Fail | - |
| 11 | PRASAC | Not part of TA | May 2015 | December-2015 | - |

5. Client Protection Workshop

The workshop was conducted on June 2 2017, and involved around 70 participants from the NBC, Ratings Agency, Individual Consultants, Smart Campaign, and MFI members. The workshop theme was to disseminate information on the Client Protection Principles and the pathway to CPP certification 2.0 and agenda included:

- Establish key areas of CPP certification
- Present achievements of MFIs
- Give an opportunity to the MFIs to share experience on practical implementation of CPP,
- Dissemination of the state of sector report
- Trade fair of the MIS.

Pathway to CPP certification 2.0:

1. Disseminate information on the approach of CPP Certification 2.0 for the MFIs>
2. Encourage interest and promote attention to the revised client protection principles>
3. Encourage early stage endorsement to Smart Campaign.

This process will bring together key experts from the Smart Campaign, from one Lead Assessor, and one representative from Rating Agency; and preferably be a closed session for the interested MFIs only.

Achievements

This workshop brought together key experts from the Smart Campaign, Rating Agency, and some MFIs who had achieved certification to discuss about the opportunities and challenges during CPP implementation. During this session, the state of the sector report was presented, and those MFIs who successfully received CPP certification

were awarded with their certificates during an official ceremony in front of the public.
At the conclusion of the workshop 15 new MFIS committed to endorse CPP in their institutions

Next steps

For MFIs who are not yet certified and those MFIs certified under the original CPP directive will meet to brainstorm for new project ideas within the scope of client protection initiatives.

6. Issues around Over-indebtedness in Cambodia

Since the initial certification missions done in 2015 to mid-2017, the competition has increased fiercely amongst financial institutions providing microfinance with the overall effect being a drive to increase the SME market with existing plans of FIs becoming overly competitive and aggressive; while investors into Cambodia are also expecting aggressive growth. The combination of these factors has result in increased loans outstanding

NGOs and other client protection initiatives continue to play an active role in protecting consumers from over indebtedness in the Cambodian market. It has been noted that, the implementation gaps exist at the institutional level between the policy and practice where by existing policies may not be implemented, or being incorrectly and/or inconsistently implemented

7. Feasibility study and business plan for Training Centre

CMA has contracted with M-CRIL for this kind of the Assignment with the follow outcome:

1. Inception report on training center establishment (SWOT and analysis on demand, competitor, costs and technology, etc.)
2. Comprehensive skills need assessment report of the microfinance sector, including a chapter on the use of technologies and innovative learning approach.
3. Identification and benchmark of business models including recommendation on the most appropriate business model
4. Comprehensive business plan of the chosen model.
5. Report of funding sources recommendations.

8. Microfinance human resource development Fund

Individual consultant has been recruited by CMA, this assignment was finalized in June 2017 with the following results:

1. Review the scope and breadth of SDF policies and governance matters
2. Consider and develop the necessary contents of the proposed SDF, its context and success factors
3. Identify and document the necessary supporting processes and management
4. Facilitate possible discussion and a communication session with stakeholders on the proposed SDF policies



The CAFE initiative supports FSPs and consumers working together to strengthen client protection and financial behaviours, ultimately enhancing the financial wellbeing of low income households.

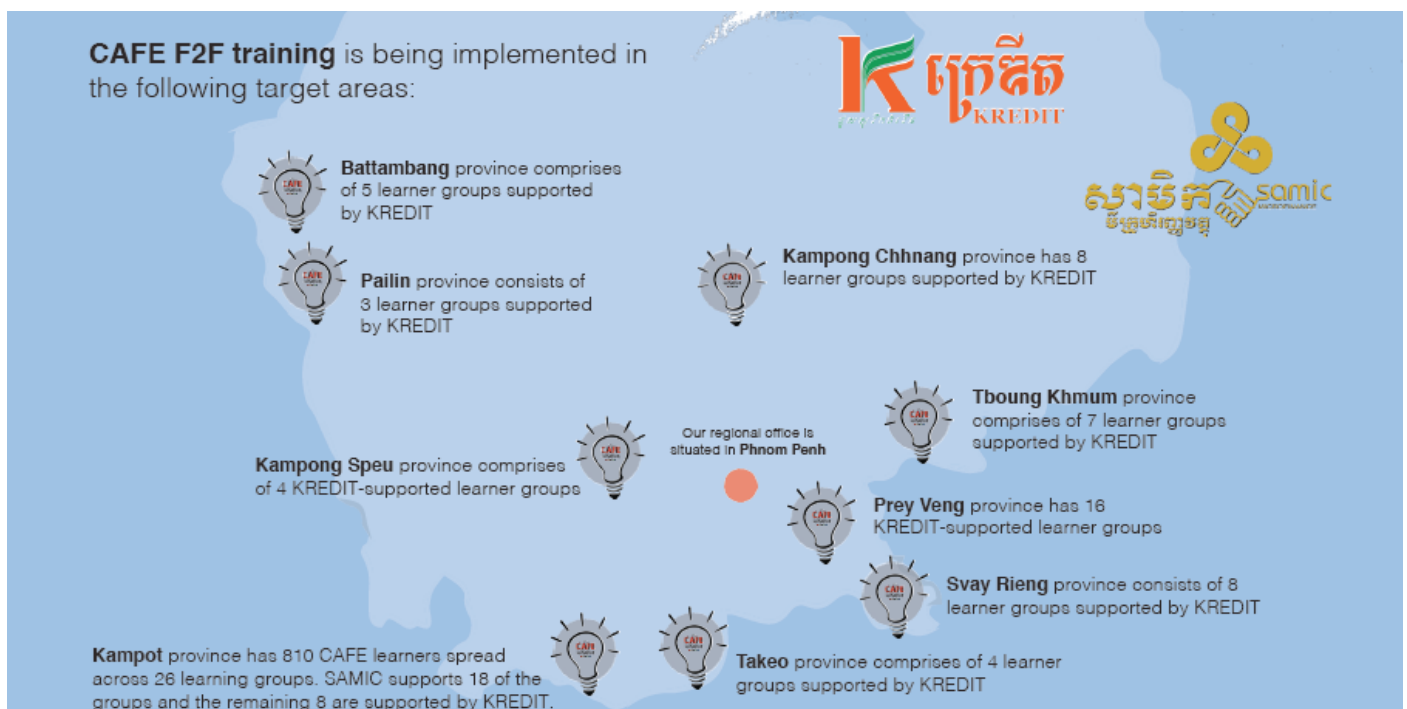


The CAFE Initiative: Consumer Awareness and Financial Empowerment

In 2017, Cambodia Microfinance Association (CMA) and Good Return have joined forces to implement Phase 3 of the CAFE Initiative with support from member MFIs KREDIT and SAMIC. We have empowered vulnerable consumers of financial products and services through a 20 week- face to face interactive training sessions to microfinance clients of KREDIT and SAMIC.

In total, 2498 participated in the training across 9 provinces, 16 districts and 87 villages in Cambodia. 90% of CAFE learners were female.

Implementation Areas

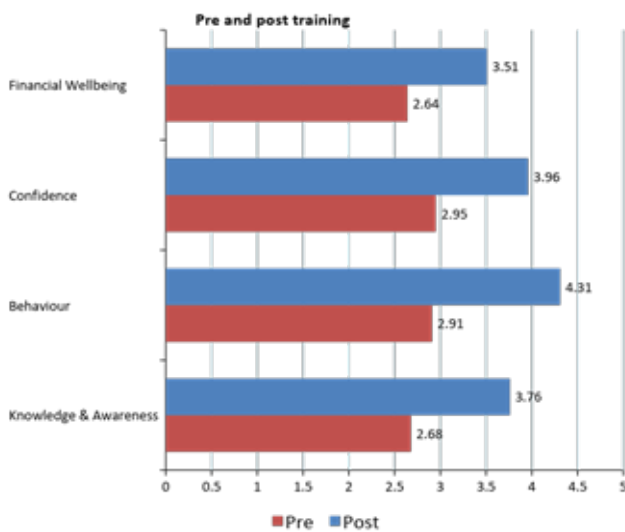


| FSP | Provinces | Branches | Village |
|--------|-----------|----------|---------|
| KREDIT | 9 | 16 | 67 |
| SAMIC | 1 | 2 | 20 |
| TOTAL | 9 | 18 | 87 |

Learner Profile

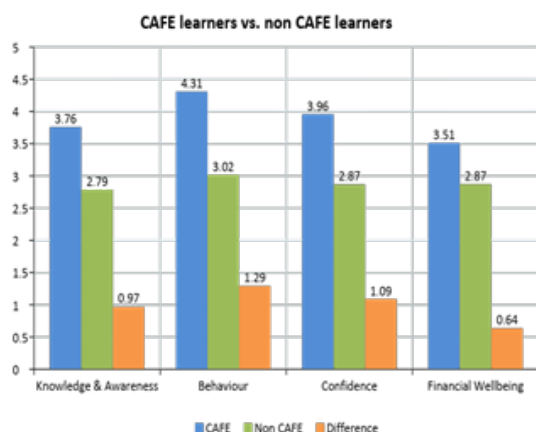
- The learners participating in F2F training in this phase consisted of FSP clients and community members with a split of 60% clients & 40% non-clients of either KREDIT or SAMIC split. Majority are married women, with one third having no formal schooling. Farming is the main economic activity among learners.
- 40% of households have 2 people who earn income for the household
- The wife is primarily responsible for daily management at 72%
- 85% have an agreed threshold amount for spending

Highlights & Achievements



- Over-all 39% significant improvement in all areas of financial capability of CAFE learners.
- Highest improvement in financial behaviors at 48% and financial knowledge & awareness at 40% between pre and post training results.
- Positive improvement in all areas of financial knowledge & awareness.
- Strongest improvement in learner knowledge & awareness in knowing the steps in Choosing financial products/services and providers at 84% and understanding responsibilities of FSP at 56% improvement between pre and post training.

