

# Cambodia Microfinance Association



## Annual Report 2006

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## **CMA's Background**

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

Cambodia Microfinance Association (CMA) was formally established in January 2004 by 7 MFIs CEB, AMRET, HKL, Maxima, Seilanithih, CREDO, and PCA. On October 18<sup>th</sup> 2004, CMA formally registered at the Ministry of Interior as a non governmental organization. The purpose of CMA is to ensure the prosperity and sustainability of microfinance sector in Cambodia.

CMA plays a vital role such as creating local and international networks as well as seeking equity and loan funds, new technologies and conflict resolution between microfinance operators. All of these activities have led each member MFIs to become stronger and more successful and thereby attract support from the international market, smoothly growing expansion.

According the banking law in Cambodia (Chapter 22, Article 72) there is only scope for one professional association related to banking services permitted in Cambodia. The National Bank of Cambodia (NBC) has approved that CMA operate as a sub-division of the Association of Banks in Cambodia (ABC) in accordance with the law. Currently, CMA is expecting formal licensing as a sub-division of ABC in early 2007. As a sub-division of ABC, CMA is an institutional member of ABC and can negotiate directly with NBC on relevant microfinance matters.

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

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

Since its creation, CMA has grown from a membership association serving 7 members in 2004, to 11 members in 2005, and 13 members in 2006.

## **CMA's Vision**

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



*Regional Microfinance Forum in Kampot Province  
27-October-2006*

## **CMA's Mission**

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



## **Chairman's Message**

*During my second term in 2006, CMA achieved new records in its role of support to the micro finance sector. As the pivot point, CMA brought many investors, creditors as well as donors into the country. Government agencies have accepted CMA as their strategic partner for poverty reduction and our members are confident that with CMA, they can work together to create a strong team and meet our goals. We are very positive about continued improvement in the future.*

Cambodia Microfinance Association (CMA) has been established for three years. During my first 2004-05, CMA prepared all legal documentation to obtain a legal identity, gathered all licensed MFIs around the table to discuss key issues and to facilitate operations, and ensured benefits for both MFIs and clients. 2006, the first year of my second term many goals were reached demonstrating the growth of CMA's role in the microfinance sector.

### **Independence:**

CMA needs to be seen as independent so as to be able to represent all of its members on an equal basis. To empower CMA and make the transition, Ms. Hoy Sophea was recruited in May 2006 to replace Mr. Nou Bonnarith (former volunteer general secretary) as full time General Secretary. At the same time, CMA moved from AMRET premises, where it had been housed to its own independent office. With only a small secretariat, Sophea, and her colleague Sona ran operations smoothly throughout the year.

### **Legal frameworks:**

Since CMA's inception, it was registered with Ministry of the Interior as a local organization, but this was not really an appropriate status. Since CMA represents microfinance operators, it should have been registered with the National Bank of Cambodia (NBC) as a professional association. After a long of process of negotiation CMA is now an individual sub group of the ABC (Association of Banking of Cambodia.) This is required as the law only allows for only one professional association. With this new status CMA will better represent MFIs within ABC. The process is in the final stages of formalization, and we expect completion in our change of status by mid 2007 at the latest.

### **Management Structure:**

CMA has 13 members, each member sends two representatives to the assembly of stakeholders which meets once a year. The assembly elected new board directors in accordance to the by-laws, and the new Board of Directors is composed of 9 members. The Board decided to create four sub-committees with special responsibilities for: Advocacy, Training, Information Technology and Audit. These four committees will cooperate with the General Secretary to perform their job to ensure smooth operation.

### **Public Relations:**

CMA worked in very close partnership with the National Bank of Cambodia to promote microfinance raising public awareness of the importance microfinance in poverty

reduction; this was performed with support from UNDP and AFD. Through out the year 2006 four microfinance forums were held three of which were regional, and one National. The Prime Minister announced that 2006 was the year of Microfinance for Cambodia. A National forum on Microfinance was held, lasting for three days, and three regional forums lasting one day were held throughout the country. Each forum involved all stakeholders with an emphasis on government officials. In addition CMA entered into a partnership with AFD which supported the setting up of our new office, 2006 administrative expenses, and capacity building for MFI members. MPDF was a very active partner also working with CMA in mobilizing different partners to support CMA.

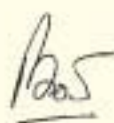
CMA created an active network with investors, creditors, donor agencies, and is the focal point of contact, a major benefit for members. Through advocacy CMA achieved success on many fronts relating to regulators and the authorities especially the two most critical issues, permanent licensing and capital adequacy ratios reduced to 15%.

### **Challenges:**

There were many successes last year, but we need to build on these as this our actions have only just started since CMA's activities are very recent. Our long term goal is to support microfinance in a sustainable manner. To meet this goal, CMA must be creative and redouble efforts. Capacity building requires more support from donor agencies, Information Technology requires commitment from each institution to invest more time and energy and to work together, advocacy requires increased joint and shared commitment to define and achieve targets facilitating the operations of our members. Overall CMA needs more financial commitment from members and donors for both technical assistance and to fund its activities providing a viable service to the microfinance sector as whole during the second year of the start up phase.

