

# Microfinance Development in Cambodia

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Dr. Bun Mony
CMA Advisor

### Introduction

Cambodia Demographic and Microfinance Industrial Data – December 2016:

- □ Population: +16 millions
- Estimated population below poverty line: 13.5%
- □ Rural population: about +12 Millions
- □ Number of MFIs: 58
- □ Loan outstanding: USD 3,627 Millions
- □ Deposit balance: USD 2,073 Millions
- Number of active MFI borrowers: 2,043,220
- □ Number of active depositors: 1,810,316



### Microfinance sector - evolution

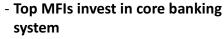
- Estabishment of NGO's financial project
- INGO played a significant role in launching microfinance products & services
- Credit with rural development program

1990-

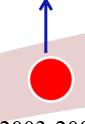
1995

- Separation of credit program
- Help MFIs attain financial sustainability
- Help from international agencies to formulate a structured program
- Policies and regulation development approved by the Assembly

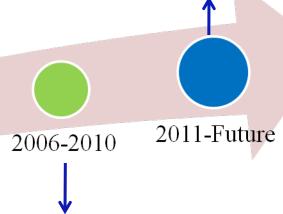
- NBC issue license for MFI and registry NGO
- Upgrade MFI to a commercialized institution and integrate it to the formal financial system
- 9 top NGOs transform to MFI
- Establishment of CMA in 2004



Scale up to SME market
 Progressive growth of public deposit



2003-2005



2000-2002

- 1996**-**
- Grace period of NGOs to transform into licensed institutions
- Registration with NBC
- 3 MFIs obtain licenses

- Healthy environment for MFI with 31% growth of borrowers and 55% growth of outstanding loans
- Global financial crisis in 08-09
- Prakas on Licensing of MDI 2007



# Cambodia Microfinance association (CMA)

#### CMA started in 2004 with 7 MFIs members.

Items	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of Licensed MFIs	18	21	23	28	35	37	45	48	58
CMA members	17 & 1 NGOs	20MFIs & 1 NGOs	22 MFIs & 1 NGOs	28 MFIs & 2 NGOs	33 MFIs & 2 NGOs	35 MFIs & 2 NGOs	39 MFI& 6 NGOs	41 MFIs & 7 NGOs	50 MFIs & 8 NGOs
Number of office				701	901	1,028	1,229	1,308	1,451