- Participation in the CAFE F2F Financial Foundation and Applied resulted in significantly improved learner financial behavior, financial knowledge & awareness, confidence, and over-all subjective financial wellbeing.
- Learners' savings have also improved significantly comparing pre training and post training results.
- Learner's perception of over-borrowing (borrowing too much) has also improved where less learners feel they are borrowing too much and less number of learners have indicated they have 3 or more loans.
- Significant improvement in learner perception of their financial well-being with very high improvement in ability to meet both 1 month and 3 month worth of unexpected expenses and satisfaction on current financial situation.



- CAFE Learners performed better than non-learners in all assessed areas of financial knowledge & awareness, financial behavior, confidence, and financial wellbeing. Over-all difference of 35%.



FINANCIAL STATEMENTS



ក្រុមហ៊ុន ខេម អ៊ីខោណធីច & ថាកស៊ីវីស

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Independent auditor's report

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Opinion

We have audited the financial statements of Cambodia Microfinance Association (“the Organisation”), which comprise the statement of financial position as at 31 December 2017, statement of income and expenditure for the year then ended, and notes to the financial statements, including significant accounting policies as set out on pages 6 to 15.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2017, and the statement of income and expenditure for the year then ended in accordance with the accounting basis and accounting policies as set out in note 2 to the financial statements.

Basis for opinion

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

Other matters

The financial statements of Cambodia Microfinance Association for the year ended 31 December 2016 were audited by another auditing firm whose report, dated 05 June 2017, expressed an unqualified opinion on the financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors' report is the information included in the Management Report as set out on pages 1 to 2, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is directly inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting basis and accounting policies as set out in note 2 to the financial statements, 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 Organisation'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 Organisation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement 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 Organisation'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 Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report usage

Our report is intended solely for the use of Management and donors of the organisation and should not be used by other parties. If any third party got a copy of this report without our prior written consent, we may not be responsible for the information which they make up it.

Cam Accounting & Tax Service Co., Ltd
Certified Public Accountants and Auditors



Keat Heng, CPA, ACCA
Partner

Phnom Penh, Kingdom of Cambodia
24 July 2018

STATEMENT OF ASSET AND LIABILITIES

Statement of financial position As at 31 December 2017

| | Notes | 2017 | | 2016 | |
|-----------------------------|-------|----------------|------------------|---------|-----------------------|
| | | USD | KHR'000 | USD | KHR'000 (Restated) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 3 | 418,938 | 1,694,604 | 320,298 | 1,298,168 |
| Other receivables | 4 | 46,949 | 189,909 | 33,830 | 137,113 |
| | | 465,887 | 1,884,513 | 354,128 | 1,435,281 |
| Non-current assets | | | | | |
| Property and equipment | 5 | 20,124 | 81,402 | 23,070 | 93,503 |
| Investment in Credit Bureau | 6 | 34,800 | 140,766 | 34,800 | 141,044 |
| | | 54,924 | 222,168 | 57,870 | 234,547 |
| Total assets | | 520,811 | 2,106,681 | 411,998 | 1,669,828 |
| Liabilities | | | | | |
| Deferred grants | 7 | 57,459 | 232,422 | 57,535 | 233,189 |
| Staff benefit payables | 8 | 26,479 | 107,108 | 21,950 | 88,963 |
| Other payables | 9 | 42,707 | 172,750 | 31,019 | 125,720 |
| Total liabilities | | 126,645 | 512,280 | 110,504 | 447,872 |
| Net assets | | 394,166 | 1,594,401 | 301,494 | 1,221,956 |

Statement of income and expenditure for the year ended 31 December 2017

| | Notes | 2017 | | 2016 | |
|---|-------|----------------|------------------|---------|-----------|
| | | USD | KHR'000 | USD | KHR'000 |
| Income | 10 | 468,281 | 1,894,197 | 385,884 | 1,563,988 |
| | | 468,281 | 1,894,197 | 385,884 | 1,563,988 |
| Expenditures | | | | | |
| Staff costs | 11 | 138,326 | 559,529 | 124,124 | 503,075 |
| Training and workshops | 12 | 48,871 | 197,683 | 53,885 | 218,396 |
| Administration expenses | 13 | 21,162 | 85,600 | 26,036 | 105,524 |
| Membership and professional expense | 14 | 5,901 | 23,870 | 5,224 | 21,173 |
| Other expenses | 15 | 161,349 | 652,657 | 87,924 | 356,356 |
| | | 375,609 | 1,519,339 | 297,193 | 1,204,524 |
| Surplus of income over expenditure | | 92,672 | 374,858 | 88,691 | 359,464 |

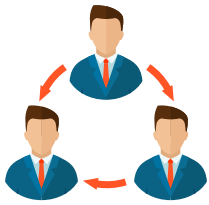


MEMBERS of General Assembly

The General Assembly is the highest level of CMA, and is composed of the representatives of all due-paying members. They meet annually at the end of each term to elect the new Board of Directors, vote on the Board's decisions and to review CMA's statute. Its members in 2017 were:

| Nº | Organization Name | Participant Name | Current Position |
|-----|--|------------------------|----------------------|
| 1 | Active People's Micro-Finance | Mr. MAO Kear | COO |
| 2 | ACTION FOR DEVELOPMENT AND HEALTH ORGANIZATION | Mrs. Ty Sophorn | Manager |
| 3 | AMK Microfinance | Mr. Kea Borann | CEO |
| 4 | AMATAK | Mr. Chea Borin | Senior IT |
| 5 | AMRET Microfinance | Mr. Chea Phalarin | CEO |
| 6 | Apple Finance | Mr. Chhe Bounmeng | BoD |
| 7 | ASARD | Mr. Samnang Sopheary | Branch Manager |
| 8 | Asia Pacific Finance Plc | Mr. Hem Monpheap | DCEO |
| 9 | BAYTANG CREDIT ORGANIZATION | Mr. Dub Pirun | Director |
| 10 | BAYON Credit Limited Microfinance | Mr. Yim Sokhen | CEO |
| 11 | BORRIBO Microfinance Institution | Mr. Ouk Torany | General Manager |
| 121 | CAMMA Microfinance | Ms. Dith Nita | CEO |
| 13 | Cellcard Finance | Mr. Lim Kevin | CEO |
| 14 | CCDA (NGO) | Mr. Thao Pheary | Founder and Director |
| 15 | CDF (NGO) | Mr. Pou Chann Dararith | Managing Director |
| 16 | COMMUNITY Mutuel Kampuchea (CMK) | Mr. San Sokkosal | General Secretary |
| 17 | CHAMROEUN Microfinance | Mr. Pheng Raksa | CEO |
| 18 | City Micro Finance | Oknha Ly Khun Thai | CEO |
| 19 | Collective Win (Cambodia) Plc | Mr. Slesh Romly | Internal Auditor |
| 20 | Delta Microfinance | Mr. Tha Thon | CEO |
| 21 | Farmer Finance | Ms. So Vatey | Administration |
| 22 | Fasmec Microfinance | Oknha Te Taingpor | CEO |
| | | Mr. Khoem Sokhim | Development Officer |
| 23 | First Finance | Ms. Chun Sothany | CEO |
| 24 | Green Central Microfinance | Ms. Eileen Cheng | CEO |
| 25 | GL Finance | Mr. Riki Ishigami | CEO |
| 26 | HKL Limited | Oknha Hout Ieng Tong | President/CEO |
| | | Mr. Koichi Watanabe | Managing Director |
| 27 | Idemitsu Saison Microfinance | Mr. So Yada | Translator |
| 28 | IPR Microfinance | Mr. Hort Bun Song | CEO |
| | | Mr. Park Byoung-Soo | President & CEO |
| 29 | KBSC (Cambodia) | Ms. Hoy Sophea | General Manager |