### **Conclusion**

CMA has moved ahead, with independent staff and office, and with five training courses which were conducted to build the skills of its members, Information Technology was discussed, advocacy has been successful, public relations has helped CMA to be promoted and accepted by national and international actors, and CMA's members acknowledge the importance of the revitalized institution. All of these achievements would not have been realized without the help of our partners to whom we would like to express our sincere thanks: Agence Française de Développement (AFD) for their generous funding support to get off to a good start. MPDF, for technical support, National Bank of Cambodia for supervision, UNDP for support, lastly thank to all members for contribution and participation. We are justifiably optimistic that CMA is sustainable, and will move onwards, and upwards.



Dr. Bun Mony, Chairman



## **General Secretary's Message**

At end of 2005 it is time to recognize that Microfinance in Cambodia has been successful in the economic development of the country. Unofficial indicators reveal that more than 90% of customers who received loans from MFIs have critically improved their living standard, and that 99% of them are able to repay on time thereby reflecting improved clients' business management skills.

Cambodians understand microfinance services, especially loans. They know that the loans they receive must be repaid, including principle and interest, and on time-not late. Moreover, MFIs are seen as strategic business partners because borrowers have confidence that when they need a loan to start their business, they can approach any microfinance provider, and find one to fit to their requirements, so they see both the convenience and the benefits.

At the same time MFIs have been continuing to improve their operations management with good portfolio quality, financial transparency, and on time service. This has engendered trust from stakeholders including government agencies, investors, creditors and clients as well.

During 2005 in an international award contest for financial management transparency supported by the **Consultative Group to Assist the Poor (CGAP)** three MFIs in Cambodia won the first prize out of 5 worldwide awards. Participating were 175 MFIs from 57 countries. What an impressive demonstration of the strength of the microfinance sector in Cambodia!

The success of the microfinance sector in Cambodia today should be a source of great pride for all Cambodian people, but especially the regulators, operators and customers who jointly created this viable outcome, a very critical contribution to the country's economic development. We must not lose sight of the incontrovertible fact that the development plan for Cambodia requires long term planning with microfinance playing a very critical function. As mentioned above I earnestly request all stakeholders to continue in this culture of cooperation in order to strengthen the microfinance sector which will bring about change so that Cambodia is a country with no poor people.

Ms. Sophea Hoy, General Secretary

## Overview of Microfinance in Cambodia

Cambodia Microfinance first started in 1992 under the control of Ministry of Interior with Non Governmental Organization status, and was mostly mixed in with other activities. Initially most of operators were not successful because:

- Operators themselves did not have sufficient experience and knowledge of this business.
- Clients did not understand the role of microfinance and their obligations
- The Microfinance environment in Cambodia was very new and untried

In 1999 the National Bank of Cambodia (NBC) established rules and regulations to guide and control financial activity and required some Microfinance Institutions (MFIs) to register, and some MFIs to obtain operating licenses based on legal criteria. This regulation encouraged many MFIs to obtain Microfinance licenses by incorporating as a Private Limited Company registered with the Ministry of Commerce, and later obtaining licenses from NBC.

Prior to the formal establishment of the Cambodia Microfinance Association (CMA) many MFIs in Cambodia met in an informal manner to jointly address common issues. Some of the common issues discussed were: lobbying the government to liberalize interest rates and establishing an appropriate legal structure for microfinance institutions which could be regulated by the National Bank of Cambodia.

Most of the Cambodian poor now have access to credit loans to start new businesses and expand existing ones. This allows them to invest in different business sectors such as agriculture, small and medium trade, handicrafts, services, construction, transportation etc, and enable them to become the owners of the business. This is a confirmation of the theory of economic development that the only way to move people out of poverty is to empower them as business owners.

Micro and medium sized enterprises play an import role in the country's economic development. Microfinance service has been expanding to poor people in more remote areas, and as a result microfinance services have become very popular with the micro and small entrepreneurship market. Because MFIs are present in a timely way serving the market and supplying the demand for banking services, the economic development of the poor moved forward successfully and micro finance has thus become a new technology for Cambodians "**that is the key to breaking the poverty cycle**". This is not only true for Cambodia but it should be for all developing counties in the world.

Today there are 17 MFIs operating under licenses from the NBC, and one institution which holds a commercial bank license. Institutions operate within all the 24 provinces. 609,388 families have loans from 15 MFIs and one commercial bank (a former MFI) with an outstanding loan portfolio of USD 245 Million, Savings collected from 244,900 accounts total USD125.22 million. Assuming 5.5 members in each family, the beneficiaries of microfinance services can be estimated at more than 3.3 million people or an estimated 24% of the total population (based on 14 million



inhabitants.) This figure reflects the high demand for microfinance services and demonstrates the importance of microfinance in Cambodia.

Growth continued in the sector throughout 2006 as can be seen in the comparative table below:

Organization		Loans outstanding		Deposit Balances	
		Amounts in Million USD	N°-Clients	Amounts in Million USD	N°-Depositors
ACLEDA	Small	85	151,578	123	141,368
	Large	74	8,352		
15 MFIs		87	449,458	3	103,532
Ending of year 2006:		246	609,388	126	244,900
Ending of year 2005:		151	494,723	65	228,809
<b>Increase</b>		<b>95</b>	<b>114,665</b>	<b>61</b>	<b>16,091</b>

On time repayment rates are in excess of 99% reflecting the acquired business acumen of clients and also the disciplined management of microfinance operators. Interest rates charged have declined every year, with current rates ranging from 24% to 36% per annum. This is the result of free market economic policies encouraged by the Cambodian government. In order to manage selling prices in a very competitive manner, while maintaining profits for shareholders, operators have had to increase capacity in operations to reduce costs. Overall microfinance in Cambodia has attracted ongoing trust from international financial markets. Many different independent evaluations done by international investors demonstrate that microfinance in Cambodia has been improving very rapidly in the last five years on loan service, and became a leading county in terms of management. MFIs in Cambodia are very effective, with decreasing interest rates and increasing outreach and expansion.

