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Cambodia Microfinance Association

ANNUAL REPORT

2022

GLOSSARY OF ACRONYMS

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 Technology
MDI	Microfinance Deposit Taking Institution
MEF	Ministry of Economy and Finance of Cambodia
MFI	Microfinance Institution
MoI	Ministry of Interior of Cambodia
MoU	Memorandum of Understanding
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
ABC	The Association of Banks in Cambodia
TA	Technical Assistant or Technical Assistance
UNCDF	The United Nations Capital Development Fund
USD	United States Dollars
VoC	Voice of the Clients

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CHAIRMAN'S MESSAGE

“ The outbreak of COVID-19 has imposed the greatest threat to Cambodia's high economic growth trajectory, and its spill-over effect has affected microfinance clients. Microfinance was put to the test early in the COVID-19 pandemic. Microfinance institutions were seen to be barely surviving as they ran a high-touch business and served lower-income clients whom the pandemic had severely impacted.

Nevertheless, microfinance institutions have survived the crisis and emerged more resilient and relevant than ever, especially in continued support to the clients who are still bearing the consequences of the pandemic. The success of its journey is not without hard work. In retrospect, the answers can be found in how microfinance institutions proactively responded to the pandemic and how external factors have provided a conducive environment that supported the microfinance sector.

In the midst of uncertainty, microfinance service providers have been actively adapting their operations to serve their clients better, and the shareholder, as well as investors, all took part in serving clients during hard time. There's also the Central Bank's intervention, advising financial service providers to restructure loans in conjunction with the establishment of SME Banks, the Credit Guarantee Scheme, and several other government initiatives.

Such stakeholders' collaboration has allowed the microfinance sector to address the critical challenges of their institutions and clients. With years of effort, the Banking and Financial Sector Code of Conduct was officially launched in March 2022, and all NBC-licensed financial service providers are obliged to comply, signifying the industry's commitment to enhancing the sustainable development of microfinance with high ethics,



professionalism, client protection, and responsible financial inclusion. As witnessed, Cambodia's financial sector remains resilient and stable in the face of the pandemic, while the microfinance sector appears resilient to the crisis.

Last but not least, I would like to express my heartfelt appreciation to the regulators, members of the Board of Directors, CMA colleagues, our members, and other stakeholders who have been instrumental in Cambodia's microfinance development. ”

Warmest gratitude,

Sok Voeun

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Chairman

SECRETARY GENERAL'S MESSAGE

“Over the last few decades, Cambodia's microfinance sector has grown rapidly, allowing the poor and financially excluded people to gain access to formal financial services and improve their standard of living. In financial terms, a healthy and stable financial system is critical for a country's development. Cambodia's microfinance sector has played a critical role in contributing to national economic growth and the financial system's stability and promoting financial inclusion and rural development. Microfinance has a positive impact on financial inclusion and the well-being of families. Furthermore, the overall poverty rate fell, and microfinance led to a decrease in informal lending.

In the context of Covid-19, microfinance has emerged to play an essential role in stimulating economic recovery. With its genetic, microfinance services have provided immediate assistance to micro and small businesses and low-income households affected by the pandemic, which resulting an economic withstand. Evidently, microfinance institutions have continued to operate by implementing timely strategic responses, including loan restructuring, careful lending, flexible internal working re-arrangement, and digital tool adoption to ensure organizational stability and support clients. Along with government efforts and central bank effective regulatory interventions, microfinance institutions could help clients stay in business and ensure the infusion of financial resources and the continuing flow of capital into the economy.

This condition lays the groundwork for economic stimulation among microfinance clients. "The success of our clients is our success" and "We gain as long as our clients gain" have been popularly used as a common phrase among microfinance institutions. The former has been used from the beginning of its journey and is still in use now, while the latter appears to be a common expression used by microfinance institutions amid difficult times caused by the pandemic. There have been other efforts in the industry regarding financial inclusion, financial literacy, client protection, self-regulation, and corporate social responsibility initiatives.



All have been rooted in the commitment to further promote a healthy and sustainable development of the microfinance sector in a client-centered manner. I am glad to be part of this hard but beautiful trajectory. I am enthusiastic about working and witnessing responsible financial inclusion in Cambodia, where fellow Cambodian people can access to better their livelihoods. This annual report presents more detailed activities and highlights what CMA did in 2022 that made the sustainable and resilient microfinance sector possible even during the pandemic time.

Finally, I would like to pay my utmost appreciation to everyone who has embarked on this journey, especially the regulator, the chairman, the board of directors, CMA members, donors, development partners, and my CMA colleagues. I am energetic and hopeful to continue making microfinance a significant development actor in Cambodia and working in partnership with all relevant stakeholders.”

Warmest gratitude,
Phal Vandy

Secretary General

CAMBODIA'S ECONOMIC PERFORMANCE IN 2022

The economy of Cambodia is currently experiencing global economic challenges as it is recovering from COVID-19. Real growth has gotten stronger, supported by an expandingly diverse economic recovery. Cambodia's real GDP is projected to be 4.8% and 5% in 2022 by World Bank and IMF, respectively. The recovery has accelerated since the second quarter of 2022. Thanks to persistently strong apparel, travel accessories, and footwear exports.

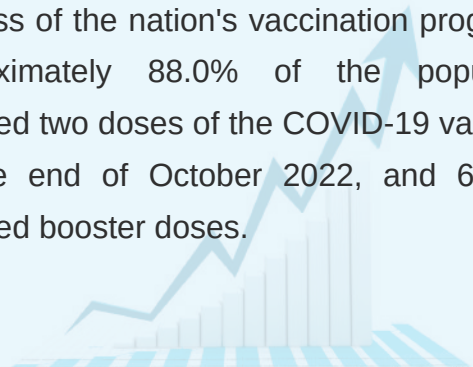
The services sector has also improved due to the "living with COVID-19" strategy implemented late last year, particularly in the travel and tourism industries. The total number of foreign arrivals increased gradually, reaching 1.2 million in the first nine months of 2022. Investment, including foreign direct investment, has increased due to rising investor confidence. However, as global trade growth slowed in the second half of 2022 amid a dark and uncertain global economic environment, Cambodia's small, open economy is now facing global economic headwinds.

Inflation increased due to rising energy, fertilizer, and food prices globally. Inflation of consumer prices rose to 7.8 % in June but declined to 4.9% in August 2022.

These adverse effects are made worse by the relatively high weight of the transport component, which accounts for 12% of the country's Consumer Price Index consumption basket. Due to the rise in fertilizer and pesticide prices, the shock from the oil and food price fluctuations has also begun to impact agricultural production.

The authorities intend to introduce additional social assistance measures and extend the current COVID-19 cash transfer program until the end of 2022 to lessen the shock's effects on food and oil prices. After its launch in June 2020, the program had distributed USD 837.05 million as of October 2022, roughly 2.7% of GDP. About 706,060 households representing 2.8 million people, or 17% of the population, benefit from the program.

No COVID-19-related deaths have taken place since the third quarter of 2022, and the number of daily infection cases has remained under 10, demonstrating the success of the nation's vaccination program. Approximately 88.0% of the populace received two doses of the COVID-19 vaccine by the end of October 2022, and 61.4% received booster doses.



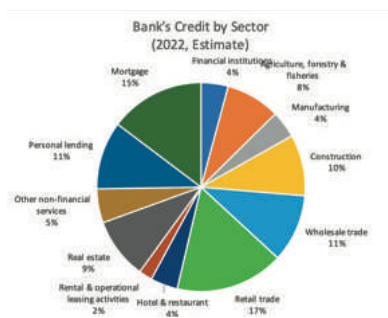
Source: Summary from the World Bank's report, authored Ly, S., & Karamba, R. W. (2022, November 1). Cambodia Economic Update: Navigating Global Economic Headwinds (English). Washington, D.C.: World Bank Group.

FINANCIAL SECTOR OVERVIEW

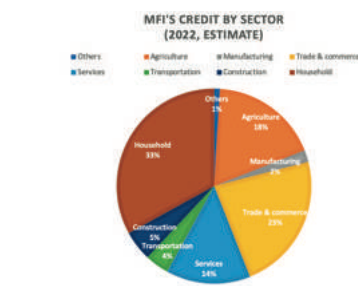
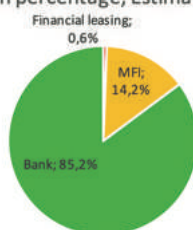
In Cambodia, the government's containment of the COVID-19 pandemic and the efficiency of its health policies have made it possible for domestic economic activity to resume in 2022. A number of economic and financial initiatives have been put in place, most notably the Strategic Framework and Programs for Economic Recovery in the context of "Living with COVID-19 in a New Normal 2021-2023" and the relaxation of regulatory forbearance in the banking sector, which have helped to support and spurred Cambodia's economic recovery. The combination of these favorable internal conditions and rising international demand has propelled Cambodia's economic growth.

By actively seeking financial services to satisfy the demands of economies, the banking sector has played a critical role in aiding Cambodia's economic recovery.

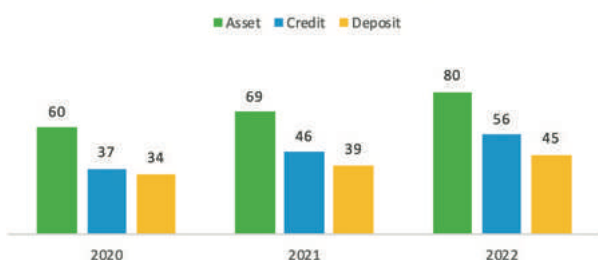
Credit issued to several major economic sectors in the private sector climbed by 21%, while consumer deposits increased by 11.3%. Prudential regulations, which were relaxed during the pandemic to relieve borrowers' financial burdens and maintain credit intermediation, have been gradually strengthened to align with domestic economic recovery and the NBC exit strategy to safeguard financial stability and rebuild policy buffers for future needs. Furthermore, the payment system has been upgraded to improve the efficiency of payment and settlement in both domestic and international transfers, with 17.9 million E-wallet accounts. Evidently, the financial sector in Cambodia has been resilient, robust, and stable thanks to prudential regulation, and timely and gentle intervention.



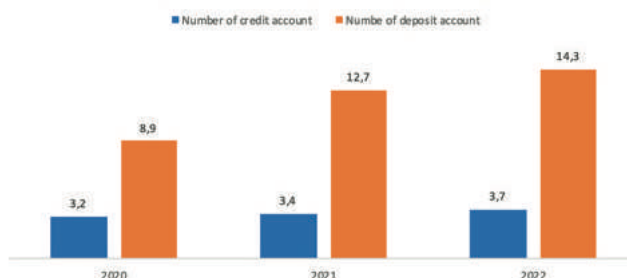
Asset Distribution in the Banking Sector (In percentage, Estimate)



Banking Sector Development (In billion USD 2020-2022, Estimate)



Number of credit and deposit account in Banking Sector (In million account, 2020-2022, Estimate)



Source: National Bank of Cambodia (NBC) 2022.

