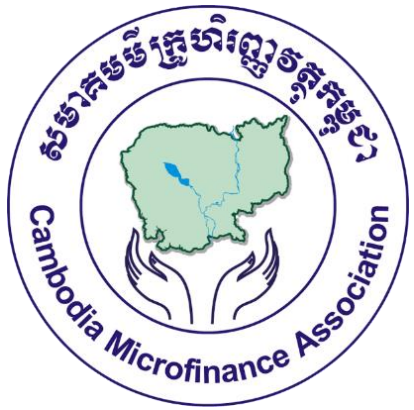


Cambodia Microfinance Association
Lender Guidelines Project

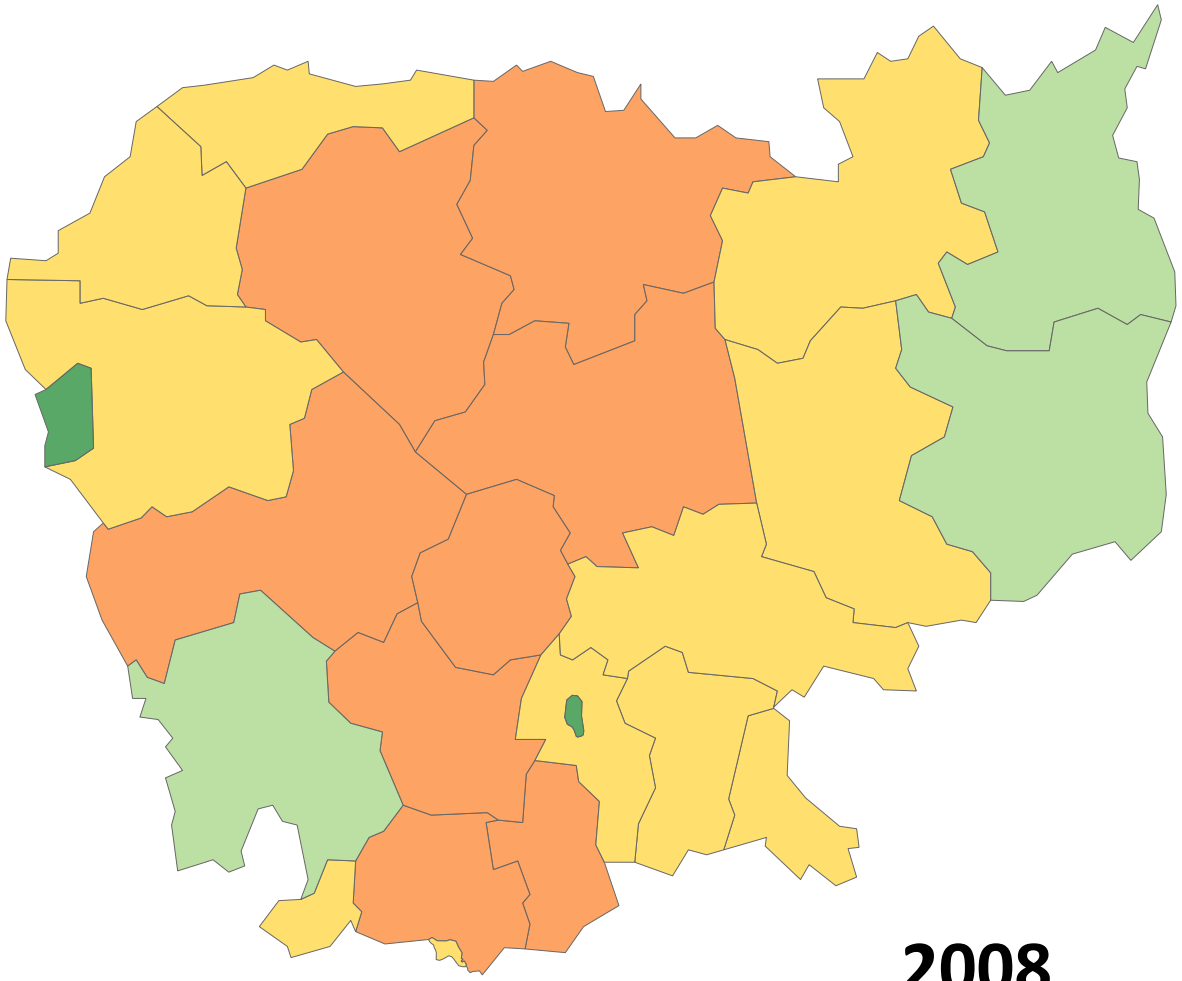
An initiative of the Cambodian Microfinance Association led by the CEO Task Force and CMA CEO Club