The Cambodian government recognizes the importance of microfinance in poverty reduction; it creates employment and builds entrepreneurship among the poor which is the best approach to develop our country. There were many laws, regulations and PRAKAS which have been issuing to support the growth of MFIs. These laws and regulations have been very useful to help MFIs to grow and move in the right indirection. The NBC has been closely monitoring MFIs to ensure compliance and to promote benefits of the poor. NBC works in very close partnership with microfinance operators to facilitate this growth. In 2006 there were four microfinance forums conducted in different regions in the country. These forums served to heighten awareness of the importance of microfinance in economic development, and the focus groups were local authorities: commune chiefs, district leaders, and provincial governors, government officials representing each ministry, and National Assembly members and Senators.

The next challenge for microfinance is Savings mobilization. This is critical as an inexpensive long term source for refinancing the demand for credit from micro and small entrepreneurs in a sustainable manner. Operators must strengthen the capacity of their management to ensure transparency, maintain a good reputation and image, and demonstrate financial strength in order to convince the public that MFIs can be trusted and are a safe place to make deposits. This will require additional commitment from microfinance operators.

Management information Systems (MIS) software is another challenge for operators, as currently most MFIs purchase MIS software from other countries which is both expensive and not adapted to the local market. In the future MIS should be supplied by local IT suppliers to reduce cost and increase efficiency.



Microfinance is available in all of Cambodia

## **Achievements**

2006 was our first year of operations with our new organization, a year of transition during which CMA professionalized operations and secured permanent independent office space. It was also the year when full time paid professionals were recruited as part of the plan to make CMA more viable for its members and credible for our partners, including government and administrative organizations which regulate the MFI industry, donors, development agencies, and all stakeholders who are motivated by or success.

Our by-laws have been written and submitted to the National Bank of Cambodia for final approval. This will allow us to officially assume our position as the federating entity for licensed MFIs in the country.

As part of our transparency positioning, our Audit committee has been active in ensuring that we adhere to all of the requirements for membership organizations, and that our financial status and code of ethics is clearly and truthfully reported. These have been passed to the Board for approval. The Board is expected to approve these actions during the first quarter of 2007.

CMA has been selected as the pivot for the sharing of quarterly network and operational area information exchange among 15 MFIs and one commercial bank. The information exchanged includes the loans outstanding, deposit balances, client numbers, and operational information of penetration at the provincial, district, commune and village level

We have tightened to our members in several fields:

- Training: by creating programs and workshops to meet member needs, including partnering with offshore organizations for funding and delivery.
- Advocacy: by submitting to the National Bank of Cambodia several important requests or amendments for change in regulations in the areas of reporting, and MFI operations. The positive results obtained are a tangible demonstration of our credibility.
- IT: by gathering information concerning our members IT requirements so that we can go on to develop an IT plan, with a local supplier, common to MFIs which will lower MIS costs and improve efficiency.
- Information Exchange: by becoming an information clearinghouse, we allow our members to access information to which they might not otherwise have access, and create a useful networking facility.

All of these are ongoing commitments which we will continue to meet in the years to come, fine tuning them based on member feedback and commonly expressed needs.

We are also meeting expectations by improving our staff skills through training both locally, and abroad. We also have hosted organizations similar in scope to CMA located in other areas of South East Asia. Much of this training has been funded with the assistance of international development organizations, to which we are particularly grateful.

## **Acknowledgements:**

CMA could not have progressed as it has this year without the support and good will of the local authorities, and particularly financial and "in kind" support received from:

- Agence Française de Développement (AFD) and generous contributions from our Members for funding training for our staff locally
- Agence Française de Développement (AFD) for funding our participation in the 2005 SEEP global network summit at Washington, DC, USA.
- Agence Française de Développement (AFD) for funding purchases of office equipment and computer systems.
- Agence pour le Développement Autonome (ADA) Luxembourg for funding designing and delivering training to our members in early 2007, this project was deigned and defined in 2006.

## **Awards:**

- In 2005 Microfinance in Cambodia was given international recognition when the *2005 CGAP Financial Transparency Award* was given to three Cambodian Microfinance Institutions: ACLEDA, AMK, and PRASAC. These winners were chosen among 175 competitors from 57 countries. AMRET, TPC, CREDIT and VFC received *2005 CGAP Merit Recognition in East Asia and Pacific*
- In 2006, history repeated itself as Cambodian excellence becomes a tradition: Four members were honored with the *2006 CGAP Financial Transparency Awards*: AMK, Amret, CEB and VFC. Cambodia, honored four times in the category, is the only Southeast Asian country so recognized. These winners were chosen among 231 competitors from 62 countries. In addition three MFI's received *2006 CGAP Merit Recognition in East Asia and Pacific*: CREDIT, TPC, and PRASAC. Cambodia received three out of the five awards given in this category in Southeast Asia.