MICROFINANCE AT A GLANCE



TOTAL BORROWER
2,101,801
Accounts



TOTAL DEPOSITOR
2,702,040
Accounts



LOAN OUTSTANDING
9,384
Million USD



DEPOSIT BALANCE
4,715
Million USD

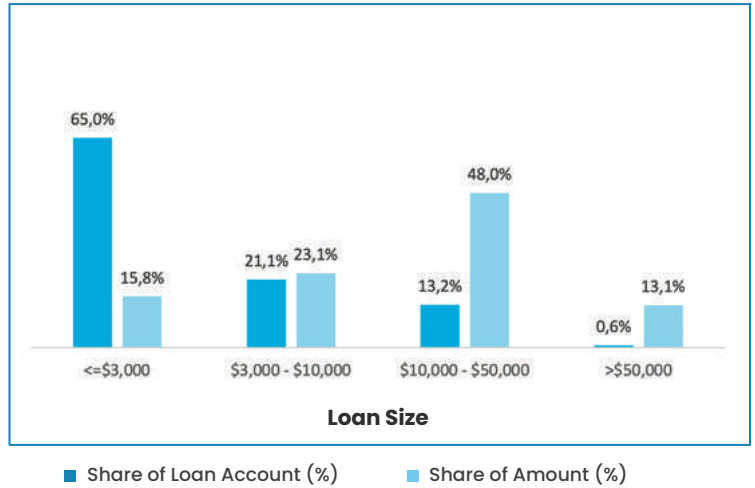


NUMBER OF OFFICE
8,336
Offices

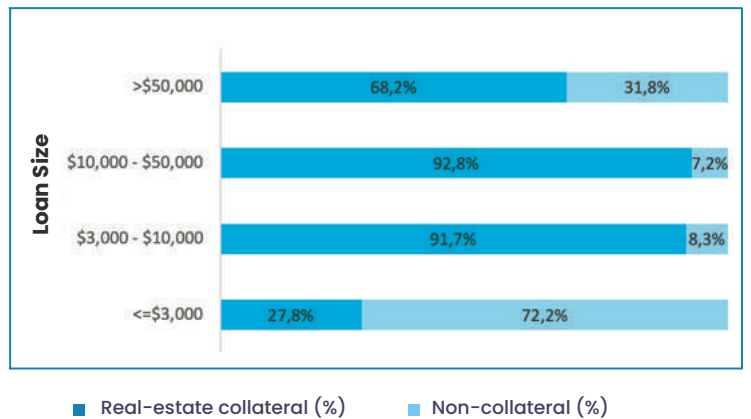


NUMBER OF EMPLOYEE
30,853
Staffs

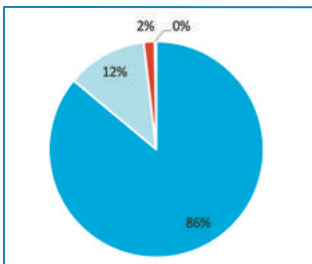
LOAN DISBURSEMENT (JAN-DEC 2022)



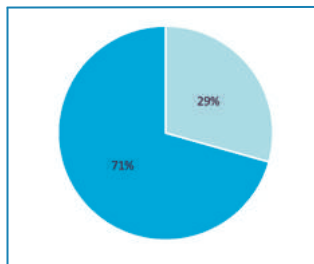
SHARE OF DISBURSEMENT BY COLLATERAL (JAN-DEC 2022)



SHARE OF LOAN OUTSTANDING



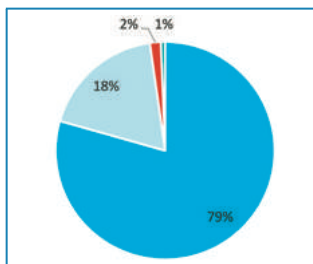
SHARE OF BORROWER BY GENDER



■ MDI ■ MFI ■ Leasing ■ RCI

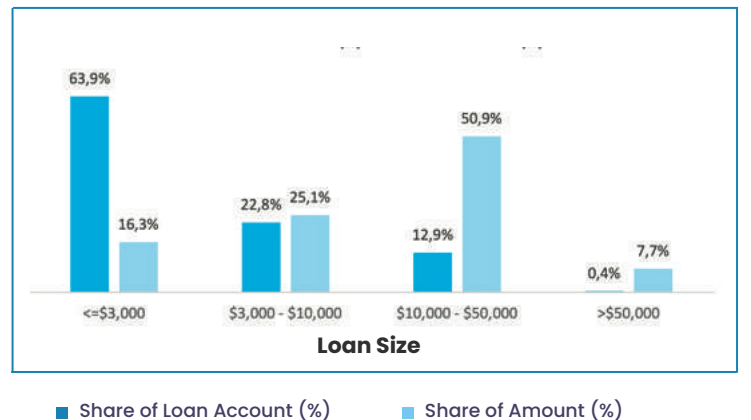
■ Male borrowers ■ Female borrowers

SHARE OF INSTITUTION



■ MDI ■ MFI ■ Leasing ■ RCI

LOAN OUTSTANDING (AS OF 31 DEC 2022)



■ Share of Loan Account (%) ■ Share of Amount (%)

CMA's Network Information Exchange(NIX) data by 31 December 2022 (Exclude banks)

VISION & MISSION



Vision

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



Mission

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

CORE VALUE

To be able to transform CMA to become agility that fit for the purpose of preserving the sustainability of the Microfinance Sector in Cambodia, the management team under the leadership of the Board of Director realize the importance to set out the core values for the association with following.



-  **1 Partnership:** Enhancing sustainable partnership with investors, donors & networks to deliver ending values for members and the sector.
-  **2 Accountability:** Taking responsible actions for members and partners.
-  **3 Relevance:** Alignment with the emerging trend and adopting measurable solutions to benefits to members and the sector.
-  **4 Collaboration:** Committing to work together in collaborating spirit towards the shared vision to achieve the best interests of the sector.
-  **5 Innovation:** Empowering for creativeness toward immediate and long-term innovative solution for the sustainable development of the microfinance sector.
-  **6 Responsiveness:** Taking proactive and responsive actions in providing service to the members and the sector in a timely manner.

2022-2026 STRATEGIC OBJECTIVES

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

CMA 2022 HIGHLIGHTS



PILLAR 1: FINANCIAL INCLUSION AND SOCIAL IMPACT

IMPROVING FINANCIAL LITERACY, CONSUMER EMPOWERMENT AND RESPONSIBLE FINANCIAL INCLUSION

I. STRENGTHENING SAFE FINANCE IN COMMUNITY “ENHANCE FINANCIAL LITERACY, CONSUMER EMPOWERMENT, AND PROTECTION”

<p>1. Financial Literacy</p>  <p>1.1. Financial literacy among Cambodians is improved.</p> <p>“Safe Finance in Community Project”</p>	<p>2. CP POLICY</p>  <p>1.2 Consumer protection policy alignment with NBC’s and enforcement is developed.</p> <p>CP Pathway endorsed in the COC, and harmonization is progressing</p>	<p>3. Saving</p>  <p>1.3. Accessibility of saving service among clients is enhanced.</p> <p>Promoting access to saving is in progress</p>	<p>4. Insurance</p>  <p>1.4. Public access to insurance and awareness is increased and enhanced.</p> <p>Promoting access to insurance is in progress</p>
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This project was drawn from the combination of research “Responsible Consumer Engagement” and initiative from the National Bank Cambodia, cooperating with other government stakeholders and especially local authorities in the community. The design of the project benefited from many inputs from stakeholders and relevant local authorities. It is a first-of-its-kind financial inclusion project that integrates a safe community program of government and a safe finance initiative. The project implementation is expected to kickstart in early 2023.

There have been other project initiatives and programs that are cross-departments in CMA and the focus is on promoting financial inclusion through financial literacy, client protection, and empowerment.



II. RESEARCH PROGRAM

One of the main contributions to support CMA in achieving its goal is to build up the research function within CMA. As a result, a research program was built, becoming CMA's center of information and insight on microfinance development trends, and allowing the association to keep track of how well its development agenda aligned with the national financial inclusion strategy.

1 Responsible Consumer Engagement Research Project

With fund support from Social Performance Task Force (SPTF) and ADA, CMA rolled out research in May 2022 and the final report finished in August 2022.



This research aims to understand at a provider and customer level the factors that impact customer empowerment concerning their engagement with financial services—choice, voice, respect, and control. The focus is on low-income customer segments that use MFI and MDI services.

The research finding was **presented at the international conference held in Paris by the CMA** Secretary General and Head of Financial Inclusion and Social Impact. The conference was organized by SPTF and Ceries on **28 September to 29th September 2022**, with many stakeholders around the world who are keen on responsible financial inclusion.



2 Macroeconomic Conference of the National Bank of Cambodia



Led by the Secretary General, CMA team conducted a research study on **“Microfinance Sector’s Contribution to Economic Recovery in the Context of Post-Covid-19”**.

The study aims to explore the extent to which the MFI sector plays in contribution to economic recovery in Cambodia.

The study was presented at the “9th NBC Annual Macroeconomic Conference 2022” held on 24 November 2022, and was organized by the National Bank of Cambodia. The paper was then published by NBC and available on its website.



3 Research partnership with JICA researchers in conducting a large-scale research study on Financial Literacy

CMA worked closely with senior researchers from JICA on topics related to financial inclusion and literacy. CMA has been always supportive, and understanding the research will contribute to more insight into the sector.