| | | | |
|----|--------------------------------------|-------------------------|---------------------------------|
| 30 | Key Micro Finance | Mr. Chea Chamroeun | Operation Manager |
| 31 | KREDIT Microfinance | Mr. Soung Engchhay | COO |
| 32 | LOLC (Cambodia) | Mr. Sok Voeun | CEO |
| 33 | KK FUND Leasing | Mr. Sok Narong | Credit Manager |
| 34 | Ly Hour Micro Finance | Mr. Loy Sareth | CFO |
| 35 | MEGA LEASING | Dr. Uong Kimseng | CEO |
| 36 | MAXIMA Microfinance | Mr. Pa Ponnak Rithy | CEO |
| 37 | Max Credit (NGO) | Mrs. Ros Chandara | FM |
| 38 | Niron Mikroheranvatho | Mr. Leng Leak | Head of Internal Audit |
| 39 | NCD(NGO) | Mr. Nov Sopheak | General Manager |
| 40 | ORO Financecorp | Mr. Ear Kheymeng | Senior Branch Manager |
| 41 | PRASAC Microfinance | Mr. Oum Samroeun | EVP & COO |
| 42 | Prince Finance | Mr. Honn Sorachna | CEO |
| 43 | Pracheacheat Finance | Mr. Moc Nach | CEO |
| 44 | RMA | Mr. Etienne Kettenmeyer | Managing Director |
| | | Mr. Ung Phalla | OM |
| 45 | Royal Microfinance Finance | Mr. Mao Kokkhin | CEO |
| 46 | SACHAK MICROFINANCE | Mr. Keo Phalla | General Manager |
| 47 | SHAKRINPHEAP S.T Microfinance | Mr. Loung Phealin | CFO |
| 48 | SAMIC Microfinance | Mr. King Kap kalyan | CEO |
| 49 | SAMRITHISAK Microfinance | Mr. Bun Zhicheav | Vice Director |
| 50 | SATHAPANA Limited | Oknha Dr. Bun Mony | CEO |
| 51 | SEILANITHIH | Mr. Nay Chhuon Kosal | Marketing Manager |
| 52 | Sonatra Microfinance | Mrs. Sokna Kolapbopha | DCEO |
| 53 | Taca Microfinance | Mr. Um Sovannarin | Head of Finance |
| 54 | TBB(Cambodia) | Mr. Chen Chun-Hui | CEO |
| 55 | TOYOTA TSUSHO FINANCE (CAMBODIA) Plc | Mr. Srey Vibol | Manager, Finance and Accounting |
| 56 | VDA (NGO) | Mr. Dok Luon | CEO |
| 57 | VisionFund Cambodia | Mrs. Top Sok Samphea | COO |
| 58 | Woori Microfinance | Mr. Hun Sopheak | General Manager |
| 59 | YCP Microfinance | Mrs. Khun Sonita | Deputy Director |
| 60 | AngkorACE Microfinance | Mr. Sophal Sophath | CCO |



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 11 members chosen by the General Assembly, all of whom are important players in the microfinance industry.



Oknha. Hout leng Tong
Chairman of CMA and CEO of HKL

Mr. Tong obtained a Bachelor of Agriculture in Phnom Penh in 1991, and holds an MBA from Build Bright University. He worked as an economic researcher for three years and has 15 years management experience in microfinance. He has attended local and international courses in staff management financial management, planning, leadership, human resource management, credit management and microfinance management and has been to visits/workshops in many countries.



Mr. Kea Borann
Vice Chairman of CMA and CEO of AMK

Mr. Borann joined AMK as its Finance Manager in February 2004. Previously, Borann worked for World Relief Cambodia / CREDIT (Microcredit program) as the Finance Director. Borann holds a BBA in Finance and Accounting, and received ACCA (Association of Chartered Certified Accountants) accreditation.



Oknha Dr. Bun Mony
Advisor of CMA and BOD Chairman of Vithey Microfinance Plc

Oknha Dr. Bun Mony), Dr. Mony has 18 years experience in microfinance after founding CCB NGO and then working for eight years as Executive Director of CCB. In 2003 CCB NGO became a licensed MFI. Dr. Mony is a field specialist in finance, accounting and management with a Bachelor of Business Administration from the National University of Management, a Master of Business Administration (MBA) from Utara University of Malaysia, and a Doctor of Business Administration (DBA) from Preston University, USA.



Mr. Sim Senacheert
Board member of CMA and CEO of PRASAC

Senacheert holds masters and bachelor degrees in Business Administration and a diploma in Accounting and Finance. He has attended several training courses related to microfinance operations and management and is an accredited Microfinance Trainer. Senacheert started working with PRASAC in 1995 as a Credit Officer and was promoted to various positions such as accountant, Branch Manager, MB Trainer and Supervisor and Finance Manager. From mid-2002, he held positions such as Branch Manager, Operation Manager, and Deputy CEO with another MFI before rejoining PRASAC as General Manager in late 2003. He currently holds the position of President and Chief Executive Officer.



Mr. Chea Phalarin
Board member of CMA and CEO of Amret

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



Mr. Sok Voeun
Board member of CMA and CEO of LOLC

Mr. Voeun obtained for his Master degree in Business Administration majoring in Finance and Banking at the Build Bright University in Cambodia in 2005. He received a Bachelor degree in Economic Science at the faculty of Law and Economic Science in 2000. He has attended microfinance training program at the Boulder Microfinance in Italy, and other pertinent training in USA, South Africa, India, Bangladesh and Thailand. He started working for TPC as Chief Operations Officer in April 2010 and he was promoted to be Deputy Chief Executive Officer in December 2012.



Mr. Soung Eng Chhay
Board of CMA and COO of Kredit

Mr. CHHAY joined KREDIT in 1996 through the Kampong Cham branch. He has advanced quickly as a result of his hard work. He initially worked as the Translator, followed by the Branch Bookkeeper, the Deputy Branch Manager, Deputy General Manager and in 2006, he was promoted to be Head of Internal Audit Department. He obtained a Bachelor's Degree in Business Administration, specializing in Management, and is pursuing a Master's Degree in Management. He attended nationally and internationally numerous courses related microfinance and banking



Mrs. Top Soksampha
Board member of CMA and COO of VisionFund

Mrs. Samphea has been in her position since 2007, after joining VisionFund as Finance and Administration Director in 2002. She has spent more than 10 years in finance, accounting, management, auditing and communications. Her career started with Ernst & Young and PricewaterhouseCoopers as senior auditor. She has bachelor and master's degrees from the NUM, Cambodia and a diploma of Accounting and Administration from Noisy Le Grand College, France. She also has certificates from International Financial Accounting, Ernst & Young Vietnam, Auditing Skills I,II, III, Auditing Senior Essentials, Business Plan, Operacy, and Risk, Asset & Liabilities and Treasury Management.



Mr. KING KAP KALYAN
Board member of CMA and CEO of SAMIC

MR. KING KAP KALYAN, CHIEF EXECUTIVE OFFICER, was appointed as Chief Executive Officer in response to the need for the growth of the institution. Prior to this Mr. Kalyan held the position of President after holding his previous position as General Manager for many years within the organization since late 2005. With 22 years' experience in the Banking and Microfinance sector, he has held crucial positions including within the Bank Supervision Department of the National Bank of Cambodia from 1993 to 2002 and as the Credit Program Director of CHC NGO from 2003 to 2004. Mr. Kalyan has an Associate and Bachelor Degree in Banking and Finance, and a MBA in Business Administration and Organization Development (Specialized in Microfinance Management), the Philippines.



Mr. Hun Sopheak
Board member of CMA and General Manager of Woori Finance Cambodia

Mr. Sopheak has 11 years' experience in the banking and MFI sectors. He has a BBA in management and an MBA in Finance from the National University of Management and has completed many courses related to MFI management and development in Cambodia. After four years at ACLEDA bank as deputy Corporate Loan Manager, he successfully developed an MFI named Green Central from 2008 until 2010. Now, he is the founder of MALIS FINANCE as of November 2010 and has successfully transformed this to Woori Finance Cambodia Plc as part of Woori Bank, which is known as a global financial institution.



Ms. Khun Sonita
Board members of CMA and Deputy CEO of YCP Microfinance Limited

Mrs. Sonita graduated with honor from the Royal University of Law and Economics, ELBBL, majoring in Public International Law. Prior to her graduation in 2009, she represented Cambodia to compete in Louis Brown International Client Counseling Competition in India in 2008 and the world's largest international moot court competition the Phillip C. Jessup in Washington D.C. in 2009.

From 2006 to 2009, she joined Khunaco Import Export Co., Ltd., as assistant to Managing Director. In 2009, She joined YCP Microfinance Limited and was promoted to Deputy CEO.

SECRETARIAT



Mr. Yun Sovanna
General Secretary



Mr. Lam Roviay
Training and Development Manager



Mr. Ear Techkung
Program Manager



Ms. Hok Chheng Ieng
Senior Admin and Finance Officer



Mr. UK Phaikdey
Program Officer,
CAFE Initiative Program



Mr. Neat Thirith
Training Specialist,
CAFE Initiative Program



Mr. Hoy Saksa
Training and Development Officer



Mr. Sor Piseth
IT and Publication Officer



Ms. Mourng Sophany
Admin and Finance Assistant



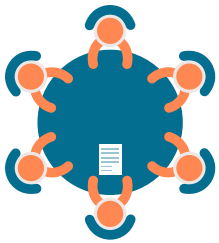
Mr. Ian Hamilton
Australia Volunteer International



Mr. Korng Bo
Driver



Mrs. Louth Sreyneang
House Keeper



CLUBS AND COMMITTEES

COMMITTEES

CMA's network of committees was established in 2006 and in 2008 four additional clubs were created. Each committee and club is structured around a unique MFI business function, such as: HR, Finance, Audit, training, operation etc. The groups allow MFI staff from each discipline to network, discuss key issues regarding their function such as new regulatory requirements, share examples of best practice and brainstorm strategies for industry-wide issues.