CMA is extremely proud of all its members, and of the tradition of excellence we are creating in Cambodia.

## Report from the Audit Committee

**To** : Board of Directors<sup>1</sup>  
**From** : Audit Committee<sup>2</sup>  
**Cc** : CMA General Secretary<sup>3</sup>  
**Date** : 10 February 2006  
**Subject** : INTERNAL CONTROL REPORT  
FOR THE YEAR ENDED DECEMBER 2006

We are pleased to submit our Internal Control Report following the completion of the audit of Cambodia Microfinance Association (the "Association") conducted on **06 February 2007**. We have included the findings, implication, and recommendations in the attached report.


### Scope of Our Work

We planned to audit the Association mainly focusing on segregation of duties, financial management, financial reporting, cash and banking, payroll and benefits, incomes, fixed assets, and other expenses. We reviewed transactions of the Association covering the period from **01 August 2005 to 31 December 2006**.

It must be appreciated that the matters raised in this report came to our attention during the conduct of our normal audit procedures which are designed primarily, on a sample basis, offering recommendations as constructive suggestions for the consideration of the management of the Association as part of ongoing process of modifying and improving the accounting system and other financial and administrative practices and procedures. Our comments cannot, therefore, be expected to include all possible improvements, which are more special extensive examination might reveal.

We would like to take this opportunity to express our appreciation for the cooperation and support we received from the members of Cambodia Microfinance Association during the course of our audit.

Yours sincerely,



Phat Reatana

CMA Audit Committee



TOP SOK SAPHHA



Kea Borann

<sup>1</sup> Mr. Bun Momy, Hout Ieng Tong, Phat Reatana, Kea Borann, Top Sok Sapha, Kuch Setha, Oang Kin Seng, Choun Sopha, Soung Eng Chhy

<sup>2</sup> Mr. Phat Reatana, Kea Borann, Top Sok Sapha

<sup>3</sup> Ms. Hoy Sopha

## Income Statement

**Net Income** **19,956.72**

**INCOME** **50,995.32**

Financial Income	<b>35.03</b>
Interest income from bank & FIs	35.03
Operating Income	<b>18,202.00</b>
Training service	8,700.00
Coordination services	25.00
Income from Member	9,477.00
Income from Donors	<b>32,758.29</b>
Agent Française de Development	32,758.29

**EXPENSES** **31,038.60**

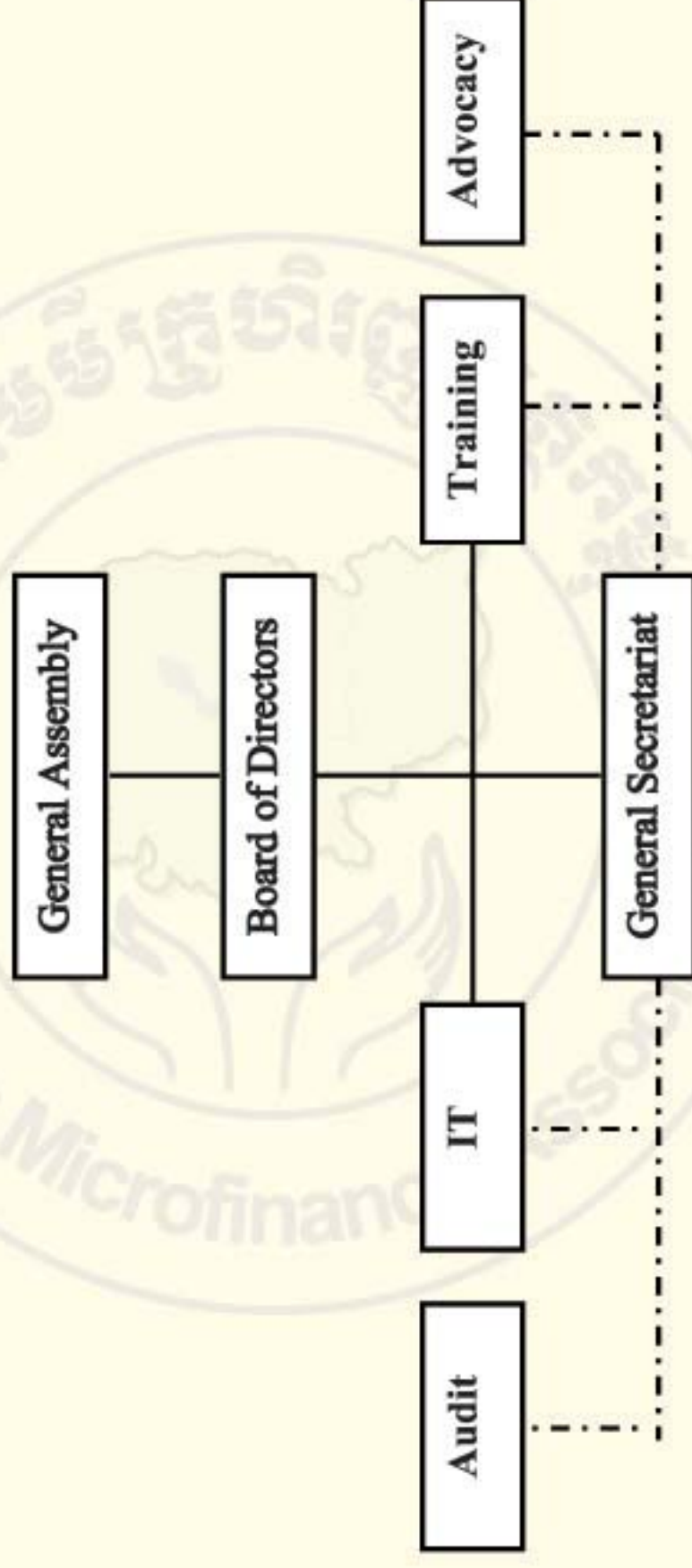
Personnel	<b>10,111.92</b>
Salary and wages	4,600.18
Perdiem and Accommodation	660.00
Khmer New Year Bonus	313.92
Staff Insurance	6.23
Staff training	4,331.59
Security guard	120.00
Hygiene	80.00
Others	<b>20,512.48</b>
Utilities	<b>31.00</b>
Electricity	26.25
Water bills	4.75
Communication	<b>1,363.66</b>
Telephone bills	551.40
E-mail	783.50
Postage & courier	27.56
Fax	1.20
Equipment Repair & Maintenances	<b>592.42</b>
Office repairs & maintenance	150.32
Sundry office equipment, R&M	354.50
IT equipment and maintenance	87.60
Professional and Audit fees	<b>500.00</b>
Professional fees (ABC Fees)	500.00