Various researches were conducted in the past years and were presented to CMA’s boards and NBC. Typically, on 24 October 2022, JICA’s researchers presented a topic on **“Financial literacy among microfinance borrowers: Findings and Policy Implication from Household Survey in Cambodia.”**



4 Other research and Project initiatives

- ▶ The Impact Study on Microfinance was rolled out in 2022 and is expected to finish in 2023. It is the first large-scale study in Cambodia, exploring the impact of microfinance on clients.
- ▶ A survey with BFIs on Financial Inclusion and the CEO club meeting was done. The study was conducted after NBC collected the findings from its microfinance workshop nationwide.
- ▶ The Simple Poverty Scorecard of Cambodia has been developed. This initiative was jointly funded by AMK, AMRET, and CMA.
- ▶ The Financial Sector Health Monitoring Framework was developed. The data is regularly updated by CBC and presented to the FI committee of CMA, ABC, and NBC.
- ▶ AFD sponsored the development of the data hub for CMA to implement research related to gender in accessing financial services was also underway. The consultant company is recruited and some progress is underway.
- ▶ The standard loan contract was also developed and its scopes covers both the members of CMA and ABC. The contract allowed the same practice from financial service providers in which products/services will be easier for clients to access and with more transparency.
- ▶ CMA has joined a consultation on a study commissioned by the German Government related to “Loans, Over-Indebtedness and Loss of Land in Cambodia”



III. SUSTAINABLE GREEN FINANCE



Green microfinance initiatives are an important tool for promoting sustainable development and addressing environmental challenges in Cambodia. CMA is promoting the initiatives for its members by providing access to financing for environmentally-sustainable projects among its clients. Green microfinance initiatives can help support economic growth, build MFI resilience, and promote community development in the country.

In 2021, with financial support from ADA, CMA conducted a Sustainable Green Finance Mapping Survey aimed at developing a sustainable green strategy. Following the survey, plans were put in motion to further this initiative, including the recruitment of a consultant company to assist in the task. As of 2022, progress towards achieving these sustainable green objectives is well underway.





In addition, CMA is further keen on green finance and in 2022 CMA joined several meetings and discussions on green finance awareness with stakeholders and the government. CMA is working to promote green finance and its incorporation into the microfinance sector.

CMA Vice-Chairwoman of the Board of Directors of the CMA, H.E. DITH Nita was honored to lead the members to attend the Green Financing Meeting at the Ministry of Environment on December 19, 2022.

*“Cambodia has the full potential to receive Green Financing from the Green Climate Fund (GCF),”
H.E. SAY Samal, Minister of Environment said.*

IV. STRENGTHENING RESPONSIBLE LENDING AND MONITORING ON SELF-REGULATIONS

1 Self-regulation

Banking and Financial Institutions' Code of Conduct (CoC)



Cambodia Microfinance Association (CMA), the Association of Banks in Cambodia (ABC), and Cambodian Association of Finance & Technology (CAFT) jointly launched the "**Banking and Financial Institutions' Code of Conduct (CoC)**" on **4 March 2022**, and presided over by H.E. RATH Sovannorak, the Assistant Governor of the National Bank of Cambodia and other senior officials from the National Bank of Cambodia.



This code showcased the effort to strengthen client rights and protection as well as to increase transparency in the banking and financial sector in Cambodia.



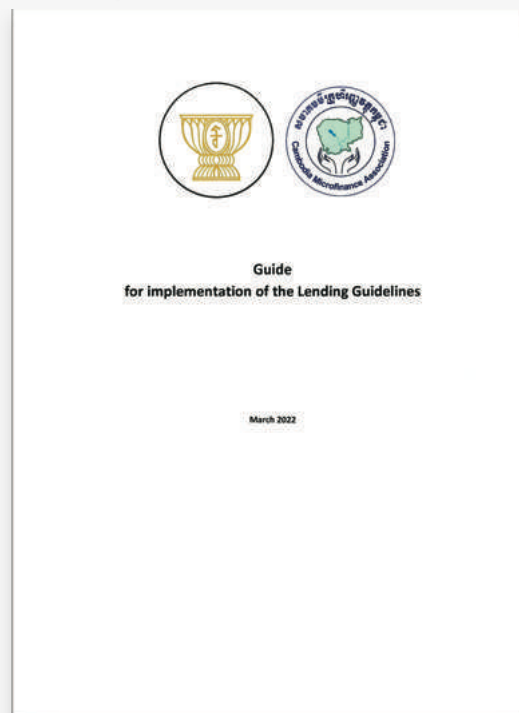
The implementation of this code of conduct will assist in enhancing client protection, preventing vulnerable customers from accruing excessive debt, and addressing the demand for domestic financial services, which could aid in achieving sustainable economic growth, raising people's standard of living, and reducing poverty.

Notably, this code is in line with the Financial Sector Development Strategy 2016-2025 and National Financial Inclusion Strategy 2019-2025.

Lending Guideline (LG)

CMA together with its partners such as CBC, and ABC co-hosted a workshop on **“Progress on the Implementation of Lending Guidelines: Refresher on the LG Framework and Discussions”** on 13 May 2022, with 200 participants. The workshop aimed to refresh the LG implementation and opportunities to further strengthen the guideline.

In addition, the compliance dashboard is regularly monitored to ensure enforcement. Researchers regularly submit the monitoring data to CMA on a monthly basis. LG was also continually presented to financial institutions’ staff and became part of the curriculum program on Regional Training for Branch Managers where 6 workshops were hosted in 2022 with more expected in 2023.



The objectives of the Lending Guideline are:

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

2 Partnership

MoU Signing: Cambodia Microfinance Association (CMA) and Social Performance Task Force (SPTF)



Cambodia Microfinance Association (CMA) with a global non-profit financial inclusion organization, Social Performance Task Force (SPTF), entered into a first-of-its-kind partnership on 22 July 2022, to assist microfinance lenders to adhere to strict client protection standards. The ceremony was presided over by **Mr. KITH Sovannarith, 1st Deputy Director General of Banking Supervision of NBC, and other senior officials from NBC.**

Both parties aim to collectively **“Strengthen Responsible Inclusive Finance in Cambodia”** through the MoU.

The MoU with SPTF to promote consumer protection and empowerment through various activities such as

- Financial Inclusion Index
- Harmonization of CoC with CP Pathway
- Consumer Empowerment
- Capacity Building for Regulator and CMA’s Partners



MoU Signing: Cambodia Microfinance Association (CMA), The Association of Banks in Cambodia (ABC), Cambodian Association of Finance and Technology (CAFT)



Cambodia Microfinance Association, the Association of Banks in Cambodia, and Cambodian Association of Finance and Technology (CAFT) inked a Memorandum of Understanding (MOU) on 29 September 2022, to enhance the strategic partnership and promote financial inclusion, FinTech, capacity building, and the FinTech eco-system for Cambodian Banking and Financial businesses.



The MOU signing signaled the commitment and joint efforts to promote further development of the FinTech Framework and to contribute to the government's effort to achieve the goals toward the digital adoption and digital transformation of the Country “Digitalized Citizens, Digital Business and Digital Government”.

3 CEO Club Meeting



In 2022, CMA hosted two CEO Club Meetings on 30 June 2022 and 12 October 2022 in addition to AGA and AMC. The meetings garnered **more than 180 participants** from CMA members and were chaired by Mr. SOK Voeun, CMA Chairman.

The central aim of the meetings is to update the general progress as well as the challenges of the microfinance sector, especially the activities and the next steps to address, and issues as well as risks faced by the association's members and sector.



Speaking at one of the meetings, Mr. SOK Voeun addressed the current situation, especially the challenges and risks in the financial sector and encouraged the banking and microfinance institutions to provide responsible credit to clients.

In addition, he also thanked the active participation of CMA's members who have been jointly promoting and developing the financial sector in Cambodia.



PILLAR 2: COMMUNICATIONS DEPARTMENT

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

ASEAN SAVING CAMPAIGN



As a co-organizer, Cambodia Microfinance Association (CMA) in partnership with the Association of Banks in Cambodia (ABC) supported the National Bank of Cambodia (NBC) to organize ASEAN Savings Day in Siem Reap province on 13 October 2022, under the theme '**Little Saving is Better Than Not**' with over 1,000 participants.

The public campaign aimed to increase public awareness of the importance of saving as well as to promote the culture of saving through formal financial institutions among Cambodians.

Sixteen microfinance deposit-taking institutions and banks participated with booths displaying their saving products and services followed by games, fun activities, and educational videos.

ASEAN Savings Day is an initiative of the ASEAN Working Committee on the Financial Environment. It aims to raise public awareness of the importance of savings in line with the financial environment improvement efforts in the ASEAN region.





It is celebrated annually in collaboration with relevant authorities, financial institutions, especially the National Bank of Cambodia.

As a non-profit organization, CMA has always encouraged members to promote financial knowledge as well as a saving culture among the clients and public.

FINANCIAL EDUCATION VIDEO COMPETITION

Cambodia Microfinance Association (CMA), the Association of Bank in Cambodia (ABC), and Credit Bureau Cambodia Co., Ltd (CBC) jointly supported a financial education video competition on the topic “Financial Literacy in New Normal” led by Rithipul in 2022. The competition aims to promote and increase financial education for the public, especially the youth. The first event was conducted in 2021.



The program consists of two stages:

- (1) The competition session where all candidates team up to produce their videos on different topics.
- (2) The awards program conducted to hand over the awards as well as to celebrate the winner and participants of the competition.



The three winning teams of the competition were awarded:

- The first place winner was the Smooth team on the topic “ទម្លាប់” which received the prize money of KH8,000,000 with a trophy
- The second place winner was the 3 Mate team on the topic “លុយប៉ុណ្ណឹង” received the prize money of KH6,000,000 with a trophy
- The third-place winner was the TAX STUFF on the topic “ចាំបាច់ឬមិនចាំបាច់” received the prize money of KH4,000,000 with a trophy.



PROVINCIAL DISSEMINATION WORKSHOP ON “MICROFINANCE SECTOR IN CAMBODIA”

Microfinance Workshop is generally organized by the National Bank of Cambodia. In 2022, there are seven workshop was conducted in 7 different provinces such as Kratie, Kampong Speu, Kampot, Banteay Meanchey, Preah Vihear, Battambang, and Kampong Chhnang, with more than 900 participants.



CMA always participates and assists in organizing microfinance workshops. CMA’s chairman and other board members take turns and accompany the NBC to run the workshop successfully.

The main purpose of the workshops is to disseminate financial knowledge and to update the latest trends in the microfinance sector in Cambodia to the local authorities and the public as well as the microfinance and banking representatives, especially the previous and future measures which were and will be taken by the National Bank of Cambodia in order to ease the burden and protect the interests of the borrowers.