### **Trends of MFIs**

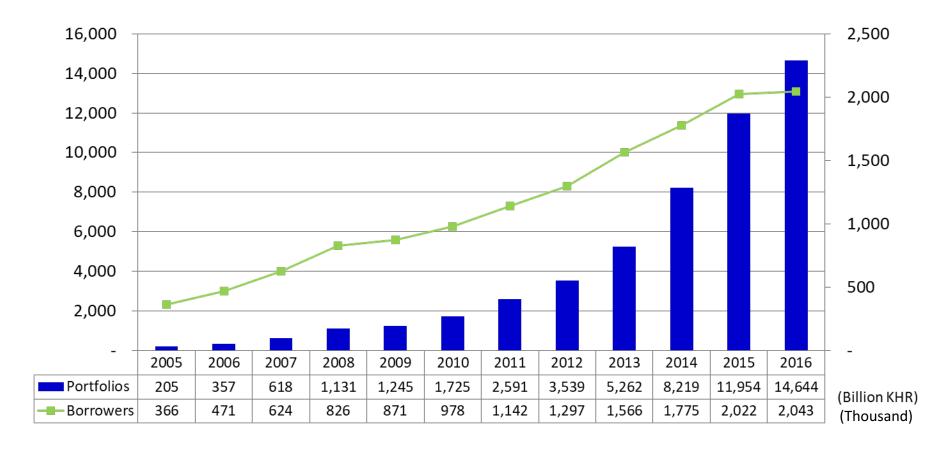
### • Evolution of Loan and Saving

1												
As of 2005-2016 in Million KHR												
Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Portfolio	204,591	357,045	617,906	1,130,584	1,244,970	1,724,842	2,591,263	3,538,889	5,261,752	8,219,136	11,954,464	14,644,424
Grows rate	62%	75%	73%	83%	10%	39%	50%	37%	49%	56%	45%	23%
Clients	366,107	471,026	624,089	825,652	871,412	978,077	1,141,913	1,297,151	1,565,526	1,774,815	2,022,235	2,043,220
Grows rate	14%	29%	32%	32%	6%	12%	17%	14%	21%	13%	14%	1%
Deposits	8,703	10,412	21,210	22,281	39,628	164,013	459,473	1,094,117	1,744,772.00	3,620,596.0	5,337,155.4	8,370,469.0
Grows rate	64%	20%	104%	5%	78%	314%	180%	138%	59%	108%	47%	57%
Depositors	137,624	113,277	147,966	108,788	102,959	164,014	242,116	686,666	899,829	1,046,807	1,418,732	1,810,316
PAR>30days	0.78%	0.34%	0.19%	0.42%	2.80%	1.18%	0.22%	0.29%	0.59%	0.60%	0.67%	1.42%