Depreciation	<b>1,380.89</b>
Depreciation for motorbike	100.00
Depreciation for computer & peripherals	930.76
Depreciation for office equipment/Furniture	350.13
<b>Administrative</b>	<b>16,644.51</b>
Supplies & Stationeries	177.54
Printing and Copy	26.22
Recruitment Charges	159.39
BOD meeting	88.66
Marketing (Newsletter, Leaflet)	10.00
Others Training	16,166.91
Office	15.79
<b>Transportation</b>	<b>412.94</b>
Fuel	379.91
Motorbike repair & maintenance	30.99
Other transport costs	2.04
<b>Other Tax</b>	<b>1.26</b>
Withholding Tax of interest income	1.26

### **Balance Sheet**

<b>ASSETS</b>	<b>23,736.99</b>
<b>Current Assets</b>	<b><u>16,206.31</u></b>
Cash on hand, US\$	156.28
Cash in Bank (ACLEDA Bank Plc.)	15,921.66
Prepaid insurance	28.37
Deposit e-mail/internet	100.00
<b>Fixed Assets</b>	<b><u>7,530.68</u></b>
Motorbike	1,200.00
Computers and peripherals	5,031.57
Office equipment/Furniture	2,680.00
Acc. dep. motorbike	(100.00)
Acc. dep. computer & peripherals	(930.76)
dep. office equipment	(350.13)
<b>LIABILITIES &amp; EQUITY</b>	<b>23,736.99</b>
<b>Current Liabilities</b>	<b><u>313.92</u></b>
Accrued-Khmer New Year Bonus	313.92
<b>Equity</b>	<b><u>23,423.07</u></b>
Retained Earnings	3,466.35
Net Income	19,956.72

## Organizational structure





## General Assembly

The General Assembly is the highest level of CMA, and is composed of the representatives of all dues paying members of CMA. They meet once a year to elect the new Board of Directors at the end of each term, approve Board actions the budget, the annual report, the progress report and the audit. Its members are:

- ◇ **Dr. Bun Mony**, General Manager, Cambodia Entrepreneur Building Ltd
- ◇ **Mr. Var Muth**, Deputy General Manager, Cambodia Entrepreneur Building Ltd
- ◇ **Mr. Phat Reatana**, International Audit Manager, AMRET
- ◇ **Mr. Nou Bonnarith**, Human Resource Manager, AMRET
- ◇ **Mr. Kuch Setha**, General Manager, SEILANITHIH Limited
- ◇ **Mr. Kuch Kunthen**, Operation Manager, SEILANITHIH Limited
- ◇ **Mr. Hout Ieng Tong**, General Manager, Hattha Kaksekar Limited
- ◇ **Ms. Im Vandit**, Finance Manager, Hattha Kaksekar Limited
- ◇ **Mr. Chan Mach**, General Manager, CREDIT MFI
- ◇ **Mr. Soung Engchhay**, Deputy General Manager, CREDIT MFI
- ◇ **Mr. Oum Sophorn**, Chief Financial Officer, Theaneakar Phum (Cambodia) Ltd
- ◇ **Mr. Sim Senachheert**, General Manager, PRASAC Microfinance Institution Co, Ltd
- ◇ **Mr. Yim Sokhen**, Credit Manager, PRASAC Microfinance Institution Co, Ltd
- ◇ **Mr. Has Bora**, Finance Manager, Cambodia Rural Economic Development Organization
- ◇ **Mr. Kea Borann**, Finance Manager, Angkor Mikroheranhvatho Kampuchea Co, Ltd
- ◇ **Mr. Man Choeurn**, Operation Manager, Angkor Mikroheranhvatho Kampuchea Co, Ltd
- ◇ **Dr. Uong Kim Seng**, Chairman/Chief Executive Officer, MAXIMA
- ◇ **Mr. An Bunhak**, Vice Chairman, MAXIMA
- ◇ **Mr. Om Seng Bora**, General Manager, Vision Fund (Cambodia) Ltd
- ◇ **Ms. Top Sok Samphea**, Finance and Administrative Director, Vision Fund (Cambodia) Ltd
- ◇ **Mr. King Kapkalyan**, General Manager, CHC Limited
- ◇ **Mr. Morm Vanny**, Admin Officer, CHC Limited
- ◇ **Mr. Hout Bonsong**, General Manager, Intean Poalroath RongRoeurng Ltd.
- ◇ **Mr. Phou Puy**, Director, Intean Poalroath Rongroeurng Ltd