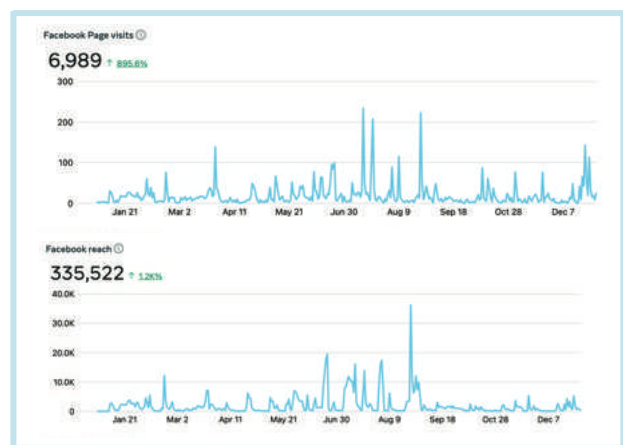
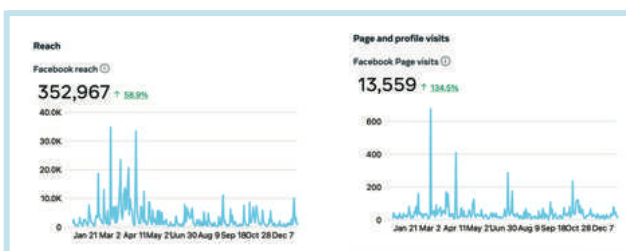




CMA has a strong commitment to engage and work with relevant stakeholders, both national and international, to alleviate the poverty of the Cambodian people by building a sustainable microfinance sector.

PROMOTE FINANCIAL EDUCATION ON SOCIAL MEDIA PLATFORM

In order to increase financial literacy among Cambodians and strengthen the resilience of the microfinance sector, CMA has been managing and currently working on 7 social media pages for various audiences and purposes. Some pages are used to provide updates on the sector and promote CMA training programs as well as share knowledge for the sector.



Cambodia Microfinance Association



CMA is also on other online platforms such as Websites, LinkedIn, and Twitter for its public communication.



Cambodia Microfinance Association

MONTHLY FINANCIAL LITERACY CAMPAIGN

The sectoral monthly financial literacy campaign has been launched for more than 2 years with a strong partnership between CMA, ABC, and BFIs which are members of the two associations and other stakeholders.

The main form of content is a video that consists of a variety of topics related to financial knowledge such as financial management for MSME, personal finance, business product or service price determination, etc.



Its main purpose is not only to increase the skills and knowledge of financial literacy among financial institutions' clients but also to raise awareness of how necessity and importance of financial knowledge to the public in their everyday life.

List of members joined the campaign

Hattha Bank	Chokchey Finance Plc.
Phillip Bank Plc	City Microfinance Institution Plc.
Woori Bank	CMKPlc.
AEON Specialized Bank (Cambodia) Plc.	Delta Microfinance Plc.
AMKPlc.	Delta Microfinance plc.
Amret Plc.	Entean Akpevath Pracheachun (EAP) Plc.
LOLC (Cambodia) Plc.	Family Microfinance Plc.
Mohanokor Plc.	Farmer Finance Ltd. (FF)
Prasac Microfinance Institution Plc.	First Finance Plc.
Active People's Plc.	Funan Microfinance Plc.
Anakut Plc.	Futaba Microfinance Plc.
Asia Pacific Finance Plc.	G B Microfinance Institution Plc.
Baitang Microheranhvatho Plc.	Golden Cash Microfinance Institution Plc.
Bamboo Finance Plc.	Grow Plc.
BAMC Finance Plc.	Idemitsu Saison Microfinance (Cambodia) Plc.
Bayon Credit Plc.	Intean Poalroath Rongroeurng Ltd.
BNKC (Cambodia) Plc.	JC Finance Plc.
Borribo Plc.	Jet's Cash Box Finance Plc.
CAM Capital Public Limited Company	Khemarak Microfinance Institution Limited
Cambodian Labor Care Plc.	Khmer Capital Plc.
Camma Microfinance Limited	L B P Microfinance Plc.
Century Cambo Development Plc.	LCH Microfinance Plc.
Chailease Royal Finance Plc.	LED Microfinance Institution Plc.
Chamroeun Microfinance Plc.	Leng Navatra Capital Plc.

This campaign was actively participated in and supported by 78 members of CMA and another 64 members of ABC. The videos have been scheduled to be published on the first Monday of each month at 5 pm through social media platforms.

REAN PI LUY PROJECT



Cambodia Microfinance Association (CMA) also supported the financial education project, Rean Pi Luy, initiated by the Youth Assembly with support from the National Bank of Cambodia (NBC) and UYFC Svay Rieng Province. This project focused on improving financial knowledge, especially on personal finance among Cambodian youth and the public.



It also provided opportunities to share knowledge and good experiences related to financial management.

The workshop runs for **6 weeks from 23 October 2022, to December 4, 2022, with 30 participants** selected from universities, NGOs, and private companies.



ONLINE TALK SHOW " FINANCIAL STREET "

CMA has been working together with Apsara Media Services (AMS) to produce an online Talk Show program called "Financial Street" since mid-2022 to promote financial literacy among Cambodians. The main purposes of the program are to:

- (1) Increase and build strong knowledge in financial literacy for different audiences including farmers, garment workers, or low-income employees and MSMEs.
- (2) Share the successful experiences of the MFIs clients as well as speakers on financial management.



The show covers 20 topics related to financial literacy such as loans, financial management for MSMEs, clients' challenges in access to finance as well as sharing of good experience in financial management.

CMA is the main technical advisor to the show by providing both funding and expertise on financial education including strategic direction and mobilizing stakeholders such as members, speakers, and partners to participate in the show production. Moreover, CMA is also playing a key role to coordinate between AMS production team and speakers to including BFI successful clients and others.



The production is expected to complete in March 2023 with the first show expected to be podcasted weekly from April 2023.

BOOK PUBLICATION "ស្នែងយល់ពីលុយ"



A book title **ស្នែងយល់ពីលុយ** was produced to promote and increase financial literacy among Cambodian young teenagers across the country.

It is a joint initiative between Cambodia Microfinance Association (CMA), The Association of Banks in Cambodia (ABC), and Sipar. From the book, teenagers are able to learn the basic principles of financial management including saving, money trafficking as well as the fundamental of the financial system in Cambodia.

So far, more than 7,000 books have been published and shared during big events such as ASEAN Savings Day, a national base event in Siem Reap, CEO Club Meeting, and more.

In December, 1,000 books of **ស្នែងយល់ពីលុយ** were donated to One Book One Community, a program initiated by Schlar Library to promote the reading culture in the community in Cambodia.

The book is also available for sale at all Sipar's partner bookstores throughout Cambodia. A digital version is also available and can be downloaded

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

TRAINING OF JOURNALISTS ON FOUNDATION OF FINANCE SECTOR IN CAMBODIA

To build a better understanding of the microfinance sector and its role in economic growth and poverty reduction, CMA in cooperation with ABC introduced a capacity-building and networking program among Cambodian journalists in 2022. The program is coordinated by Club of Cambodian Journalists (CCJ) with support from some BFI members.



The program consisted of **5 in-class trainings, a field study, a contest, and a networking** event honored by the Minister of Information H.E. KHIEU Kanharith, and H.E. RATH Sovannorak, Assistant Governor and Director General of Banking Supervision of the National Bank of Cambodia.



The program has garnered a lot of support and resulted in a positive relationship between BFIs and media communities.

Specifically, the program was divided into 3 sessions:

The Training Program: The training allowed journalists to learn 10 topics related to the financial sector such as the overview of the financial sector in Cambodia, financial health checks, client complaint mechanisms and client protection principles, and so on. At the end of the program, there was also a field visit to Kampot and Takeo provinces led by CMA and ABC.

The News Writing Competition: In this session, the trained journalists participated the News Writing competition on “The Contribution of Banking and Financial Sector to the Cambodian livelihoods”.

Media Award Ceremony: It is an event conducted to celebrate the winner of the competition as well as to hand over the awards to winners from first place to fifth place. Noticeably, there were more than 100 participants from different institutions such as media, banking, and financial sector as well as other private sectors joined the above program. The networking event bridges bankers to journalists.



Due to the positive impact, the minister of information and many stakeholders have recommended such program be implemented in the future.

ACCESS TO FINANCE FOR MSME

Cambodia Microfinance Association (CMA), Young Entrepreneur Association of Cambodia (YEAC), and The Association of Banks in Cambodia (ABC) jointly organized a program “**Access to Finance Program (AFP)**” in 2022 to support SMEs seeking financial services from financial institutions. The program highlighted the access to finance from entrepreneurs to Participating Financial Institutions (PFIs) perspective, as well as a study report on Cambodia's financial landscape, an update of the Bank Mapping Guide, and other events related to access to finance.

The central objectives of the program are:

- To engage relevant stakeholders such as banking and financial institutions, SMEs, women entrepreneurs, government, and development partners, to discuss solutions that address challenges raised by the demand and supply side of Access to Finance.
- To build a sound platform for future dialogue and to share the information between the demand and supply sides on Access to Finance.
- To bridge the financial gaps among the MSMEs, women entrepreneurs, and financial sector.

A Memorandum of Understanding between the three associations was signed in 2021 with a goal of improving and increasing cooperation in areas such as financial literacy, fintech, and inclusive credit services, as well as building social networks among Cambodian young entrepreneurs and SMEs.



ACCESS TO FINANCE FOR MSME

To address challenges faced by women entrepreneurs in their business operations, Cambodia Microfinance Association (CMA) joined its key partners to organize Women Entrepreneurs Forum on "Access to Finance and Market for Women's Businesses Growth" on 16 June 2022.

The key objectives of the event is are to:

- Address lack of access to information about financial resources.
- Give an opportunity to women business owners to access information and solutions addressing business issues, on products/services development through workshops (e.g. Access to Finance, product requirements for local supply chains, how to access to legal support, how digital literacy);
- Stimulate business opportunities for young women entrepreneurs through enabling business networks.



BLOOD DONATION CAMPAIGN



The Blood Donation campaign called “Save My Life” was a collaboration between Cambodia Microfinance Association (CMA), National Bank of Cambodia, Union Youth Federation of Cambodia, the Association of Banks in Cambodia along with banking and financial institutions.

The CSR campaign aims to collect blood donations from BFI staff members and employees in the banking and financial sector as well as other stakeholders and the general public in order to save lives of those in urgent need of blood. Along with the campaign, CMA also donated funds to help Kantha Bopha Children's Hospital.

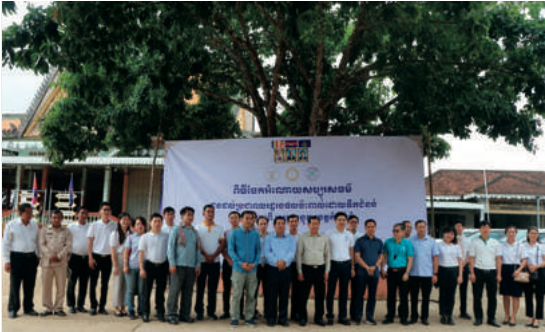


- The campaign began in April 2022 with the main event on 12 May 2022, in which **nearly 700 donors have participated.**
- Through this campaign, CMA has collected **447 bags of donated blood** to support the National Blood Transfusion Center. CMA has also donated **17,880,000 riels (USD 4,470)** to Kantha Bopha Children Hospital.