TRAINING 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

Mr. Chea Phalarin (CEO of AMRET)

Members

Mr. King Kapkalyan (CEO of Samic)

Mr. Hort Bunsong (CEO of IPR)

Dr. Uong Kimseng (CEO of Mega Leasing)



ADVOCACY COMMITTEE

This Committee meets quarterly (with extra meetings if required) to discuss how to work effectively with stakeholders, including government institutions and policy makers, including removing barriers to allow MFIs to grow smoothly.

Chairman

Oknha Dr. Bun Mony (BOD Chairman of Vithey)

Members

Mr. Kea Borann (CEO of AMK)

Mr. Sim Senachheert (CEO of PRASAC)



AUDIT COMMITTEE

This Committee meets twice a year (with extra meetings if required) to ensure transparency and proper management of the daily financial operations of CMA in compliance with policy and by-laws.

Chairman

Mr. Soung Engchhay (COO of KREDIT)

Chairwomen

Mr. Top Soksampeha (COO of VisionFund)

Members

Mr. Sok Sophal (CFO of LOLC)

Mr. Nop Saravoan (CFO of SAMIC)



IT AND MARKETING COMMITTEE

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

Chairman

Mr. Hun Sopheak (GM of Woori)

CLUBS

The purpose of CMA's Clubs is to build and encourage strong relationships among MFIs, 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 find issues that related to the whole sector that other clubs cannot solve and to devise 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. Hout Ienglong (CEO of HKL)

Members

Chief Executive Officers from other 10 member MFIs



CEO TASKFORCE

The CEO Taskforce meets in 5 times to discussed as following: Discussion on CMA CEO Task Force of Term of Reference, Selection Chairman and Vice Chairman for CMA CEO Task Force Team, Discussion on Multiple loan and Over-Indeptiveness in Finance Sector, Review and Discuss about the agenda of Workshop "Let's talk about over-indeptiveness, Now"

Chairman

Mr. Sok Voeun (CEO of LOLC)

Members

Chief Executive Officers from each member MFI



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 Department, AMRET)

Members

Finance Managers/Chief Finance Officers from each member MFI



OPERATIONS CLUB

The Operations Club encourages strong relationships between Operations Managers. Members meet to share experiences and examples of best practice, define the key issues, create strategies to deal with these issues and prevent future occurrences.

Chairman

Mr. Suon Pisey (Head of Credit, AMK)

Members

Operations Managers from each member MFI



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, examples of best practice, define key issues and discuss compliance with labor laws 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

Ms. Peaing Pisak (Head of HR, Amk)

Vice-Chair

Mrs. Leng Thavy (Head of HR, LOLC),

Members

Human Resource Managers from each member MFI



SOCIAL PERFORMANCE MANAGEMENT (SPM) CLUB

The club meets twice a year, including additional meetings if necessary, to build strong relationships among SPM department heads across all of CMA's members. Their role is to promote and enhance tools in the sector including Social Performance Management, Client Protection Principles, and Universal Standards for SPM, SPM tools and other targeting tools (PPI, PAT...) in the sector, and to share their experience on best practice of SPM.

Chairman

Mr. Ban Phalleng (Head of Social Performance Management Department, LOLC)

Members

SPM heads of department from each member MFI/NGO



CMA MEMBERS

Microfinance Deposit Taking Institutions



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



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



Hattha Kaksekar Limited (HKL) started as a food security project by OCSD/OXFAM-Quebec in Pursat province in 1994. In 1996 it registered as an NGO and in 2001 HKNGO transformed to a private limited liability company owned by four shareholders. HKL is now an MFI licensed by the NBC.
www.hkl.com.kh



LOLC (Cambodia) Plc. was established in 1994, and began offering microfinance services as part of Catholic Relief Services (CRS)/ Cambodia's strategy for rural reconstruction and poverty alleviation. In 2002, LOLC successfully spun off from CRS and was registered as a limited liability company and was licensed by the National Bank of Cambodia (NBC) in 2003 to operate as a regulated microfinance institution (MFI). As LOLC continues its sustainable growth in financial sector, LOLC was licensed by NBC to conduct deposit-taking business (MDI) in 2015. LOLC has a social vision and a business orientation that provides entrepreneurs and families at the base of the socio-economic pyramid with the economic opportunities to transform the quality of their lives and their communities through the provision of effective and sustainable client empowering financial services.
www.lolc.com.kh



PRASAC MFI, Ltd. (PRASAC) is a private limited liability company registered with Ministry of Commerce and licensing from National Bank of Cambodia (NBC). Started in 1995, PRASAC, Cambodia's largest microfinance deposit taking institution, offers a wide range of sound financial solutions for the growth such as loans, deposits, local fund transfer, international fund transfer, foreign exchange, bill payment, internet banking, mobile banking, ATMs, POS and others. As of 31 December 2016, PRASAC operating in nationwide with 181 office, 115 ATM and 6,162 staff, loan portfolio of more than USD 1.03 billion, 347 thousand borrowers, deposit balance of USD 619 million and 572 thousand depositors.

PRASAC commits to improve the living standard of rural people and contribute to sustainable economic development by being a financially viable microfinance institution. For more information, please call us at 023 999 911 or 086 999 911 or visit www.prasac.com.kh



KREDIT has had solid growth, good profits and continues to make strong contributions to client and community development. In late 2010, the National Bank of Cambodia granted Micro Deposit-Taking-Institution (MDI) license to KREDIT. As of Dec 2016, with a total asset of some USD175 million and 1, 679 staff, we are operating in 20/25 provinces and cities using 83 offices. Our products and services include loan, deposit, local money transfer, ATM, Payroll Service, and FAST Payment. Additionally, KREDIT also implements many social and community development programs, including financial training, agriculture training, parenting training and need-based programs. Currently KREDIT has two shareholders: Phillip MFIs Pte Ltd, a member of the Phillip Capital Group and World Relief, an international humanitarian and economic development NGO". www.kredit.com.kh



VisionFund (Cambodia) Ltd evolved from a small-credit program of World Vision Cambodia in 1993 to a separate institution in 2003 as an affiliated member of VisionFund International (VFI). VisionFund has been registered with the Ministry of Commerce in 2003 and obtained a permanent MFI license in 2004 and Microfinance Deposit Taking Institution (MDI) license in 2011 from NBC. As a private Microfinance Institution that provides reliable services, VisionFund has global network of more than 31 countries with mission to brighter future for children, empower families to create income and jobs, and unlock economic potential for communities thrive.

VisionFund Head Office; building #398, Preah Monivong Blvd, Sangkat Boeung Keng Kang I, Khan Chamkamorn, Phnom Penh, Cambodia. www.visionfund.com.kh

Microfinance Institutions



Active People's Microfinance Institution Plc is incorporated in the Kingdom of Cambodia as a limited liability company. The company is registered with the Ministry of Commerce under registration number Co.0665E/2011, dated 21 March 2011. The National Bank of Cambodia (NBC) granted the Company a permanent license to conduct business as a microfinance institution commencing from 18 August 2011. www.apmfi.com.kh



Amatak Capital Plc received its microfinance license from the NBC on 14th January, 2013. The institution was founded by two Cambodian-Australian brothers who believe they can make a difference and contribute to Cambodia's social development and the alleviation of poverty. Since its commencement, Amatak has been well received by its customers. The company's superior services and transparent policy makes it highly distinguishable. As well as providing micro loans to the underprivileged, Amatak also offers other loans to improve the standard of living of Cambodians, for example we offer purchasing financing that caters to the young and upcoming Cambodian workforce. inquiry@amatakcapital.com.kh



Begin with the positive views of Cambodian Economic Development, Anuk Microfinance Institution was founded in mid-2016 with great effort from the beginning until we had our head office and received National Bank of Cambodia License. #House 245, Monivong Boulevard, Sangkat Orussey 4, Khan 7 Makara, Phnom Penh, Cambodia.