## Board of Directors

The Board of Directors is the main policy arm of CMA and all major decisions are submitted to for its comments and approval. The Board is composed of nine members chosen by the General Assembly all important players in the microfinance industry:



**Dr. Bun Mony (CEB)** Chairman. Born on 19 November 1957. 2003-Present, Chairman of the board and General Manager of CEB Ltd., 14 years experience in micro finance business, of that 8 years Executive Director of CCB NGO since its establishment and founder of CCB NGO. In 2003 CCB NGO became a licensed MFI. Dr. Mony is a field specialist in finance, accounting and management. with a Bachelor of Business Administration from National University of Management., a Master of Business Administration (MBA) from Utara University of Malaysia, and a Doctor of Business Administration (DBA) from Preston University, USA.



**Ms. Top Sok Samphea (VFC)** Finance and Administration Director of VisionFund Cambodia micro-finance institution. She is experienced in auditing, financial management, accounting and governance, and holds a Bachelor's degree in Accounting and is currently pursuing a Master's degree in Business Administration which is expected to be completed in March'07.



**Mr. Hout Ieng Tong (HKL)** was born in 1968, and is one of the founders of CMA, and the General Manager of Hattha Kaksekar Limited (HKL). In 1991, he obtained a Bachelor of Agriculture degree in Phnom Penh, and holds a Masters of Business Administration from Build Bright University. He worked as economic researcher for 3 years and had 14 years management experience in the microfinance sector. He has attended numerous local and international courses in Staff Management, Financial Management, Planning, Leadership, Human Resource Management, Credit Management, and Micro-Finance Management and has been invited for visits/workshops in the USA, the Philippines, Indonesia, Germany, France, Newtherlands and other countries.



**Mr. Phat Reatana (AMRET)** graduated with a 4-year degree in field of Mathematics in 1994 and with a 5-year degree in General Medicine in 1997 and a Bachelor of Business Administration in 2002. He obtained an MBA in field of Finance at Charles Stuart University in Australia in 2005. He has worked for Amret since 1997, as the Internal Audit Manager and also was appointed to the Audit Committee Member in Amret since June 2000.



**Dr. Uong Kim Seng (Maxima)** was born in 1972. He joined the Board of MAXIMA at its inception in 2000, and serves as Chairman/ CEO of MAXIMA. He is also Chairman/ CEO of USK GROUP CO., LTD. Dr. KIMSENG was formerly a Government official at the Ministry of Agriculture and Ministry of Rural Development (1995-2002). He was appointed as Advisor to the Phnom Penh Chamber of Commerce in February 2006. He holds a Bachelor of Business Administration from Faculty of Business in Cambodia (1995) a Master of Business from Victoria University of Technology, Australia (2003) and a Doctor of Business Administration (DBA) from Preston University, USA in 2005.



**Mr. Kuch Setha (Seilanithih)** was born in 1961, he joined Seilanithih in May 1995, and founded Seilanithih NGO in 1996. Under his leadership, Seilanithih became a licensed microfinance institution in 2003. He has more than 12 years experience in the field of microfinance and staff management. He obtained a Diploma on Rural Social Leadership in 1990 from SEASOLIN, Xavier University, Philippines and a Diploma of Agronomy from the College of Agriculture in Thailand. He obtained his MBA degree in 2005 from CHAMROEUN University of Poly-Technology, Cambodia, and pursuing his PhD. from the same institution.



**Mr. Soung Engchhay (CREDIT)** joined CREDIT MFI in 1996 through the Kampong Cham branch. He began as a translator, became successively the Branch bookkeeper, Deputy Branch Manager, Branch Manager and finally Deputy General Manager. He was promoted to Audit Manager in September, 2006. He obtained a Bachelor's degree in Business Administration with the specialization in Management and is now studying for his master degree (MBA).



**Mr. Chuon Sophal (TPC)** was born on January 4th 1954. Chief Executive Officer of TPC, he began at TPC in May 2001 as Finance Officer, and in April 2003, was promoted to Deputy Chief Executive Officer of TPC. In April 2005, he was appointed by the Board of Directors to be the Chief Executive Officer. He studied Business Administration at the Faculty of Commerce in Phnom Penh and obtained a degree (Licencié ès Commerce) in 1975. He served in the government as Division Chief of the Cooperative Department of Kandal Province from 1979 to 1992. From 1993 to 1994 he was Chief Accountant for Great International Bank in Phnom Penh. In 1994, he was employed by the Global Commercial Bank as Chief Accountant and was promoted to Assistant General Manager in-charge of the Administration Department.