The event was considered CMA’s **highest engagement event** participated by bank and financial staffs as well as the public and youth.

FLOOD DONATION



Through the National Bank of Cambodia, Cambodia Microfinance Association (CMA) and its members joined together with the **Royal Government of Cambodia** conducted a flood donation campaign to support and alleviate the burden of Cambodian people affected by the flood.



During the fundraising, CMA and its members have collected a total contribution of **USD 45,154.20 (\$37,050 and riel 33,600,000)** which is a remarkable amount CMA has ever raised for such CSR.

The fund was divided into 2 parts:

- To support the Royal Government of Cambodia through the donation to the National Committee for Disaster Management (NDCM).
- To join the National Bank of Cambodia in conducting a donation program to affected communities in Kampong Thom and Siem Reap provinces by providing food and essential items to the victims.

" The joint effort of NBC, CMA, and its members to this social work was a highlight of the sectoral contribution to the people's well-being during a difficult time as we have always committed to. "



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

FINTECH STAGE OF CAMBODIA TECH EXPO 2022

Cambodia Microfinance Association (CMA) co-organized the **FinTech Stage of Cambodia Tech Expo 2022** in collaboration with between the Ministry of Economy and Finance, the Digital Economy and Business Committee, the National Bank of Cambodia, Techo Startup Center, the CamTech Summit powered by Prudential, The Association of Banks in Cambodia, Cambodian Association of Finance and Technology(CAFT.

The first-ever annual FinTech expo aims to support and foster the digital economy and FinTech development in Cambodia by mobilizing national and foreign regulators, private enterprises, and relevant stakeholders to connect and better understand FinTech trends and innovations, as well as to discuss opportunities and challenges with purposes to strengthen and expand Cambodia’s FinTech ecosystem in Cambodia.



Photo credit: National Council for Digital Economy and Society



FinTech Stage was attended by high-ranking government officials and executives or representatives of relevant stakeholders, including banks, microfinance institutions, academic institutions, research institutions, development partners, associations, and private enterprises.



390 participants attended physically.

FIN-TECH AND ICT CLUB ACTIVATION

Cambodia Microfinance Association (CMA) officially activated the Fintech and ICT Club in October 2022 with the aim to share knowledge and trends in the Fintech industry as well as steer sectoral direction experience and advocacy policy.



The launching ceremony was held with more than 60 participants who are at the senior management level with expertise in digital and e-payment, and ICT departments. A guest speaker from Techo Start-Up Center was also invited to give a presentation on CamDX and CamDigiKey.



The club aims to form a working group for the industry sharing key standout items which can help improve an engagement of Fintech within the MFIs sector. And to ensure good progress within the club, club members are scheduled to meet three times per year with a minimum attendance of 50%.

STUDY VISIT ON ACCESS TO FINANCE FOR AGRICULTURE IN KAMPONG CHAM PROVINCE



To help Cambodian people especially farmers to have better access to formal financial services, Cambodia Microfinance Association (CMA) and Cambodia Agricultural Cooperative Alliance (CACA) conducted a study visit on access to finance for agriculture to microfinance and successful Agriculture Cooperatives (ACs) in Kampong Cham province from 19 to 21 December 2022.



The field visit aimed to allow microfinance institutions, farmers, and relevant stakeholders to learn from each other in terms of services, needs, challenges, opportunities and

expectations while maintaining a good relationship with each other. The 3-day study visit was participated by **60 participants from different MFIs, ACs, representatives from MEF, CGCC and development programs.**



KHQR AND CAMDIGIKEY LAUNCHING CEREMONY



Cambodia Microfinance Association (CMA) was honored to be a co-organizer of the official launching of KHQR, and the Memorandum of Understanding (MoU) signing ceremony between the Ministry of Economic and Finance (MEF) and the National Bank of Cambodia (NBC) for the cooperation on developing electronic Know Your Customer (e-KYC) on 4 July 2022.



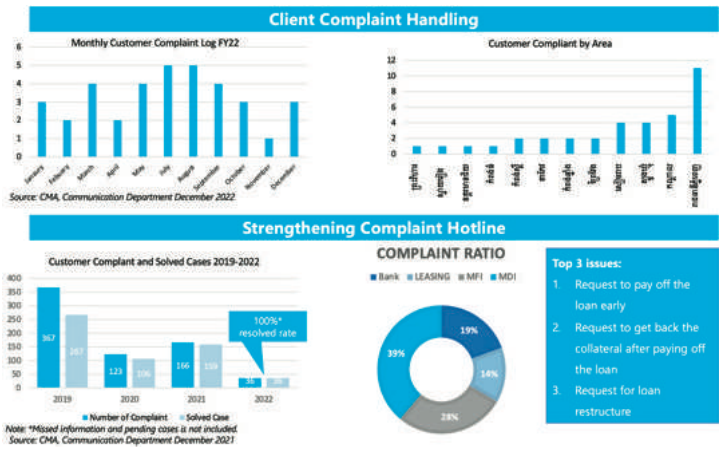
KHQR, a universal quick response (QR) code system was created for retail payments in Cambodia and cross-border payments within ASEAN. It is a quick response code system that helps improve the financial environment in line with the National Strategy on Financial Environment 2019-2025.

The mobile app called CamDigiKey 2.0, on the other hand, was created to enhance financial inclusiveness further in Cambodia.

The ceremony was participated by different key stakeholders such as banking and financial institution, Cambodia Association of Finance & Technology, and other important stakeholders.

CLIENT COMPLAINT HANDLING

Every year Cambodia Microfinance Association (CMA) received client complaints through the hotline and social media platforms. **More than 90% of these cases have been solved** at association level while unsolved cases were forwarded to the National Bank of Cambodia.



PUBLIC RELATION AND MEDIA INTERVIEW

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

CMA has **issued 16 press releases** and statements in 2022 on topics of sector progress, client protection, CSR, partnership, and response to sector criticism.

During the period, CMA management and BoD have provided at least **200 interviews** and engaged in various talk shows ranging from microfinance to economic and social issues related to microfinance.

It should be noted that the **Prime Minister** has mentioned CMA twice in 2022 about its effort to support clients in a very positive way.

FRESH NEWS+ Home Local World Business Knowledge Analysis Youtube English Chinese (中文)

សមាគមធនាគារ និងមីក្រូហិរញ្ញវត្ថុកម្ពុជា ចេញសេចក្តីថ្លែងការណ៍រួម ជុំវិញវិញ្ញាបនបត្រសម្រាប់ស្ត្រី «មីក្រូហិរញ្ញវត្ថុកម្ពុជា» ការអភិវឌ្ឍ បញ្ហាប្រឈម និងអនុសាសន៍នានា»

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PILLAR 3: TRAINING AND DEVELOPMENT

DEPARTMENT

BUILDING AND DELIVERING ONLINE LEARNING PROGRAMS AND SERVICES



600 participants enrolled in T&D's courses, of which 118 participants were female.

As a result, courses have garnered fruitful results and positive feedback reflected by the evaluation rate of 4.3 stars out of 5

CMA's Training and Development Department (T&D) has actively pursued its strategic objectives in strengthening the ethical and professional capacity of human resources for sustainable operations of the microfinance sector.

As in 2022, during post Covid-19 pandemic, T&D delivered significant achievements and contributions to the microfinance sector including capacity building and human resource solutions.

31 short courses were delivered successfully to build the capacity of the sector

T&D has onboarded another **13 professional and expert speakers and trainers**. Thus, CMA has in total of **more than 40 trainers and speakers** within the professional pool.

Additionally, **31 of the practical courses** were also conducted successfully for CMA's members, non-members, and partners in major functions such as corporate governance, human resource management, business operation, risk and compliance, finance, accounting, auditing, anti-money laundering, sale and marketing, leadership and management, etc.

Holistic Institution Capacity Development for the Executives of Rural Credit Institution—RCI (Phase 1)

In 2022, following training and skill need assessment results, the T&D department with support from the National Bank of Cambodia (NBC) and Credit Bureau Cambodia (CBC) established a holistic capacity development program to strengthen the ethics and professionalism among RCI executives. The program offered a series of training packages for the enrolled RCIs including:

1 workshop and 10 Competency Training on

- Corporate Governance
- Human Resource Management and Compliance
- Practical Sales and Marketing in financial Industry
- Practical Taxation
- Internal Audit and Control System
- Operational Risk Management
- Practical CIFRS for SME
- Credit Risk Management
- Regulatory Compliance and AML
- Managing Micro Credit

As a result, **30 RCI executives and CEOs from 20 RCIs have participated in the training program.**

The Certification of the Holistic Capacity Development Program Phase 2 is expected to take place in early 2023.



9 Competency Workshops Conducted to Support the Financial Sector Staffs Across the Country

In addition to the short courses and training conducted, various competency workshops were also hosted to improve practical knowledge and skills among branch managers and provincial managers, especially to update current rules and regulations issued by the NBC to MFI staff both at district and provincial branches.



- T&D with support from NBC conducted **6 regional workshops** to strengthen capacity building, ethics as well as professionalism among Branch Managers, Provincial Managers, as well as MFI employees through effective branch management. The workshops were participated by more than **600 participants from financial institutions across the country.**
- **The other skill competency Workshops** were also organized with more than **100 participants.**



The workshops garnered a very fruitful outcome reflected by the participants' rate of 4.4 stars out of 5

Career Development Pathway

After the official launch of the Career Development Pathway in January 2022, participated and supported by **H.E DITH Nita, Education and SDF Committee**, the T&D has established a key Technical Working Group (TWG) to develop a training curriculum and programs aimed at building and strengthening the capacity among Credit Officers for higher position opportunities. The working group comprises of key experts and leaders from different microfinance institutions.



At the same time, a training on "Foundation Training Program for Credit Officers and Credit Consultants" was also conducted in order to support and share resources to build their career pathways in the microfinance sector.

It should also be noted that the TWG meeting has been hosted, and attended by 14 experts from banks, MDIs, MFIs, and Leasing Companies. The purpose of the meeting was to discuss on producing a training curriculum as well as other needed materials for the training.



So far, the materials were produced and finalized, and are expected to be launched in early 2023.