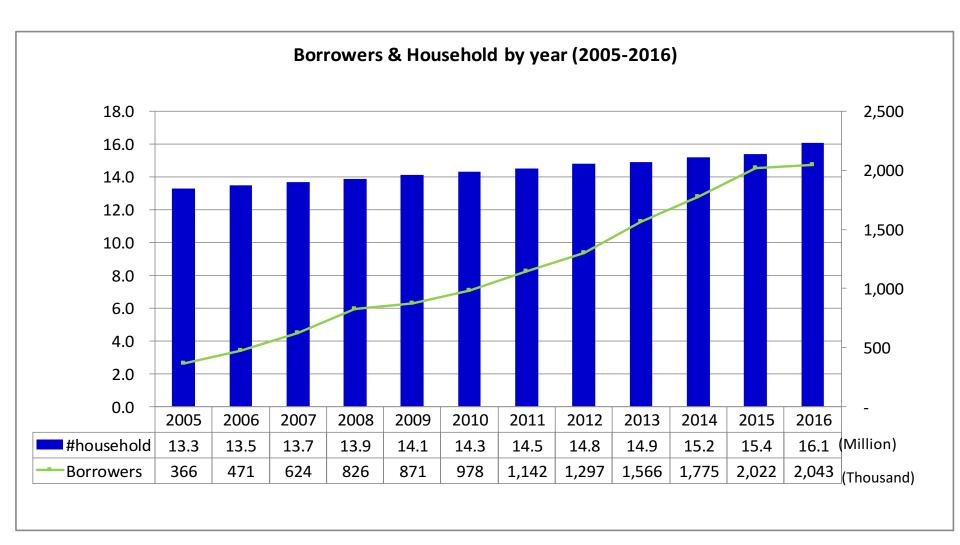
## Industrial Growth - Loans

#### **Borrowers & Portfolios by year (2005-2016)**





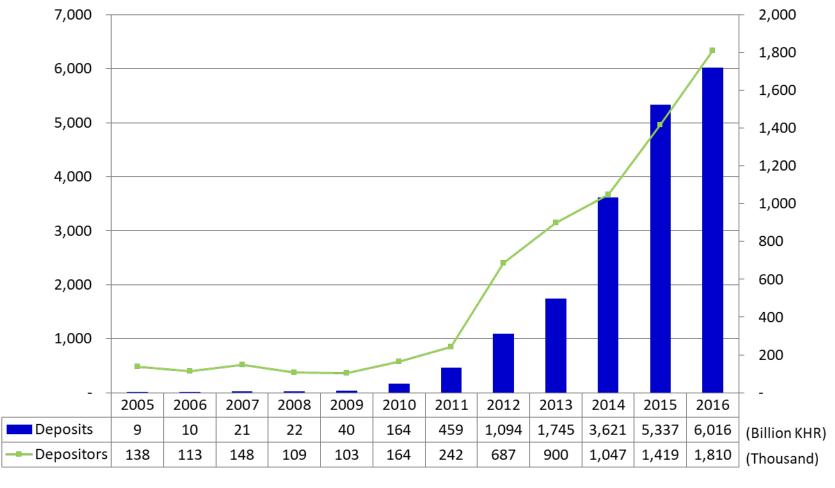
### Industrial Growth - Loans





# Industrial Growth - Deposits

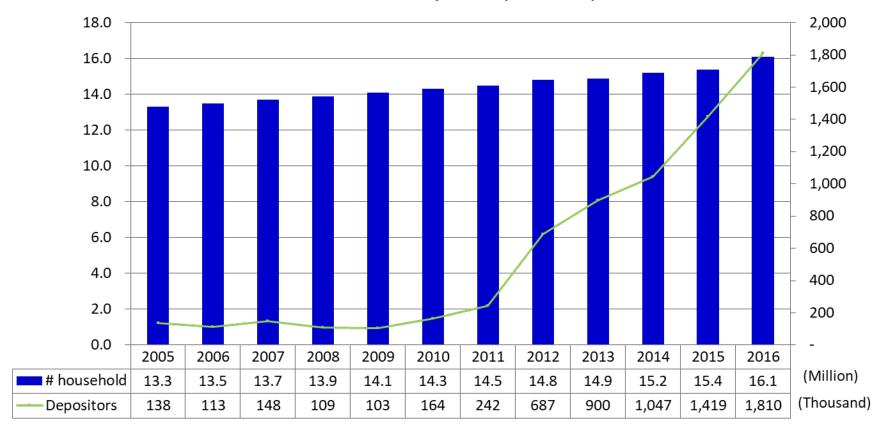
#### Deposits & Depositors (2005-2016)





# Industrial Growth - Deposits

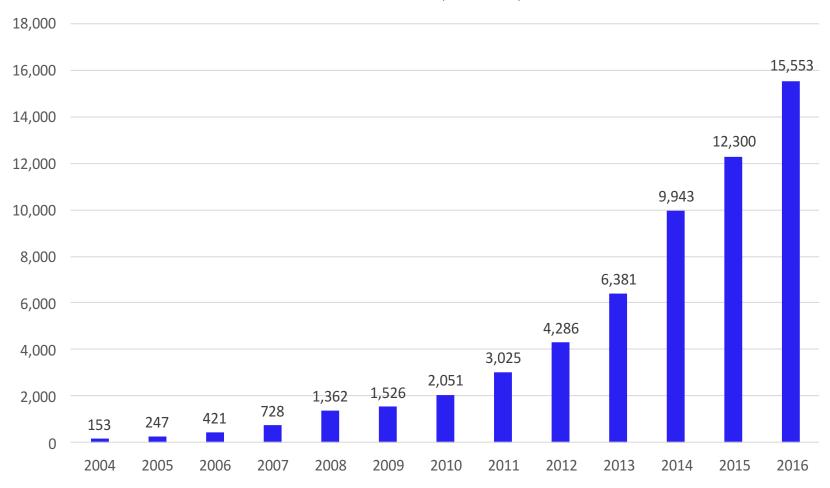
#### Household & Depositors (2005-2016)