Micro Finance Institution Atom Capital, Ltd invested by Japanese investors of its Chairman, Mr. Takahashi Akihiro, was licensed by the NBC on 24th April, 2016 and opened to the public on 23rd June, 2016 to provide loans to small and medium sized enterprises, as well as to individuals on various of sectors. The aim of Atom Capital is not only to be the first option for clients in term of quality, convenience and trust, but also to participate in reducing the poverty on society with Cambodian government and will get itself to be the top MFI with others. Address: #A43, La Seine, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh. Tel: 023 999 345 / 010 85 00 10



Apple Finance Plc is licensed by the National Bank of Cambodia to operate as a Microfinance Institution. Operations started on 07 July 2015. www.applefinanceplc.com



Asia Pacific Finance Plc. (APF) is a Micro Finance Institution which obtained the license from National Bank of Cambodia for carrying out the official business. By cooperation between Japanese and Cambodian investor, APF was established with the initial registered capital in National Bank of Cambodia also. With this capital, we have the purposes to provide the loan products to you with the best service. As well as, we are catering your business and personal needs because we understand precisely regarding your financial needs. www.apf-mfi.com



Baitang (Kampuchea) Plc. is a public limited company and was officially registered with the Ministry of Commerce in 2008. The company has been establishing and operating since 2008 by focusing on setting up Baitang community (Green Community), providing loan/ credit, supplying consumer goods and agro-input products to the community members, setting up paddy collection markets, milling and refining rice for the supply to both domestic and international markets. Website: <http://www.baitangplcrice.com>



Bamboo Finance PLC was established in Cambodia on 22 March 2015. Bamboo Finance PLC aims to become one of the leading microfinance institutions (MFIs) in Cambodia, with offices in 3 provinces. We are providing all types of loan products to clients. No. 71 BEo, St. No 2 (BOREY PIPHUP THMEY Veng Sreng), Sangkat Chaom Chau, Khan Pursenchey, Phnom Penh



Bayon Credit Microfinance Institution was established in 2011, initiated by an investor team with the purpose of contributing to economic development. Bayon Credit Microfinance Institution was registered with Ministry of Commerce on July 21 2011, and registered with NBC on November 21, 2011. Bayon Credit Microfinance Institution employees many people and provides credit to many farmers and entrepreneurs who live in rural communities, towns and urban centers. Bayon also provides loans to employee in any institution.

Email: info@bayoncredit.com.kh



BNKC (Cambodia) Microfinance Institution Plc. former name KBSC (Cambodia) Microfinance Institution Plc. is a Public Limited Company which received official license from National Bank of Cambodia on 07th May, 2015. BNKC has a paid-up capital of USD 10 Million and 100% shareholder-BNK Financial Group. The aim of BNKC is to provide job opportunities and the best financial services to Cambodian people as well as to contribute to Cambodia's economic development.

Telephone Number: (855) 23 213 900, www.bnkcmfi.com



BORRIBO Microfinance Institution Plc., licensed by the National Bank of Cambodia on 30 December 2011, our business focuses on small enterprises and poor people that have low incomes and no ability to get finance from banks or other kinds of businesses. Our vision is "to help everyone own a house by improving the standard of living of the poor and small enterprise." Our management philosophy is to "support customer's business and enable each household business to get the maximize profit at the future by providing financing to them all".

www.borribo.com.kh|facebook.com/borribomfi|[email:bmimfi@borribo.com.kh](mailto:bmimfi@borribo.com.kh)



Camma Microfinance Limited (Camma) is a limited company licensed by the NBC as a microfinance institution since 29th July, 2010. It has full permission to provide loan services to all Cambodian people who are micro, small and medium entrepreneurs and who want to expand or establish a new business. camma.mfi@gmail.com



Cambodian Labor Care Plc. (CLC) is a limited company licensed by the NBC as a microfinance institution since 31st Oct 2016. We are financing to Garment Factory worker and those who need the financial services across the country to help ease the daily life and start up, operate their business.

Address: #13, Kampong Pring Village, Sethbo Commune, Saang District, Kandal Province.

Phone: 098 300 111

Email: info@clcmfi.com; sowath@clcmfi.com



Chamroeun Microfinance Limited (Chamroeun) was launched in March 2006 as a project of Entrepreneurs du Monde (EdM) an international French NGO who provide financial and non-financial services to families in urban depressed areas in Cambodia. In 2009, Chamroeun was registered as limited liability company with the Ministry of Commerce, and also recognized as Rural Credit Operator by the NBC. With thanks to the strong commitment and hard work of its staff, Chamroeun was recognized by the NBC on August 03, 2011.
www.chamroeun.com



Licensed as MFI in 2015, Cellcard Finance Plc provides sustainable, innovative, and demand-driven financial products that help alleviate poverty and contribute to the social and economic development of Cambodia. Our target groups are urban and peri-urban poor Cambodians living in Phnom Penh Capital, Suburban areas, and major provincial towns who inspire to improve their socio-economic lives.
info@cellcard.com.kh



ChokChey Finance Plc. was established in 11 July, 2015. It was registered with Ministry of Commerce as public limited company under registered license No. 00002952, issued on 2nd March, 2016 with Paid Capital of USD 1 million. The institution received its countrywide microfinance approval from National Bank of Cambodia, No. M.F-70, 27th April, 2016. Primary Activities are to provide micro finance services to all people in order to contribute to the Cambodian socio-economic development with the aims of improving living standards of the people in the communities focusing on increasing income through the promotion of business activities of small and medium enterprises, trades, and rural agriculture using lending and saving services with rational interests so as to ensure long-term sustainability of the Institution and the clients through its Head Office in Phnom Penh.

The registered head office of the institution is located at #9-11, St. Vengsreng, Sangkat Stung Meanchey, Khan Meanchey, Phnom Penh, Kingdom of Cambodia.



City Microfinance Plc., is public company licensed by the NBC as microfinance institution since August 21, 2012. City Microfinance Plc., has full permission to provide loan services to all Cambodian people who are micro, small and medium entrepreneurs and who want to expand or establish a new business.
www.citymfi@yahoo.com



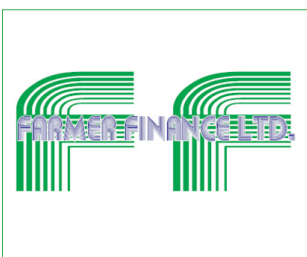
COLLECTIVE WIN (Cambodia) Plc. is a microfinance institution registered with the Ministry of Commerce under registration number 7126 ពណ.ចបព, dated on 23 June 2015 and obtained a license from National Bank of Cambodia (NBC) number ម.ហ-១ to conduct business as a micro finance institution commencing from 28-Oct-2015. COLLECTIVE WIN (Cambodia) Plc. provides microfinance services to Cambodian helping them to expand their business, enhancing employment opportunities, and creating wealth.
Contact Number 023 900 969



Delta Microfinance PLC (“Delta”) started its operation in Cambodia in Feb 2014 when it was approved by the NBC. The principal activity of the Delta is to provide microfinance services such as loans, savings and other forms of financial services permitted by NBC. Delta provides various types of loan products such as micro loan, small and medium loan, housing loan to people in the urban city and rural community with a reasonable and affordable price for the sustainability. Delta also provides student loan to help students pay for university tuition, books, and other materials.
www.info@delta-plc.com



Entean Akpevath Pracheachun (EAP) is an MFI owned by 16 shareholders who obtained an MFI license from NBC on 10th January, 2007. EAP’s mission is to contribute to the socio-economic development of Cambodia by providing microfinance services to customers and entrepreneurs who wish to create or expand small and medium enterprises to increase employment opportunities and raise the standard of living within rural and urban communities.
www.eapcredit.com



Farmer Finance Ltd was founded in September 2007 by a group of investors with the objective of providing financial services to low income clients through small loans to individuals, groups and small to medium-sized enterprises (SMEs) with a focus on the agricultural sectors. FF’s vision is to improve the livelihood of the people of Cambodia through its mission of providing affordable credit to smaller business people, especially in rural areas.
leenamster@gmail.com



FASMEC had one of the fastest growing economy within ASEAN and between 2004 to 2007, enjoyed a double-digit growth second only to China prior to the Global Banking Crisis of 2008. Such strong economic performance also benefitted tremendously from business-friendly policies implemented by the Royal Government of Cambodia such as the bi-annual Government Private Sector Forum (GPSF) being an avenue for the Private Sector to air its grievances to the relevant public institutions.
www.fasmec.com



First Finance Plc is a joint venture company established between Cambodia-based First Home Plc, Singapore-based Phillip Capital, and Luxembourg-based Investor Fund. The company was granted its license on 23rd April, 2009 by the NBC and became the first financial institution to specialize in housing finance in Cambodia. The company is focused on providing long-term home loans and medium-term home improvement loans to underserved low and middle income Cambodian households who do not have access to formal commercial lending.
www.firstfinance.biz



FUNAN is a microfinance institution in Cambodia performing with professional, trustable and dignity manner, by focusing on diversified customers and paying much attention on legal activities through provision of financial service and financial counseling.
www.funan.com.kh



FUTABA Microfinance Plc. has been established in the purposes and dreams of a shareholder. It received a formal license Microfinance Institution from National Bank of Cambodia (NBC), No M.F – 64 on December 16, 2015. The purpose of FUTABA is to offer the most reliable Financial Services to Medium, Small and Micro – Enterprises and Individuals by creating sustainable market to support current and succeeding generation and social performance to achieve their goal with better life in the future. www.futabamfi.com.kh



Grow Microfinance Institution PLC was established and granted a microfinance license in September 2016 from National Banking of Cambodia to provide the convenience financial products and services to improving living standards of the Cambodian poor people.