University Engagements, Promote Talent Pools for Microfinance Sector

To address the current challenges faced by human resources in the sector, the T&D has always been trying to build a bridge between the sector and educational institutions through conducting various trainings and workshops. In 2022, the T&D successfully delivered:



- **2 Memorandum of Understandings (MoU) which was inked** between CMA, the Human Resource University (HRU) and the Cambodia Mekong University (CMU). The two MoUs aim to promote human capital while attracting the youth to work in the microfinance sector.
- **3 workshops with university students** which were conducted with more than 400 participants. The topic of the workshops includes career guidance, job fair, microfinance knowledge, etc.
- By attending the workshops and activities, the participants who are the university also got **the opportunity to learn more about the microfinance sector as well as their career path within the sector.**
- **More than 20 CMA members have joined recruitment sessions during career guidance workshops.**

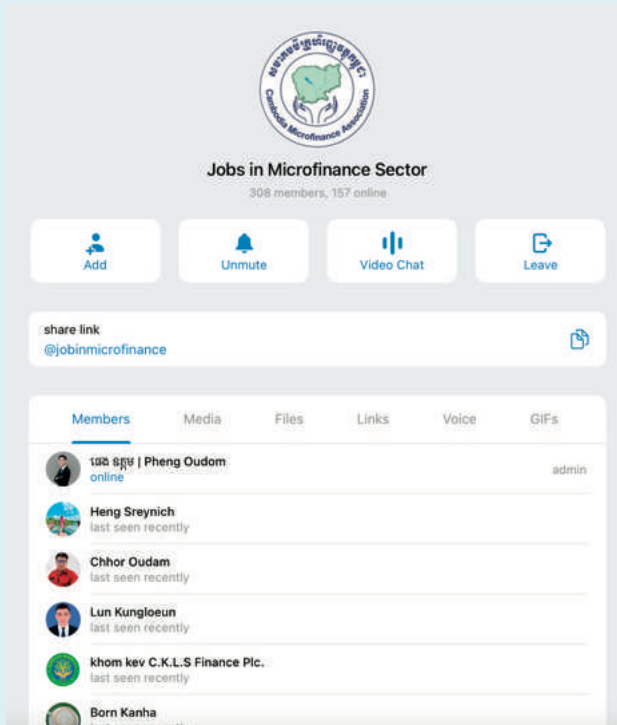
T&D DEPARTMENT'S SOCIAL MEDIA

Support New Talents in Seeking Careers Within the Sector

As of 2022, CMA's T&D has been working on its main social media, such as Facebook page (Jobs in Microfinance) and Telegram Group channel (Jobs in Microfinance Sector). The platforms were created to promote and update job opportunities within the sector to CMA members, employees in the sector, university students and the public.

Both channels supported CMA members by sharing their vacant positions within their institutions.

In 2022, more than **800** vacant positions were actively announced on the page and group.



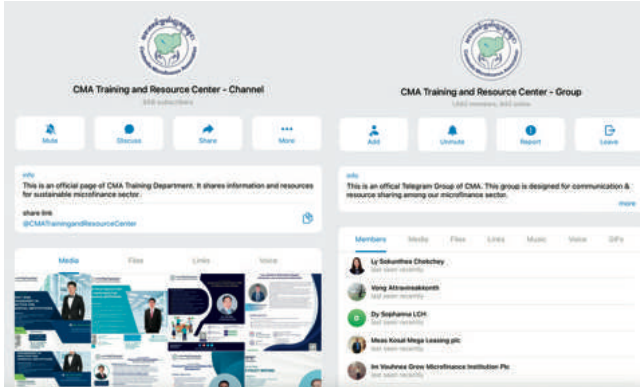
300+ members in the Telegram Group – most of them are **HR Professionals**



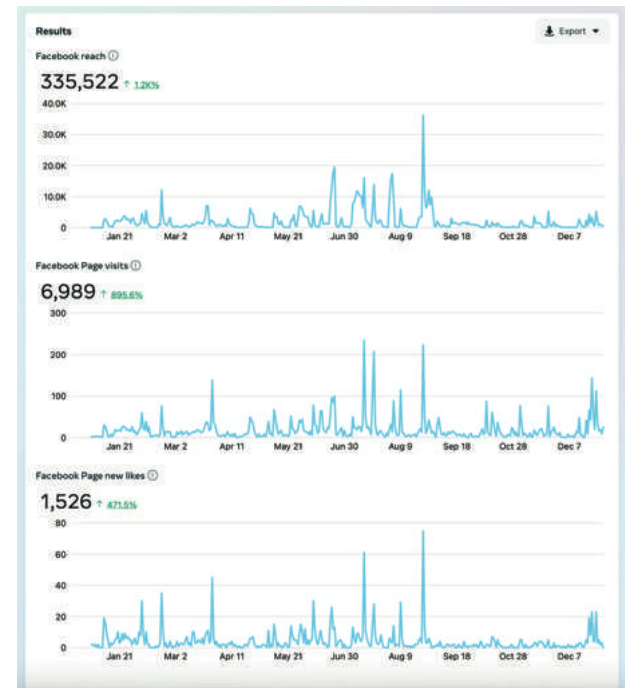
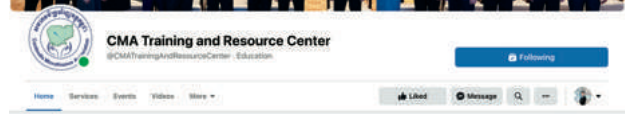
700+ Followers with more than **600 Likes** and almost **15K Reach** in 2022

Support and Strengthen members and public engagement relations, and Network Sharing in Human Resource Management (HRM) and Training & Development

To continue strengthening and maintaining good relationships as well as engagement among members, the public, and human resource management, the T&D has been actively working on its social media platforms including, a **Telegram group and channel and Facebook page**. The platforms are created to update and share training programs, workshops as well as other relevant information regarding the sector.



2200+ subscribers in both the Telegram Group and Channel.



CMA's T&D Department Facebook page has gained more than 6.4K followers and 33K reach in 2022

Academy Live Show

In 2022, an **academic live show was developed** in order to widely promote financial literacy among staff who are currently working within the sector, particularly those who are in the district and provincial branches.



The topics of the shows include leadership skills, and practical knowledge as well as management.

The show is expected to be broadcasted in early 2023.



Education and SDF Committee and Club

The Training Development Department of CMA has conducted 4 Education and Staff Development Fund (SDF) committee meetings aimed to oversee and support initiatives, and performances of HR and compliance professionals, particularly to improve and develop capacity-building programs as well as SDF.



- Key outcomes under the committee leadership include **HR Bureau initiatives, Integrity Dashboard, Sector Watchlist, Cross-sector Staff Development Fund Matching, Employee Turnover Ratio, Salary Surveys, Training, and workshops.**



Staff Development Fund Management

In 2022, all 125 members of CMA have fully implemented the Staff Development Fund (SDF). CMA would like to express its gratitude to all members who have consistently collaborated with us by sharing data and promptly paying contribution fee.

Additionally, in order to support and strengthen the integrity and fairness among the SDF employees, CMA has also introduced and reinforced data-sharing practices and the Integrity Dashboard Mechanism which aims to monitor the level of data integrity and help the association's members to adhere to their data-sharing in a timely and more accurate manner.

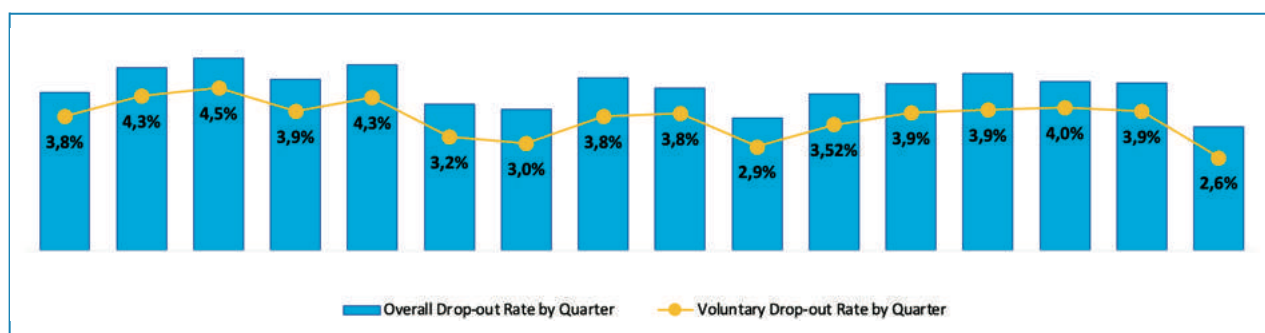
Notwithstanding, internal forms and procedures are revised, introduced, and reinforced within the sector while the staff movement and cross-movement matching among CMA's members are also strengthened and reviewed by CMA and ABC.

At the same time, after a discussion has been made between ABC and CMA, the staff cross-movement criteria and conditions were clearly refined and the **new condition will be implemented from 2023.**

Quarterly Staff Turnover Ratio

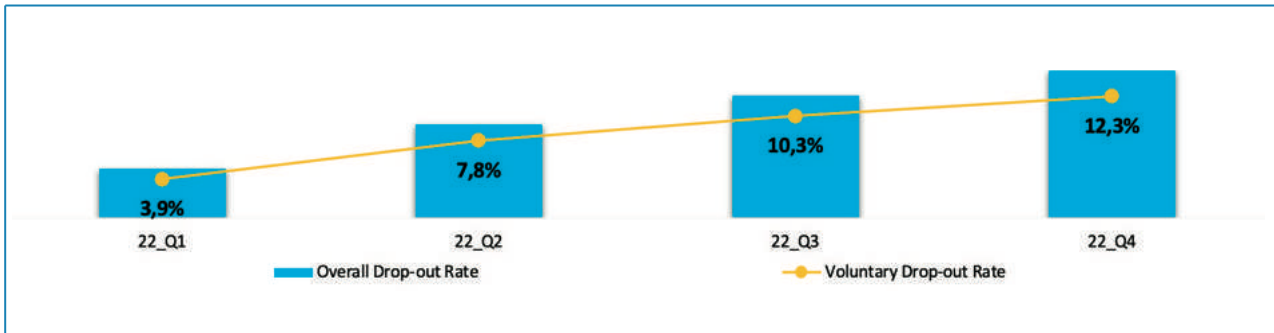
CMA has been playing an important role to monitor the turnover ratio on quarterly basic in order to support CMA's members to understand the causes of staff resignation and strengthen their internal staff retention and competition strategies.