With the Technical Support of the Credit Bureau of Cambodia and Daniel Rozas (MIMOSA)

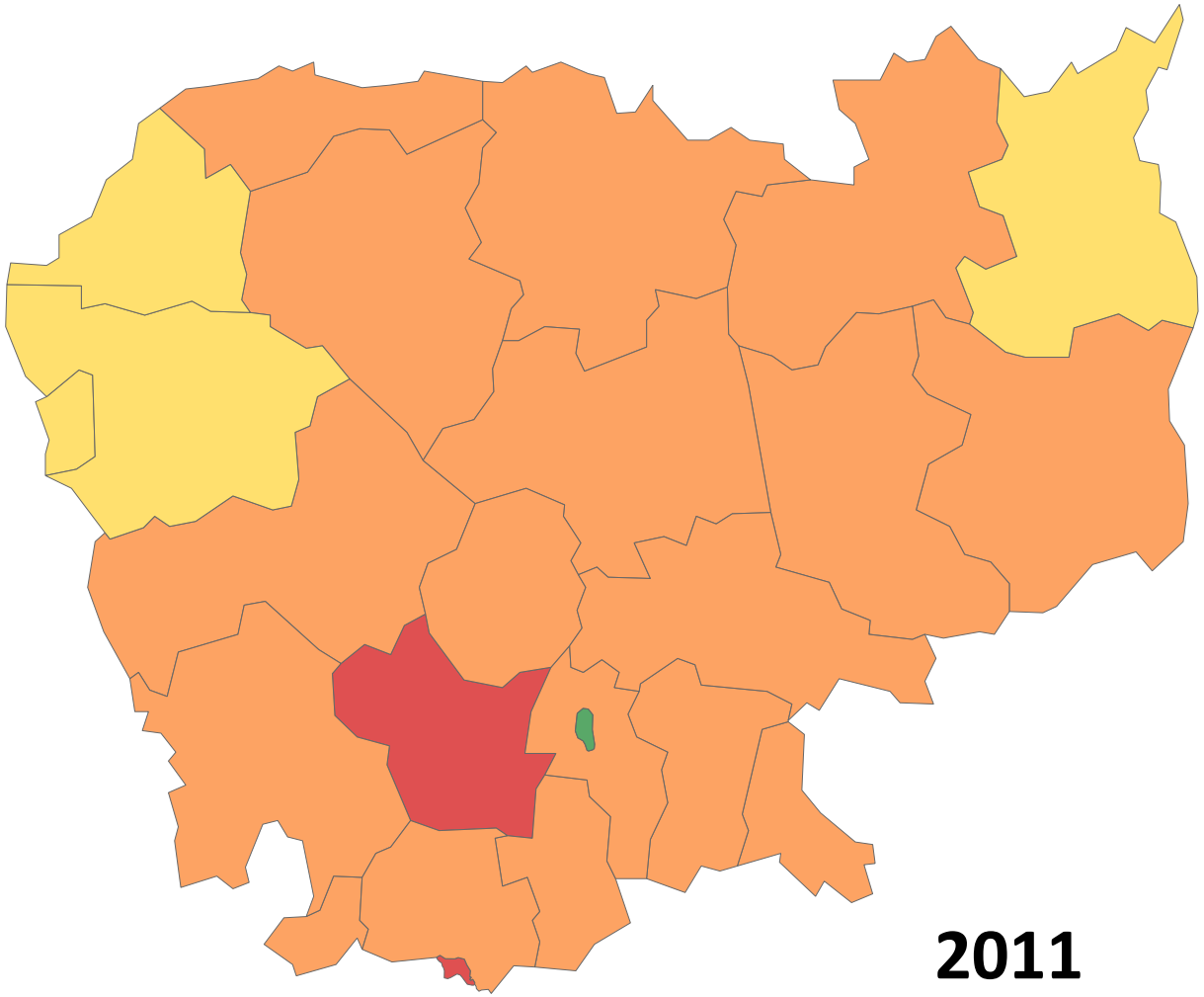
Funded by ADA, BIO, FMO, Incofin Investment Management and PROPARCO