**Mr. Kea Borann (AMK)** joined AMK as Finance Manager in February 2004, where his responsibilities focus on managing the finances of the company including fund flows, forecasting, financial reporting and training other accounts staff. Borann is chiefly responsible for managing the financial affairs of the company in accordance with internal and regulatory policy requirements. Before joining with AMK, Borann worked for World Relief Cambodia/CREDIT (Micro credit program) as the Finance Director. Borann holds a BBA in Finance and Accounting.

## **Committees**

Four committees were formed in 2006 to propose projects and supervise CMA's day to day operations. Each committee's brief was proposed and approved by the Board of Directors and implemented during the year.

### **Advocacy committee**



Dr. Uong Kim Seng (Maxima) Chairman  
Dr. Bun Mony (CEB)  
Mr. Hout Bunsong (Intean Poalroath RongRoeurng Ltd)

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

### **Audit committee**



Mr. Phat Reatana, (AMRET) Chairman  
Ms. Top Sok Samphea (VFC)  
Mr. Kea Borann (AMK)

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

## Information Technology (IT) committee



Mr.Choun Sophal (TPC) Chairman  
Mr. Sim Senacheert, (PRASAC)  
Mr. Soung Eng Chay, (CREDIT)

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

## Training committee



Mr.Hot Ieng Tong (HKL) Chairman  
Mr. King Kepkalyan (CHC)  
Mr.Kuch Setha (Seilanithih)

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

## General Secretariat:



Ms. Hoy Sophea, works with General Secretary of CMA since May 2006. Before work with CMA She worked with Action on Disability Development (ADD) organization that responsible for Information & Documentation for 4 years and 3 years worked with Chamreun Cheit Khmer(CCK) organization in position on Agriculture Officer. In 2005 she graduated bachelor's degree field Management. Currently she is pursuing a Master's degree in Management which is expected to be completed in 2008.



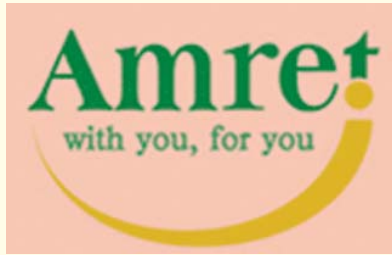
Ms. Rath Sona, was born in 1985. She is Cambodian national. She holds a Bachelor Degree of Business Administrative in Accounting & Finance in Phnom Penh in 2007. She works with CMA since September 2006 as Admin & Finance Officer. Prior CMA, she had experienced with Japan Center for Conflict Prevention (JCCP) organization as Accountant in Phnom Penh. She had attended many courses/Workshops such as Tax Compliance, Report writing and Microfinance Performance Analysis.

## CMA's Members:



**PRASAC MFI, Ltd.** is a private Cambodian limited liability company registered with Ministry of Commerce. It is licensed by the National Bank of Cambodia to operate as a Microfinance Institution. Operations started on 1 January 2005, when it received ownership from the EC to

assets earlier operated by PCA (PRASAC Credit Association). At the same time it also secured its funding by signing a Subordinated Debt Agreement with RGC, giving access to seed funds and retained earnings (the Credit Fund) originating from the EC funded development project called PRASAC (Programme de Rehabilitation et d'Appui au Secteur Agricole du Cambodge), active from 1995 to 2003. Website: [www.prasac.com.kh](http://www.prasac.com.kh)



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

Website: [www.amret.com.kh](http://www.amret.com.kh)



**CEB Ltd.** is a profit-oriented, regulated micro-finance institution that serves the common interest of promoting entrepreneurship of poor women without discrimination against any ethnic group, cultural background, political affiliation or religious belief. By reinvesting most of its profits in expanding outreach and improving and/or diversifying its micro-finance services, CEB Ltd. is contributing to the development of women operated income-generating activities and micro

enterprises this entrepreneurship building has a direct impact on self-employment, equity-oriented economic development and poverty alleviation. Website: [www.cebltd.com.kh](http://www.cebltd.com.kh)



**TPC (Thaneakea Phum)** was launched in December of 1994, and began offering microfinance services as part of Catholic Relief Services (CRS)/Cambodia's strategy for rural reconstruction and poverty alleviation. In 2002, TPC successfully spun off from CRS and was registered as a limited liability company, and was licensed by the National Bank of Cambodia (NBC) in 2003 to operate as a regulated microfinance institution (MFI). TPC has a social vision and a business orientation that provides

poor rural women with the economic opportunities to transform the quality of their lives and their communities through the provision of effective and sustainable client empowering financial services.

Website: [www.tpc.com.kh](http://www.tpc.com.kh)



Many of the poorest people in Cambodia are resourceful, hardworking and determined to solve their own problems. But without capital, these families are often forced into a cycle of debt that prevents them from lifting themselves out of poverty. VisionFund Cambodia seeks to help these entrepreneurial poor get a start in

business through the provision of small loans, with the goal of breaking the cycle of poverty. Our work extends and complements World Vision's ministry by focusing on poor families to establish secure, healthy and dignified lives. Website: [www.visionfund.com.kh](http://www.visionfund.com.kh)



**Hattha Kaksekar Limited**, started as a food security project by OCSD/OXFAM-Quebec in PURSAT province

in 1994 In 1996 it registered as an NGO, and in 2001, HKNGO transformed to private limited liability company owned by four shareholders. Continual successes and potentials made HKL raised its paid-up capital to US\$ 257,850 in 2003 with CORDAID as the fifth shareholder. HKL is now an MFI licensed by National Bank of Cambodia.