Address: #21, Street 1986, Sangkat Phnom Penh Thmei, Khan Saensokh, Phnom Penh, Cambodia. Tel: 023 23 15 67

IDEMITSU SAISON MICROFINANCE (CAMBODIA) PLC. was licensed by the NBC on 20th January, 2016 and covered its own operation areas all over the country. Currently, we have two offices located in Battambang province as main head office and Phnom Penh capital city as branch office. Our productions are 1) SME Loan, 2) Famer Loan, 3) Instalment Service, and 4) Individual Loan.

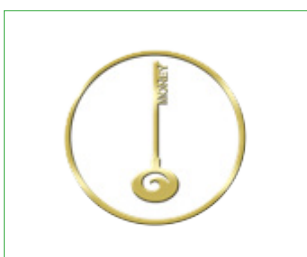
Official Contact Address:

- 1. Battambang Head Office:(855) 53-953-503 / 53-953-504
- 2. Phnom Penh Branch Office: (855) -23-953-503 / 23-953-504.
- E-mail: idemitsusaison.financedesk@idemitsu.com



Intean Poalroath Rongroeurng (IPR). The company Intean Poalroath Rongroeurng Ltd. (meaning Credit, Population, Prosperity in Khmer) was founded by two private Cambodian individuals,

Mr. Oknha Phou Puy and Ms. Hao Simorn, in 2003. It was founded as a credit unit of the Federation of Cambodian Rice Millers Associations, to alleviate the capital constraint of rice mill entrepreneurs who lacked access to credit to expand their production. www.iprmfi.com



Key Micro Finance Institution Plc. is owned by Cambodian People and was licensed by the NBC on 4th July, 2012. Key's mission is to provide the public with sustainable micro finance services or expand capital for their small and medium enterprises, trade and other agricultural businesses. Interestingly, through this mission the institution plays a major role in enhancing living standard of the poor by equipping them with access to loans with reasonable interest rates.

Email: info@key-mfi.com



Khemarak Microfinance Institution Limited (Khemarak Limited) was licensed as a microfinance institution by the NBC on 27th October, 2010. Khemarak Limited's main business is to deliver credit, saving and other financial services and products to various types of individuals especially micro, small, regular and medium entrepreneurs.

www.khemarak-mfi.com



LBP MICROFINANCE Plc. is a public limited company that was established and funded by two local Cambodians, Lok Oknha Lay Bun Pa and Lok Chumteav Lay Chhun Ny. LBP MICROFINANCE Plc. formally received its operating license from the National Bank of Cambodia on the 31st August 2016.

LBP MICROFINANCE Plc. is a private institution that provides financial services to Cambodian entrepreneurs and SMEs with a competitive interest rate and flexible loan terms to ensure the best deals to its customers. Furthermore, it aims to improve the living standard of Cambodians in a sustainable manner.



LY HOUR Microfinance Plc. is a subsidiary of LY HOUR Group. It was established as the 37th licensed MFI by the NBC in late 2012. We provide opportunities to Cambodian people to start up or expand their businesses to improve the living standard of the community through appropriate microfinance services.

www.lyhourmfi.com.kh



LED Microfinance Institution Plc., is a microfinance institution that was brought into existence by a group of 15 board members, having lunched a discussion on September 03, 2015. The process of applying for the lawful license from National Bank of Cambodia.

Website: <http://www.ledmfi.com>



Maxima Microfinance Plc. was found in March 2000 by a group of friends with the objective of achieving social and economic progress by providing affordable finance to rural poor and low-income people in order to improve their living standards and realizing their business goals. MAXIMA is a socially and environmentally responsible MFI with strong ethical values and working within the framework of the client protection principles.

In December of 2001, MAXIMA registered with the Ministry of Interior as MAXIMA Organization for Household Economic Development, as an NGO. In June 2008, the National Bank of Cambodia granted MAXIMA a permanent license to operate as an MFI in Cambodia. In 2014, Gojo & Company, Inc, joined MAXIMA as shareholder. In July 2015, MAXIMA transformed into a corporation and was renamed MAXIMA Microfinance Plc. www.maxima.com.kh



MOHANOKOR is a private Institution; was established as a Cambodian non-government organization (NGO) in 2014 that provides financial service to poor rural with the economic opportunities to transform the quality of their lives and their communities through the provision of effective and sustainable client empowering financial services MOHANOKOR's goal is focusing purely on Micro loan and Small loan services to borrowers as a group and individual in a convenient and cost-effective way. Due to interesting and supporting from many people, MOHANOKOR continue to build on its success and further expand its operation areas around the provinces and cities of Cambodia. Website: www.mohanokor.com



Given the Cambodian economic growth mainly in the area of financial sector then our Japanese shareholders has decided to contribute its capital to invest in this area. Mothers Financial Japan Plc. (MFJ) comprises several financial experts both international and local levels to serve its customers. Highly skilled and in-depth Management Team with a plentiful products and services will bring MJF to be an outstanding MFI in Cambodia. MFJ is legally a registered Institution at MOC on 30 April 2015, got a license from National Bank of Cambodia on 02 February 2015, and registered at the General Department of Tax on 4 July 2015. Website: www.mfjapan.com



NIRON Agency Development Economics Community (NIRON ADEC) was first established and operated in 08-08-2008 with a Paid-up Capital of 5,000 USD and 3 Staffs, specializing in delivery of loan services to Cambodian's economically poor. In early 2009, NIRON ADEC was registered as a Cambodian Non-Governmental Organization (NGO) under the Association and NGO Law in 2009 from Ministry of Interior and by 2013, NIRON ADEC has transformed to NIRON MIKROHERANHVATHO PLC., which is a public limited company with a Paid-up Capital of 1,500,000 USD, licensed by National Bank of Cambodia. Due to its rapid and sustainable growth, NIRON MIKROHERANHVATHO PLC has been merged with one local NGO and changed its name to NIRON Microfinance Plc.



ORO Financecorp Plc. (MFI) was found by ventures of Japanese and Cambodian investors into a private limited company, licensed by NBC (No M.H 41) on 3rd December, 2013. ORO Financecorp PLC. has set up a new strategy and established up-to-date products and services within Cambodia's MFI market. Our aim is to contribute to the development of Cambodia by helping to reduce poverty through financial development related to interaction sectors of triangle strategy of Government of Cambodia. www.orofinancecorp.com



Prasethpheap Finance (PF) is one of the many projects of the Mengly J. Quach Foundation, a nonprofit organization. It functions as a social corporate responsibility body of the Mengly J. Quach Education. PF was established in 2005 for the purpose of providing zero interest loans to students, staff, families and people from all walks of life. Clients are mostly from poor and vulnerable families. Since its foundation, PF has been lending loans to the amount of over three million USD. To reach our vision, "... making life better", in 2013 PF transformed itself into a financial institute providing low interest loans to the public in order to ensure the sustainability of its operations. It is now a separate entity from the Mengly J. Quach Foundation. www.prasethpheaptfinance.com



PRIME MF Microfinance Institution Ltd (Prime) is a newly established MFI in Cambodia with 100% foreign shareholders. It was granted a license for its microfinance business operation from the NBC on 17th December, 2010. PRIME MF is providing loan products and services to various types of businesses especially micro, small and medium entrepreneurs.

www.primemf.com



**PRINCE
FINANCE PLC**
ដើម្បីសុភមង្គលអ្នក!

Prince Finance Plc obtained an MFI license from the National Bank of Cambodia “No: M.F-58” to provide financial services to individuals, groups, and small or medium-sized enterprises (SMEs). Prince Finance’s vision is to provide professional financial solution to promote small and medium-sized enterprises (SMEs) as well as people who are confronting financial issues for the living; and to promote social development through the engagement in social, environmental, and educational activities.

www.princeplc.com.kh



Royal Microfinance PLC (RMF) is a newly established MFI with approval letter from National Bank of Cambodia in Feb 2015, number: ០១៥ ១៣៨ សជណ, and company registration with Ministry of Commerce as a public limited company via number ៣០៣២ ៧៧ ០២៧. Royal Microfinance is being completing necessary steps and requirements for a full license from National Bank of Cambodia.

Royal Microfinance has a strong commitment to a standard professional operation for both management and MIS. A strongly competitive products and processes have been designed in responding to the rising demands of various micro finance services. The key core value of RMF’s to provide a fair and transparent microfinance services to client for mutual benefit and growth.

www.royalmicrofinance.com



SACHAK MFI Plc. Started as NGO in Takeo Province Namely Khmer People Development Organization registered with Ministry of Interior in 2011. It transitioned to a public limited company registered with Ministry of Commerce and was granted with a permanent license by the NBC to operate as a Microfinance Institution on 30th September, 2013 and operations started on 9th October, 2013. Sachak provides sustainable micro finance services to poor people and communities in urban and rural areas so that they can have a better standard of living by providing loans with reasonable interest rates. At SACHAK, your growth is our commitment.

Email: keo-maly55@yahoo.com



SAHAKA Microfinance Institution Plc, is recognized as a public limited liability company which is registered with Ministry of Commerce under registration number Co. 4361E/2015, dated on 08th December 2015. The institution was granted official license from National Bank of Cambodia (NBC) in April 2016.