Sectoral Overall Drop-out Rate Vs Voluntary Drop-out Rate on Quarterly Basic



In 2022, the staff movement rate by sector on quarterly basic was around **4.5%** while the overall drop-out rate decreased from **4.69%** to **3.45%**, of which the overall voluntary drop-out decreased from **3.90%** to **2.6%** which is a good status in the sector. At the same time, the annual accumulate overall dropout rate is approximately **14.9%** while the annual overall voluntary drop-out rate is **12.3%**.

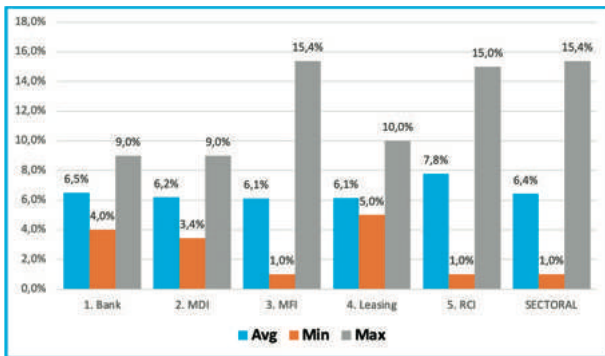
Sectoral Overall Drop-out Rate Vs Voluntary Drop-out Rate on Quarterly Basis



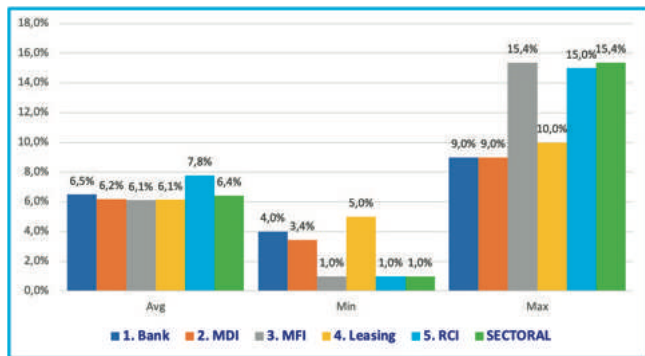
Salary Increment Survey for 2023

To support the members in projecting the increment budgeting for their employees in 2023, CMA together with its members has conducted an increment survey for a data collection.

Share of Salary Increment by Members



Share of Salary Increment by Sector



According to the survey among CMA's members, the salary increase average is **6.4%**, while the minimum is **1%** and the maximum salary is **15.4%**.

The maximum increment for Banks is **9%**, MDI is **9%**, MFI is **15.4%**, Leasing is **10%**, and RCI is **15%**.



Annual Microfinance Conference (AMC)



Annual Microfinance Conference (AMC) is the largest event of CMA, bringing together policymakers, prominent business leaders, banking and microfinance leaders, and key stakeholder representatives to discuss trends and key issues related to microfinance development and growth in Cambodia.

The main topics of the discussion in AMC 2022 include the Reflection on Economy Recovery, Challenges and Opportunities, and Strategies to Strengthening Responsible and Sustainable Growth of the Microfinance Sector.

The key objectives of the 2022 annual conference were:

- To update the progress of Cambodia's economic recovery, reflecting on challenges and opportunities in 2022
- To share experiences and best practices on how the microfinance sector and partners contributed to the economic recovery efforts in the context of Covid-19
- To provide an overview and insight into the sector's health performance, challenges, and opportunities towards strengthening the sustainability of the microfinance sector, with sharing and presenting by prominent experts, practitioners, and regulators.





PILLAR 4: OPERATIONS DEPARTMENT

STRENGTHEN INTERNAL CONTROL AND FINANCIAL PERFORMANCE MANAGEMENT

- *STUDY VISIT PROGRAM ON CAMBODIA MICROFINANCE FINANCIAL INSTITUTIONS*



From 17 to 21 May 2022, Cambodia Microfinance Association hosted a Study Visit Program on Cambodia Microfinance Financial Institution for the board of directors of RMDC Laghubitta Bittiya Sanstha Ltd.

The study visit allowed them to learn and understand more on the microfinance sector in Cambodia in term of insight, operation, policy and best practices that enable the rapid growth of the sector. The visit took place in Phnom Penh and Siem Reap.

During the visit, the delegates visited NBC to learn about Cambodian monetary history policies and some MFI branches of AMK, Amret, and Mohanokor to understand their business operation.

The five-day study also included the SOSORO museum and the Choeung Ek Genocidal Center.

CMA is pleased and welcomes international sectors and other stakeholders who wish to learn and explore more about the insight and progress of the microfinance sector in Cambodia.



• THE 16TH ANNUAL GENERAL ASSEMBLY AND 2ND ANNUAL FORUM

CMA held the 16th Annual General Assembly and 2nd Annual Forum on 11 February 2022, under the theme of Strengthening Resilience and Sustainability of the Microfinance Sector in Cambodia.

The assembly aims to invite banking and microfinance leaders, policymakers as well as development partners to learn and discuss on trending of the microfinance sector as well as key challenges and opportunities within the sector. It garnered more than 90 participants.



The forum included panel discussions and presentations where the speakers shared different topics related to the sector. Additionally, there was also a signing ceremony with key strategic partners between CMA and CBC and between CMA and SME Bank.



• FINANCIAL REPORT



Independent auditor's report

To the Board of Directors of Cambodia Microfinance Association

Our opinion

In our opinion, the financial report presents fairly, in all material respects, the cash receipts and payments of Cambodia Microfinance Association (the Association) for the year ended 31 December 2022 in accordance with the Cambodian Financial Reporting Standard for Not-for-Profit Entities (CFRS for NFPEs).

What we have audited

The Association's financial report comprises:

- the statement of receipts and payments for the year ended 31 December 2022;
- the entity information; and
- the notes to the financial report which include a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

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

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

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

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

PricewaterhouseCoopers (Cambodia) Ltd.
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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 report, 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, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

For PricewaterhouseCoopers (Cambodia) Ltd.

By Benilda C. Fernando
Director

Phnom Penh, Kingdom of Cambodia
26 May 2023

CAMBODIA MICROFINANCE ASSOCIATION

STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022		2021	
		US\$	KHR'000	US\$	KHR'000
Operating receipts					
Dividend receipts	4	456,771	1,866,823	26,973	109,726
Membership subscription receipts		313,882	1,282,836	309,023	1,257,106
Training and workshop receipts		199,012	813,362	60,029	244,198
Fund receipts		296,226	1,210,676	201,610	820,149
Donation receipts		160,130	654,451	8,848	35,994
Sponsor receipts		160,064	654,182	35,262	143,446
Other receipts		47,996	196,160	40,305	163,961
Total operating receipts		1,634,081	6,678,490	682,050	2,774,580
Operating payments					
Staff costs	5	(447,593)	(1,829,313)	(279,991)	(1,139,003)
Training and workshops	6	(126,360)	(516,433)	(22,803)	(92,763)
Administration expenses	7	(210,019)	(858,348)	(56,241)	(228,788)
Membership and professional expense		(113,139)	(462,399)	(14,856)	(60,434)
Other expenses	8	(109,889)	(449,116)	(125,625)	(511,043)
Total operating payments		(1,007,000)	(4,115,609)	(499,516)	(2,032,031)
Operating surplus		627,081	2,562,881	182,534	742,549
Capital payments					
Purchase of resources		(80,829)	(330,348)	(13,375)	(54,410)
Disposal of resources		-	-	18,032	73,354
Total capital payments - net		(80,829)	(330,348)	4,657	18,944
Increase in cash on hand and at bank		546,252	2,232,533	187,191	761,493
Difference on currency translation		-	56,142	-	22,507
Cash on hand and at bank at the beginning of the year		924,550	3,766,617	737,359	2,982,617
Cash on hand and at bank at the end of the year		1,470,802	6,055,292	924,550	3,766,617
Represented by:					
Current and savings accounts	9	537,410	2,212,517	488,185	1,988,866
Term deposit account	9	931,277	3,834,067	435,423	1,773,913
Cash on hand		2,115	8,708	942	3,838
Total cash on hand and at bank		1,470,802	6,055,292	924,550	3,766,617

The notes on pages 6 to 13 form an integral part of this financial report.



CORPORATE GOVERNANCE

OVERVIEW

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

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

CMA KEY MILESTONES

- Seven microfinance institutions (MFIs) held a meeting in August 2002 to establish a Microfinance Association.
- In November 2003, CMA was formed as a secretariat supporting the Microfinance Association with seven founding members.
- Formal registration from Ministry of Interior granted in 2004
- Members : 7

2002-2004

- AFD and ADA in Luxembourg become donors and works with CMA to support development of the microfinance sector
- CMA committees established for IT&Marketing, Advocacy, Training and Audit
- Members : 17

2006-2007

- CMA receives recognition by NBC as subdivision of ABC
- Further support from Planet Finance and Australian Aid
- CMA establishes Clubs for CEOs, Operations, Finance, and HR
- CMA grows to 6 full time staff.
- Members : 20

2008-2009

- Partnership with Australian NGO Good Return on financial education project
- Funding from AFD for CPI project support until 2015
- Created documentary series with purpose of financial education for Cambodian public
- Members : 44

2010-2014

- Self-regulation and social performance supported organization of the Social Performance Taskforce annual meeting in 2015
- Launch of the Preah Sihanouk MoU initiative - providing FSPs with sector-wide lending guidelines and framework to enhance policies
- Member: 95

2015-2017

- CMA becomes more independent. Business plan under four pillars is established
- Creation of Staff Development Fund to aid professional knowledge and training in the sector
- CMA grows to 13 full time staff
- Members : 103

2018

- Department of Financial Inclusion and Social Impact was established
- Lending Guidelines was scaled up, reflecting the further strengthening of self-regulations
- Member: 103

2019

- CMA initiated the enhancement of the Responsible Inclusive Finance "RIF" through the Cambodia Consumer Protection Framework 2020-2025
- Launching a book on building an inclusive financial sector with NBC
- CMA, ABC, CBC research taskforce has been formulated to engage with research agendas for the sector
- Member: 113

2020

- Lending Guidelines was incorporated into the Banking and Financial Institutions' Code of Conduct.
- Lending Guideline has been included into the National Financial Inclusion Strategy of Cambodia 2019 – 2025 of the National Bank of Cambodia.
- The CMA and ABC's financial literacy strategy has been developed and is being implemented by the ABC financial inclusion committee.
- A responsible Lending Program was created.
- Member: 115

2021

- Banking and Financial Institutions' Code of Conduct (CoC) introduced by CMA, ABC, and CAFT.
- The Standard Loan Contract was introduced.
- MoU with SPTF
- Member: 124

2022



BOARD OF DIRECTOR

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



Mr. SOK Voeun

CMA Chairman
LOLC (Cambodia) Plc.