Cambodia

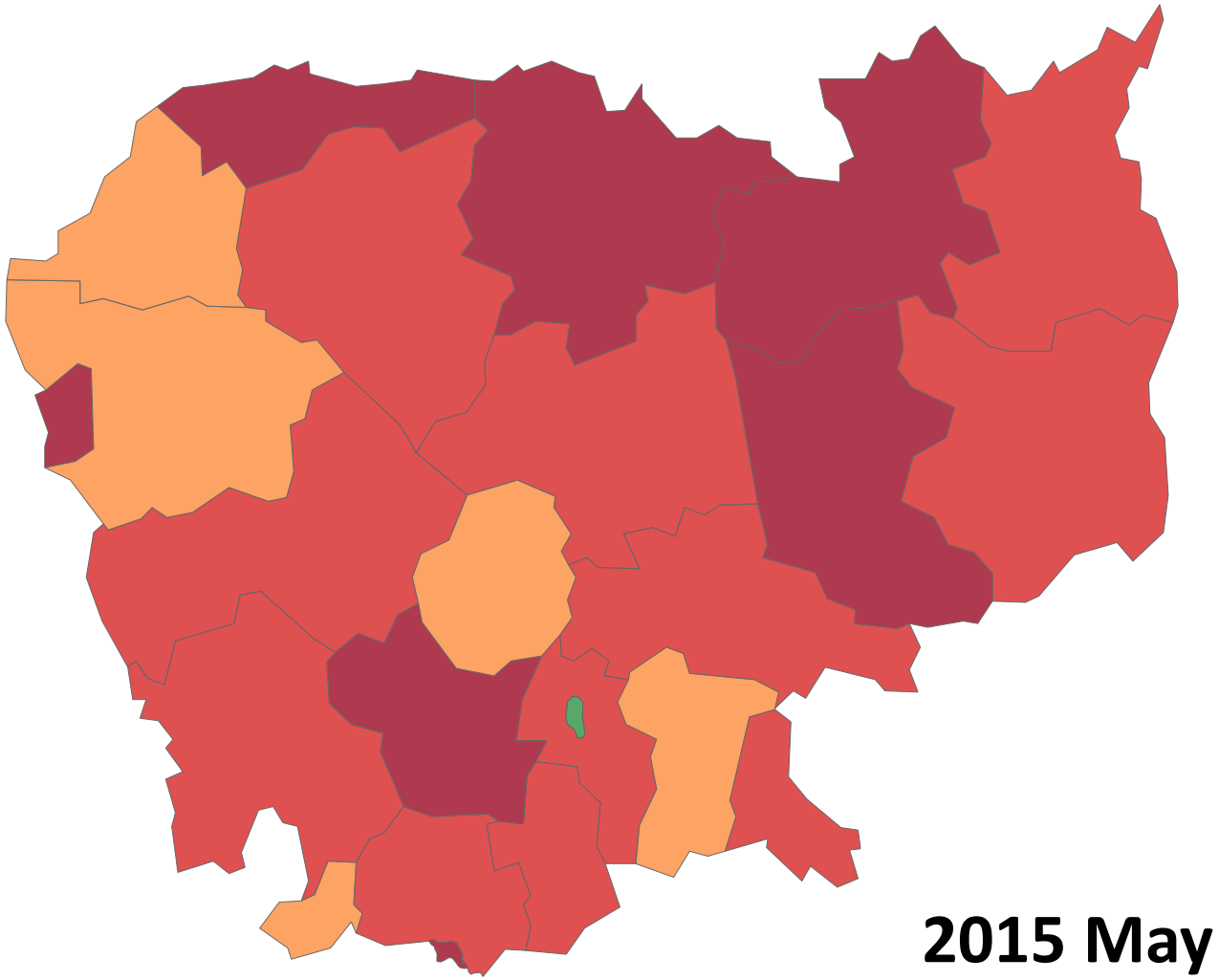