SAHAKA Microfinance Institution Plc has committed to provide best financial services and professional operation to fully cater to Cambodian’s demands with the aims of boosting and contributing social development and family living standard sustainability.

Website: www.sahakamfi.com



Sahakrinpheap Microfinance Plc., is one of the new microfinance institutions (MFIs) in Cambodia that provide lending services to Cambodia's poor people in the urban and rural area. In May, 2015, Sahakrinpheap got Micro Finance Institution (MFI) license from National Bank of Cambodia (NBC).

Sahakrinpheap focus on serving the poor to have access to the formal financial services to start a micro business or daily emergency needs. Sahakrinpheap is planning to put best effort to help serving the public to improve their standard of living through such a convenient financial services and to contribute to the development of the Cambodian economy.

www.sahakrinpheap.com.kh



Samaky Microfinance Institution Plc ("the Company") is a public limited company, was incorporated with the Ministry of Commerce on 18 March 2015 and having its business operations in Cambodia. On 15 September 2015, the Company obtained a license from the National Bank of Cambodia to conduct micro-finance business. The Company started its commercial operations on 1 November 2015.

Our principally activities is to engage in all aspects of micro-finance business and the provisions of related financial services. We provide loans to middle and low income families to build their life and improve their standard of living.

83AB Street 1986, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh

Telephone: +855 23 666 5959/ +855 23 633 6811

Email: info@samaky.com.kh, Website: www.samaky.com.kh



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

Website: www.samic.com.kh



SAMRITHISAK Limited (SAMRITHISAK) is a private limited micro-financial institution offering financial services in Cambodia. Samrithisak Limited obtained a license from the NBC on 25 May, 2010 and is legally registered with the Ministry of Commerce. It has recently been expanding to serve poor people in more remote areas, specifically farmers and small business owners. Areas of investment have included businesses sector such as agriculture, small and medium retailers, handicrafts and services.

Email: info@samrithisak.com



SEILANITHIH Limited (SEILANITHIH) is a Cambodian licensed MFI. It was created by the 1996 merger of three CARE Projects. Seilanithih registered with the Ministry of Commerce on 18th September, 2003 and obtained an MFI license to provide financial services in Cambodia on 23rd December, 2003. Seilanithih's mission is to strengthen and extend the best financial services to poor people in order to expand their existing businesses or to start their new business legally through providing credit and savings services.

Website: www.seilanithih.com.kh



Sonatra Microfinance Institution Plc. (SONATRA) obtained a license for operation from the NBC in January 2011 and has provides loan within the area of Phnom Penh City. In the upcoming years, Sonatra MFI plans to expand its operation through- out Cambodia. Sonatra MFI's mission is to encourage income independence and the alleviation of poverty. Sonatra MFI aims to become a leading MFI in providing responsible loans to low-income individuals and small and medium enterprises.
Email:bopha@sonatrafinance.com.k



SAMBAT Finance is a financial institution, which aims to provide innovative financial services with equal access to the Cambodian people, micro, small and medium enterprises ("MSME"), tailored financial services which meet their personal and corporate needs.



TACA MICROFINANCE PLC. (TACA) was incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce on 01 July 2014 under the registration No. Co. 2055 KH/2014 as a Public Limited Liability Company. TACA obtained a licence from the National Bank of Cambodia (NBC) to conduct business as a microfinance institution in Cambodia on 13 November 2014.

Website: www.tacamfi.com.kh



TBB (CAMBODIA) MICROFINANCE INSTITUTION PLC (Hereinafter referred to as TBBMFI) is a public limited company, also a subsidiary of TAIWAN BUSINESS BANK that is a specialized bank charged with the provision of financial assistance and guidance to SMEs. In Taiwan, it has been cultivating the SME financial services field until now for more than 30 years.

TBBMFI is licensed by the National Bank of Cambodia as a MFI in June 2015 to provide funding to commercial or individual purposes of Cambodian people as well as customers from Taiwan, thus to support the monetary and economy environment of Cambodia.

Tel: 023 887 171



TROP KHNHOM MICROFINANCE PLC.

Address: #445, Street No 4, Phum Souphi, Sangkat Kompong Svay, Krong Serei Saophoan, Banteay Meanchey Province, Cambodia.

Tel: (855-54) 5555 822 / (855-12) 583 077 / (855-17) 388 787

Email: dann_shp@yahoo.com



Vithey Microfinance Plc. is “the MFI” obtained the approval from the National Bank of Cambodia (“NBC”) through its letter No. B7 016-867 SCN dated 31 October 2016, as the Microfinance.

The business objective of VITHEY MICROFINANCE PLC. is supported to development through providing microfinance services to Cambodia people in the Kingdom of Cambodia.

#Building A-73 & A-75, St. 271, Sangkat Tomnoub Tek, Khan Chamkar Mon, Phnom Penh Cambodia. Website: www.vithey.com



Welcome Finance (Cambodia) Plc. (“WFC”) is a financial institution that was transformed from Green Central Micro Finance and was approved by the NBC on 25 October 2016, and Welcome Credit line Corporation is the main Korean Shareholder with 100% shares.

WFC was licensed by NBC as a MFI on 24th Oct. 2008 to strengthen and expand healthy microfinance services to the Cambodian people and to participate in the healthy development of micro and small enterprises, and to boost the growth of Cambodian’s economy. Website: www.welcomefinance.com.kh



Woori Finance Ltd. is a microfinance institution that was licensed by the NBC on 28th February, 2011. Woori was established to deliver microcredit services to middle and low class Cambodian people. Woori is handling various products of medium, small and micro loans. Through the Micro Lending Service, Woori seeks improvement of living standards of Cambodian people and the growth of the Cambodian economy in general.

www.woorifinancecambodia.com



YCP Microfinance Ltd (YCP) was licensed by the NBC on 7th May, 2009 and opened to the public on 9th September, 2009 to provide loans to small and medium sized enterprises, as well as to individuals. The aim of YCP is not only to be the first option for clients in term of quality, convenience and trust, but also to be committed to fulfill its mission.

Webste: www.ycpmicrofinance.com | Email: info@ycpmicrofinance.com

Leasing Company



Chailease Holding Company Limited is an international financial leasing company, Chailease Royal Leasing Plc. is our new joint venture business, has been inaugurated in Phnom Penh and was granted license to carry out financial leasing business from National Bank of Cambodia in February of 2017.

Chailease Royal Leasing Plc. is a joint venture company established by Chailease group and Royal group. The core businesses of the Company are vehicle and machinery finance leasing.



ELIN Leasing Plc. was established as a public limited company and obtained a license to carry out financial leasing business from National Bank of Cambodia on February 17th, 2015 and the registered office is located at #182, Ekareach Street, Phum 2, Sangkat 2, Preah Sihanouk Province.

Tel: 034 63 60 089



GL Finance Plc. (GLF) began its commercial activities in Cambodia in May 2012, being the first step of the regional expansion plan. GLF has teamed up with Honda NCX to provide financial services to all local Honda customers. Based on this partnership, GLF can support the purchase of brand-new motorcycles from its commercial desk in each official Honda retailer. With presence in 48 outlets, covering of the countries' provinces, GLF will soon expand to the rest of the country.



i-Finance Leasing Plc. was founded in 2014 with the aim to provide flexible financial services to underserved MSMEs and individuals for the purchase of vehicles and essential appliances. i-Finance's vision is to be the first choice for customers seeking financial services by offering them competitive pricing with the highest-quality customer service ensuring highly satisfied borrowers. We operate as a licensed financial leasing company.



Mega Leasing Plc. Was officially established in February 2013 with the primary objective to provide financial leasing service as hire-to-purchase to local consumers and businesses for items such as: motor vehicles, electronic equipment & household appliances, furniture and agricultural equipment & machinery. Mega Leasing Plc. was granted a license to carry out financial leasing business from the NBC in January 2014.

www.megaleasing.com.kh



KK FUND LEASING Plc. was established in January 2013 with the aims of offering financial leasing services for the customers. KKF was granted financial leasing license from National Bank of Cambodia in September 2014.

Add: #144BEo, St 143, Boeng Keng kang 3, Chamkarmorn, Phnom Penh

Website: www.kkleasing.com



RMA Financial Services is a licensed leasing company that was created in October 2013 to provide fast, simple and reliable equipment financing and leasing solutions to RMA customers. Thanks to broad RMA experience in SMEs, construction, automotive and the heavy equipment sector in Cambodia, RMA Financial services has a unique insight into the challenges our customers face every day. Whether our customers need to acquire new equipment or a simple car, finance a fleet of company cars or productive assets, RMA-FS can provide each of its customers with a financing solution tailored to their specific needs.