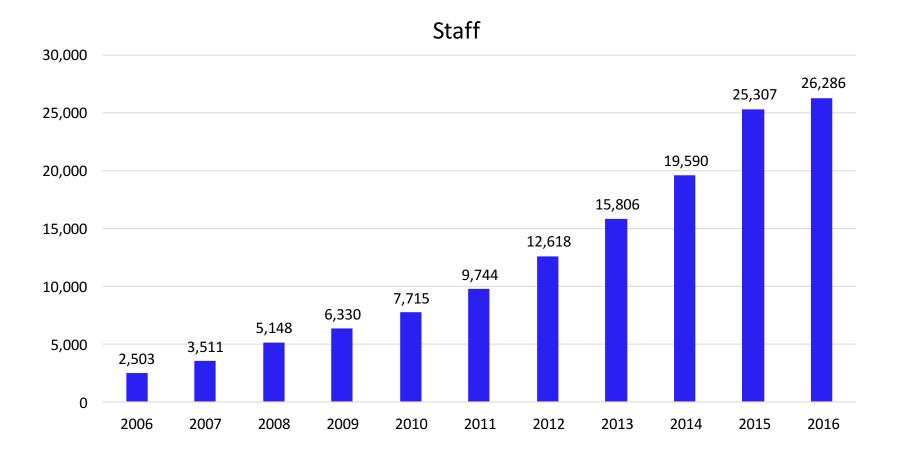
## Industrial Growth - Assets

#### Total Assets (in Billion KHR)





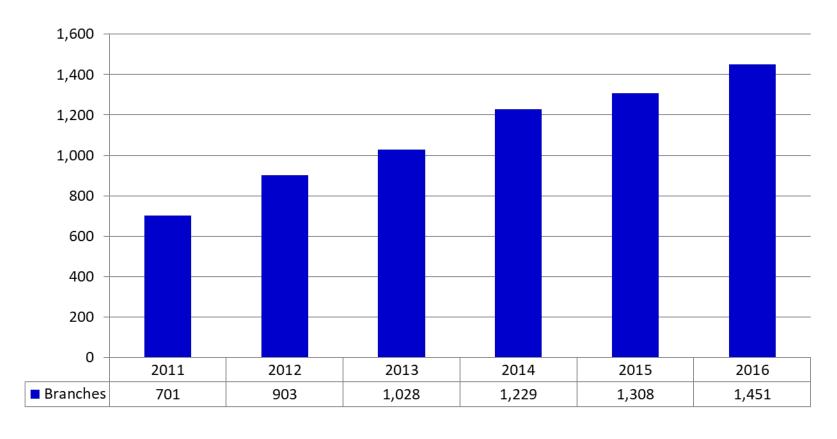
# Industrial Growth - Staff





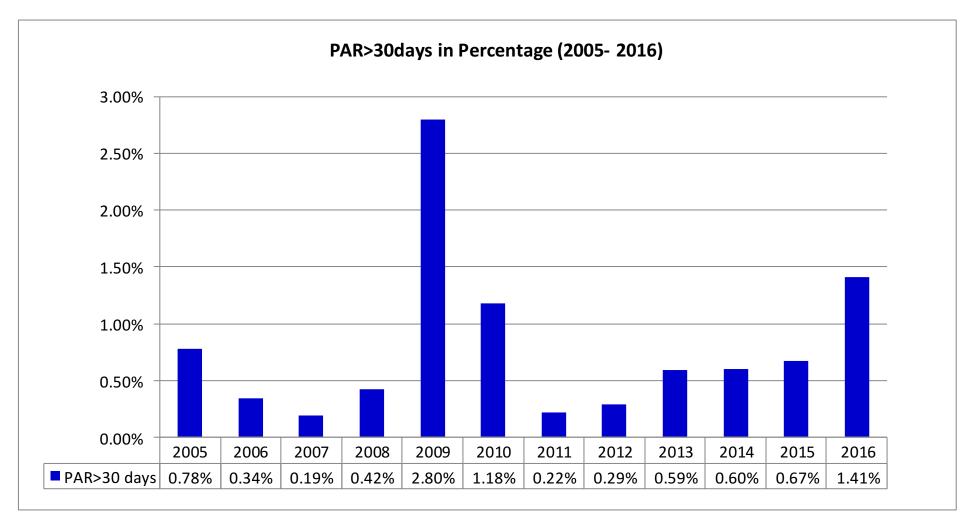
## Industrial Growth - Branch

#### Number of Branch (2011- 2016)





# **Industrial Portfolio Quality**





### Conclusion

- •MFIs in Cambodia have been well developed extend to cover all provincials and capital city of the kingdom through 1,451 office networks reaching to 2,043,220 more than 60% of household.
- During the last 7 years (2010-2016), after Financial Crisis 2009, the loan portfolio increased more than 35% each year to reach KHR 14,644,424 Billion, while very good portfolio quality at PAR, 1.42% only.
  - "Only Patients Need Doctors"



# Conclusion (Cont')

- Microfinance established its offices to rural areas to allow all the people to access the formal financial services and expand their business as possible so that contribute to economic development successfully.
- Best Financial Infrastructure has been supplied through out Cambodia.

# "Microfinance is the KEY breaking the poverty cycle"



# Thank You!