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

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

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



H.E. DITH Nita

CMA Vice-Chairwoman
CAMMA Microfinance Limited

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

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



Mr. KEA Borann

CMA Board of Director
AMK Microfinance Institution PLC

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

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

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



Mr. DOS Dinn

CMA Board of Director
Amret Microfinance Institution

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

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

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



Mr. PA Ponnak Rithy

CMA Board of Director
MAXIMA Microfinance Plc.

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

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

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



Oknha Dr. BUN Mony

CMA Board of Director
Vithey Microfinance Plc.

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

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



Mrs. TOP Sok Samphea

CMA Board of Director
Woori Bank

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

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



Mr. SIM Senacheat

CMA Board Advisor
First Finance Plc

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

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

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



Mr. OUM Sam Oeun

CMA Board of Director
PRASAC Microfinance
Institution Plc.

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

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



Oknha HOUT Ieng Tong

CMA Board of Director
Hattha Bank

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

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

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



Mr. KHOU Buntry

CMA Board of Director
FUNAN Microfinance Plc.

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

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



Mr. CHAN Mach

CMA Board of Director
Phillip Bank

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

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



Mr. LAV Pokeat

CMA Board of Director
i-Finance Leasing Plc.

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

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



Mr. PHENG Pheap

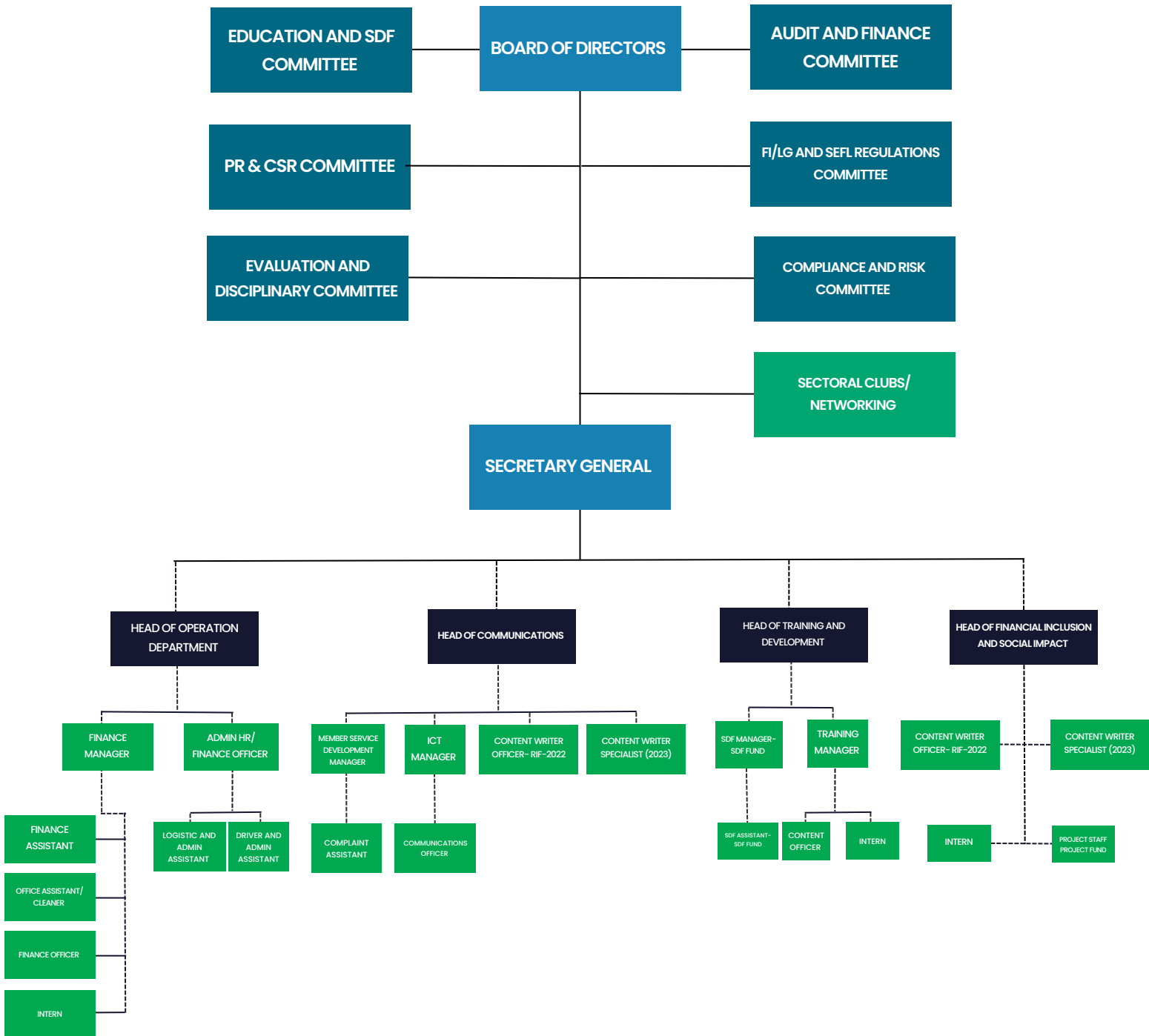
CMA Board of Director
CKLS Finance Plc.

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

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

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

ORGANIZATIONAL STRUCTURE



SENIOR MANAGEMENT TEAM



Mr. PHAL Vandy
CMA Secretary General

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

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

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



Mr. CHHORN Vatanak
Head of Training and Development

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

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

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



Ms. PHENG Vouchnice
Acting Head of Operation

Ms. PHENG Vouchnice, CMA Acting Head of Operations Department, is responsible for ensuring the financial operations and management of CMA, including budget planning and controlling, banking processes, financial analysis, and reporting for management. She, especially, works with internal and external auditors to ensure that CMA's financial operations are sound. She also coordinates and facilitates CMA's Finance Club, which supports members in addressing technical challenges, sharing solutions, and adopting best practices.

Ms. PHENG has over 11 years of experience in private banking and financial sectors. She has core skills and competencies in finance, accounting, customer relations management, and auditing. Prior to joining CMA, she worked as a Senior Business Relationship Officer at Cambodia Post Bank (CP Bank) and as an accountant in the real estate sector. She is also currently pursuing a Master's degree in Taxation and Audit at a university in Cambodia.



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

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

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

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



Mr. KAING Tongngy
CMA Head of Communication Department

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

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

COMMITTEE AND CLUB

I. Committee

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

• AUDIT AND FINANCE COMMITTEE



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

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

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

• EDUCATION & SDF COMMITTEE



This Committee meets twice a year (with extra meetings if required) to assess training needs and hence develop skill training programs for member organizations' staff, ensuring the success of their own institutions and contributing to the long-term sustainability of the microfinance sector in Cambodia

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

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

• PR AND CSR COMMITTEE



Chairman: Mr. DOS Dinn

Chief Executive Officer of Amret Microfinance Institution

Members:

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

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

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

• FINANCIAL INCLUSION AND SELF-REGULATION COMMITTEE



Chairman: Mr. SOK Voeun

Chief Executive Officer of LOLC (Cambodia) Plc.

Members:

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

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

• COMPLIANCE & RISK COMMITTEE



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

Chairman: Mr. KEA Borann

Chief Executive Officer of AMK Microfinance Institution PLC

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

• EVALUATION AND DISCIPLINARY COMMITTEE



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

Chairman: Oknha D.r BUN Mony

Chief Executive Officer of Vithey Microfinance Plc.

Members:

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

COMMITTEE AND CLUB

II. Club

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

• CEO CLUB



Chairman: **Mr. SOK Voeun**

Chief Executive Officer of LOLC (Cambodia) Plc.

Members: Chief Executive Officers from each member

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

• OPERATION CLUB



Chairman: **Mr. SUON Pisey**

Chief Retail Business Officer of AMK Microfinance Institution Plc.

Members: Operations Managers from each member

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

• COMPLIANCE OFFICER NETWORKING GROUP



Chairman: **Mr. UK Kosal**

Chief Legal and Compliance Officer of AMK Microfinance Institution Plc.

Members: Operations Managers from each member

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

• 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 of Amret Microfinance Institution

Members: Finance Managers/Chief Finance Officers from each member

• HR CLUB



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

Chairwoman: Mrs. PEANG Pisak

Chief People and Development Officer, AMK Microfinance Institution Plc.

Vice-Chair: Mrs. LENG Thavy, Head of HR of LOLC (Cambodia) Plc.

Members: Human Resource Managers from each member

• FIN-TECH and ICT CLUB



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

Chairman: To be selected

Members: Senior Management team positions from ICT department of each member

• MARKETING & COMMUNICATION CLUB



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

Chairman: To be selected

Members: Finance Managers/Chief Finance Officers from each member

• FINANCIAL LEASING CLUB



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

Chairman: **Mr. LAV Pokeat**

Chief Executive Officer of i-Finance Leasing Plc.

Members: Representative from each financial leasing member

• RURAL CREDIT INSTITUTION CLUB



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

Chairman: **Mr. PHENG Pheap**

Chief Executive Officer of CKLS Finance Plc

Members: Representative from each rural credit institution member

• RESEARCH WORKING GROUP



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

Members:

Representative from AMK, AMRET, PRASAC, Mohanokor, Chamroeun, Chok Chey Finance and Hattha Bank.



CMA MEMBER

Last updated in December 2022



CMA MEMBER



CMA MEMBER



DONORS AND PARTNERS



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

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



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

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



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

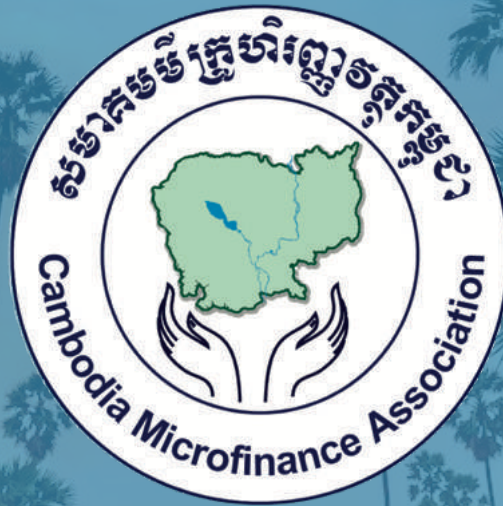


The Social Performance Task Force (SPTF) is a non-profit membership organization with more than 4,600 members from all over the world. Members include financial service providers, investors, donors, ratings agencies, researchers, and other stakeholders interested in inclusive finance. SPTF engages with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



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





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