Website: [www.hkl.com.kh](http://www.hkl.com.kh)



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

Website: [www.amkcambodia.com](http://www.amkcambodia.com)





**CREDIT** (Cambodia Rural Economic Development Initiatives for Transformation) was established by World Relief US to provide sustainable financial services to Cambodia's poor entrepreneurs. CREDIT became a licensed microfinance institution in May 2004. In just a few short years, it has grown to serve more than 11,500 active clients through its twelve office outlets and 153 staff members. M-CRIL), the world leader in rating microfinance institutions, recently gave CREDIT an A- rating for financial performance. Website: [www.credit.com.kh](http://www.credit.com.kh)



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



**Intean Poalroath Rongroeurng** was initially registered with the central bank of Cambodia on January 10, 2005 as a rural credit operator. On July 19th 2005 it was registered with the Ministry of Commerce as a private limited company named Intean Poalroath Rongroeurng Ltd, IPR, owned by a two-shareholder. The Company was later on granted an MFI license from the National Bank of Cambodia on August 17th 2005. E-mail: [cambodiarice@yahoo.com](mailto:cambodiarice@yahoo.com)



**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.

Email: [chcmfi@camshin.com.kh](mailto:chcmfi@camshin.com.kh)



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



**MAXIMA MIKROHERANHVATHO CO., LTD** was founded in March 2000 with the initial objective and mission of providing loans and financial services to low income clients: individuals, groups, small and medium businesses (SMEs). In December 2001, MAXIMA registered with the Ministry of Interior as an NGO, and in May 2002 registered with the National Bank of Cambodia as registered MFI for rural credit. In August 2005, MAXIMA obtained a full MFI License from the National Bank of Cambodia.

Website: [www.maxima.com.kh](http://www.maxima.com.kh)

## List contact of CMA's members.

No	Name of Organization	Contact Persons	Telephone	Email
1	PRASAC Microfinance Institution Co Ltd.	Mr.Sim senacheert Mr.Oum Sam Oeun	016 908 508 023 220102	<a href="mailto:senacheert@prasac.com.kh">senacheert@prasac.com.kh</a>
2	AMRET	Mr.Chea Phalarin Ms.Lim Sopha	012 973 556 023 880 942 023 362 913	<a href="mailto:phalarin@amret.com.kh">phalarin@amret.com.kh</a> <a href="mailto:sopha@amret.com.kh">sopha@amret.com.kh</a>
3	Combodia Enterpreneur Building Ltd.	Mr.Bun Mony	011 822 930 023 223058	<a href="mailto:bun_mony@cebitd.comkh">bun_mony@cebitd.comkh</a>
4	Thaneakea Phum (Cambodia) Ltd.	Ms. Maros Apostol Mr. Chhuon Sophal	012 907 803 011 953 385 012 555 251	<a href="mailto:maros.apostol@online.com.kh">maros.apostol@online.com.kh</a> <a href="mailto:chhuon@online.com.kh">chhuon@online.com.kh</a>
5	VISION FUND (Cambodia) Ltd.	Mr. Om Seng Bora	023 216 052 012 592 229	<a href="mailto:omseng_bora@wvi.org">omseng_bora@wvi.org</a>
6	Hattha Kaksekar Limited	Mr.Hout leng Tong	012 841 887 023 994 304 023 224 102	<a href="mailto:lengtong.h@hkl.com.kh">lengtong.h@hkl.com.kh</a>
7	Ankor Mikroheranhvatho (Kampuchea) Co Ltd.	Mr.Tanmay Chentan	012 765 086 023 993062	<a href="mailto:ceo@amkcambodia.com">ceo@amkcambodia.com</a>
8	CREDIT	Mr. Chan Mach	012 825 824 012 945 104 023 217 942	<a href="mailto:mach_chan@credit.com.kh">mach_chan@credit.com.kh</a>
9	SEILANITHIH Ltd.	Mr.Kuch Setha	012 913 125 023 367089	<a href="mailto:kuch_setha@seilanithih.com.kh">kuch_setha@seilanithih.com.kh</a>
10	Intean Poalroath RongRoeurng LTD	Mr. Hort Bun Song	011 975652 023 990 237	<a href="mailto:cambodiarica@yahoo.com">cambodiarica@yahoo.com</a>
11	CHC-Limited	Mr. King kap kalyan	012850 136 023 351 135	<a href="mailto:chcmfi@camshine.com.kh">chcmfi@camshine.com.kh</a>
12	Cambodia Business Integreted in Rural Development	Mr. Prom Mary	012 837 633 053 953 044 092 53 00 64	<a href="mailto:cbird@camintel.com">cbird@camintel.com</a>
13	Maxima	Dr. Uong Kimseng Mr.An Bunhak	012 424 277 012 922 322 023 214 240	<a href="mailto:maximacredit@yahoo.com">maximacredit@yahoo.com</a>



**Exhibition of Microfinance's products**  
**Regional Microfinance Forum on 27-Oct-06 at Kampot Province**

**Microfinance is the key to breaking the Poverty cycle.**



**Exhibition of client's products**  
**Regional Microfinance Forum on 27-Oct-06 at Kampot Province**