With RMA-FS, it is easy to turn equipment leasing and financing into a great business advantage such as: conserve working capital, balance equipment usage and cost, against inflation and obsolescence or gain tax advantages. As RMA-FS is fully part of RMA Group, we can propose a fully integrated package with the other RMA companies to help our customers to achieve their business goals.

www.rmagroup.net



TOYOTA TSUSHO FINANCE (CAMBODIA) PLC “TTFC” was found in June 2014 and commenced the operation in October 2014. TTFC is a new-established Financial Leasing Company which is licensed by National Bank of Cambodia. Our major shareholder is TOYOTA TSUSHO CORPORATION (a multi-national company with HQ in Japan),

Website: www.tffc-kh.com

Rural Credit Operator



Action For Development and Health Organization

Address: Phum Krang, Sangkat Ampil, Krong Kampot Province



The Association of Samnang Rural Development (ASARD) formed as non-prof- it organization under the law of the Kingdom of Cambodia in 2006. On 30th June, 2006 ASARD was registered by the Ministry of Interior of Cambodia. ASARD provides micro-loans to members of ASARD and people in the community that are in the Samrong Loeu Commune. On 11th January, 2007 ASARD was the first Rural Credit Operator registered by the NBC.

Email: asard.vourn@gmail.com



BORVOR Finance Plc, was previously known as a Small Economic Activity Development project of CARE Cambodia, financially supported by AusAID through CARE Australia. The project has been transformed on 1st January 2003 to a local NGO named BORVOR Finance Plc.

BORVOR is a first pioneer of Credit Union Model in Cambodia since January 1998, promoting savings and thrift habits based on nine international operating principles of Credit Unions. In practice, it operates as a credit union federation by virtue of its registration with the Ministry of Interior of the Royal Government of Cambodia on 6th December 2002. It also operates as a rural microfinance service provider by virtue of its registration with the National Bank of Cambodia on 7th March 2003.

Tel : 053 952 958



Capital Rongroeng PLC.

Address: #2DE1, St. 188, Sangkat Phsar Depou I, Khan Tuol Kouk, Phnom Penh.



Cred Finance Plc.

#43BE0, Street 271, Sankat Phar Daeum Thkov, Khan Chamkarmorn, Phnom Penh

Tel: (855) 87 555 475



Baytang credit organization is a rural credit operator to conduct business in Cambodia under the law on banking and finance institution and all existing laws in kingdom of Cambodia,

Baytang credit organization was established in 2011 and was registered with ministry of interior in 2013 as a local NGO , Then in 2015 baytang credit organization registered with National Bank of Cambodia as a rural credit operator,



CCDA HISTORY In 2008, CCDA founders established two trial projects Community Training and Community Strengthening for people at Streung Meanchey Garbage Mountain supported by the people from USA and France.

In 2010, CCDA Founders and Donors established one more project Community Micro-Business Training.

In 2011, Founders prepared new structure and memorandum to register with Ministry of Interior of Cambodia.

In 05 March 2012, CCDA accepted by Ministry of Interior of Cambodia. Meanwhile, founders and CCDA staff established two projects Community Member Loan and Community Member Saving.

In 06 January 2014, CCDA was approved by Ministry of Interior of Cambodia to operate its projects to other 06 provinces such as Kandal, Prey Veng, Kampong Cham, Takeo, Kratie and Svay Rieng.

www.ccdamfi.com



Community Development Fund (CDF) was born with small scale of lending activities to rural community in 2010.

In 12-april-2011, CDF registered with Ministry of Interior as a local NGO. In 24-October-2014, CDF registered with National Bank of Cambodia as a rural credit operator. In 13-February-2015, CDF is an Ordinary Member of Cambodia Microfinance Association.



Cambodian Family Economic Organization (CFEO) is Cambodian Non-Governmental Organization that has been working in Cambodia since 2010 and receiving official license from the Ministry of Interior of Cambodia No 109 S.Ch.N in Jan 2012. CFEO provided general support to the Cambodian Community in the economic development, training services and consultancy, information technologies and business management to the poor communities and offer small micro-financial service to support the business of those communities in close collaboration with the others micro-finance NGOs in the country.

www.cfeo-cambodia.org



DAKO FINANCE PLC is a professional financial service company that provide financial services to the poor at rural area. Our main services are Credits, Currency Exchange and Local money transfer. Established in January 2013 as local NGO, DAKO granted formal license from NBC as rural credit operator in 2015. Our mission is to assist the poor to conduct business successfully by providing both financial and technical skills.

www.dakobank.com / dakobank@gmail.com



Crédit Mutuel Kampuchea (CMK), opened in Cambodia in 2004 by Crédit Mutuel, the second largest cooperative bank in France. It is a financial cooperative which belongs to its members that share common interests. CMK's objective is to provide access to savings, credit and banking services to everyone especially the less privileged population.

www.cmk.com.kh



In 18 August 2014, Max Credit NGO (M.C.O) has registered and approved by Ministry of Interior of Cambodia to operate as a local non-profit organization to participate with government in developing Cambodia's economic, educate human resources, enhance capability of people, and improve standard of living of poor people by provide various financial services to assist them increase their income as well as increase career opportunity for Cambodia's people.

Address: No.2BEoE1, Street 355, Boeng Kok I, Toul Kork, Phnom Penh, Cambodia.
Phone: 023 2217 07



Kasekor Mean Mean Plc.

Phnom Toch village, Pich Chenda Commune, Phnom Preok District, Battambang Province.

Tel: +(855) 23 900 733



NCD was founded in May 2011 as a local NGO under registration with Ministry of Interior. In November 2012, NCD was formally registered by the NBC as a Rural Credit Operator and also, became a member of the Cambodia Microfinance Association in March 2013. NCD rural credit operator plans to apply to become a licensed MFI in 2014 under joining partnership with Singaporean Investors. Our vision is both local and international, in which all people have the best opportunity to provide for their families and build a better life. Email: ncd.mfi@online.com.kh



SLEUK MEAS KHMER FINANCE PLC., (SMK) was established in Svay Rieng Province and operated in 2013 with the aims of delivery of loan services to Cambodian's economically poor and was registered on 18 March 2014 as a local NGO under Ministry of Interior. Sleuk Meas Khmer Finance Plc., was licensed No. C.O 189 by National Bank of Cambodia issued on 25 December 2015 as Rural Credit Operator.

Website: www.smkplc.com | Email: sophornphin@gmail.com



Krousa Ennatean Plc was, the professional and reliable rural credit operator licensed by the National Bank of Cambodia, established in the purpose of sharing the improvement of the standard living of the people throughout the country by providing sustainable and dependable financial service (small and medium loans) in an appropriate interest rate.

Address: Building No 108, National Road No 6, Salakhum Village, Triel Commune, Baray District, Kampong Thom Province.

Contacts: Phone Number (855-96) 7105 777,

Email: krousa.ennatean@gmail.com



PCO Finance Plc. is a rural credit operator established on the 22nd of September 2010. It has been first registered at the Ministry of Interior of Cambodia as an NGO. It transformed into a MFI and registered at NBC on the 11th of August 2015. It provides Khmer Reil and UD Dollar credits to populations living in urban and rural area. It mostly provides clients with business loans for developing their micro or small businesses. Besides providing loans, PCO is involved in social activities such as offering gifts to the poor, sponsoring events, providing equipment to local councils and district, etc.

www.pcofinance.com



C.K.L.S Finance Plc.

Phum Trapeang Kol, Sangkat Kantaok, Khan Pur Senchey, Phnom Penh

Tel: +(855) 16/77 827 77



Raksey Finance Plc.

#6, St.4, Phum Trapeang Thloeng, Sangkat Chaom Chau, Khan Pursenchey, Phnom Penh.

Tel: +(855) 86 200 111



Village Development Association (V-DA) was born with small scale of lending activities to rural communities in 2003 and then registered with Ministry of interior 2008 as a local NGO. In 2009 Village Development Association registered with the NBC as a Rural Credit Operator. It provides micro credit to rural families with agricultural, health, educational and commercial demand.

www.vdamfi.org



DONORS AND PARTNERS



French Development Agency is the operator for 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 document 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.



Established in 2003, Good Return is a non-profit organization that works across Asia Pacific to deliver economic and social development

programs for the financially and socially excluded. Sharing with others the vision of a world without poverty, Good Return is proud to be one of the leading supporters of financial inclusion across the Asia Pacific region.

Good Return partners with Financial Service Providers, Microfinance Associations and Financial Sector Regulators to research, design and implement game changing initiatives for the poor.

Good Return keeps the consumer's interests front and centre in the design of its programs through leveraging the 'Human Centred Design' (HCD) approach.



Inclusive finance expertise

Over the past 20 years, ADA has been dedicated to building and catalysing 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, on capacity building and on action research.

ADA put their expertise to use in areas including youth financial inclusion, access to green energy through microfinance, microinsurance, and reinvested savings through remittances for migrants. ADA also put their know-how forward to individual States and collaborate with them to support their inclusive finance expansion strategies.



Since the 1960s, the Australian Government has, through its aid program, supported Australians to undertake voluntary work in developing

countries. The Australian Volunteers for International Development (AVID) program is managed by the Department of Foreign Affairs and Trade. The goal of the AVID program is for Australian volunteers to make an effective contribution to the development objectives of the Australian Government and its partner governments through working with people and organizations in developing countries. In 2013-14, a total of 2,006 volunteers were supported in 43 countries with the majority of the volunteers on assignment in the Asia Pacific region. For more information, visit: dfat.gov.au/people-to-people/avid/about-the-program/Pages/avid-and-australias-aid-program.aspx



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