May 2016 Update

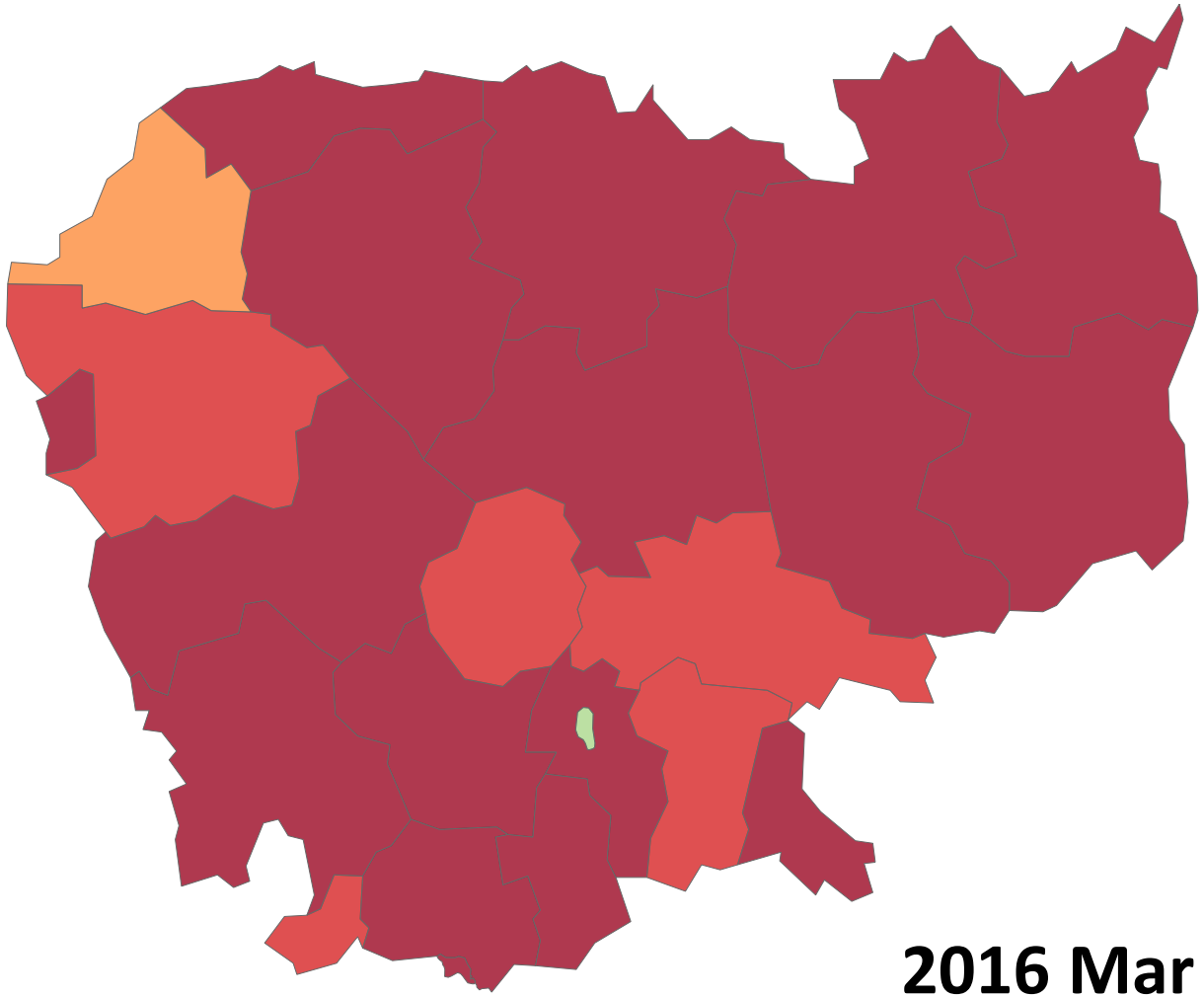


2008



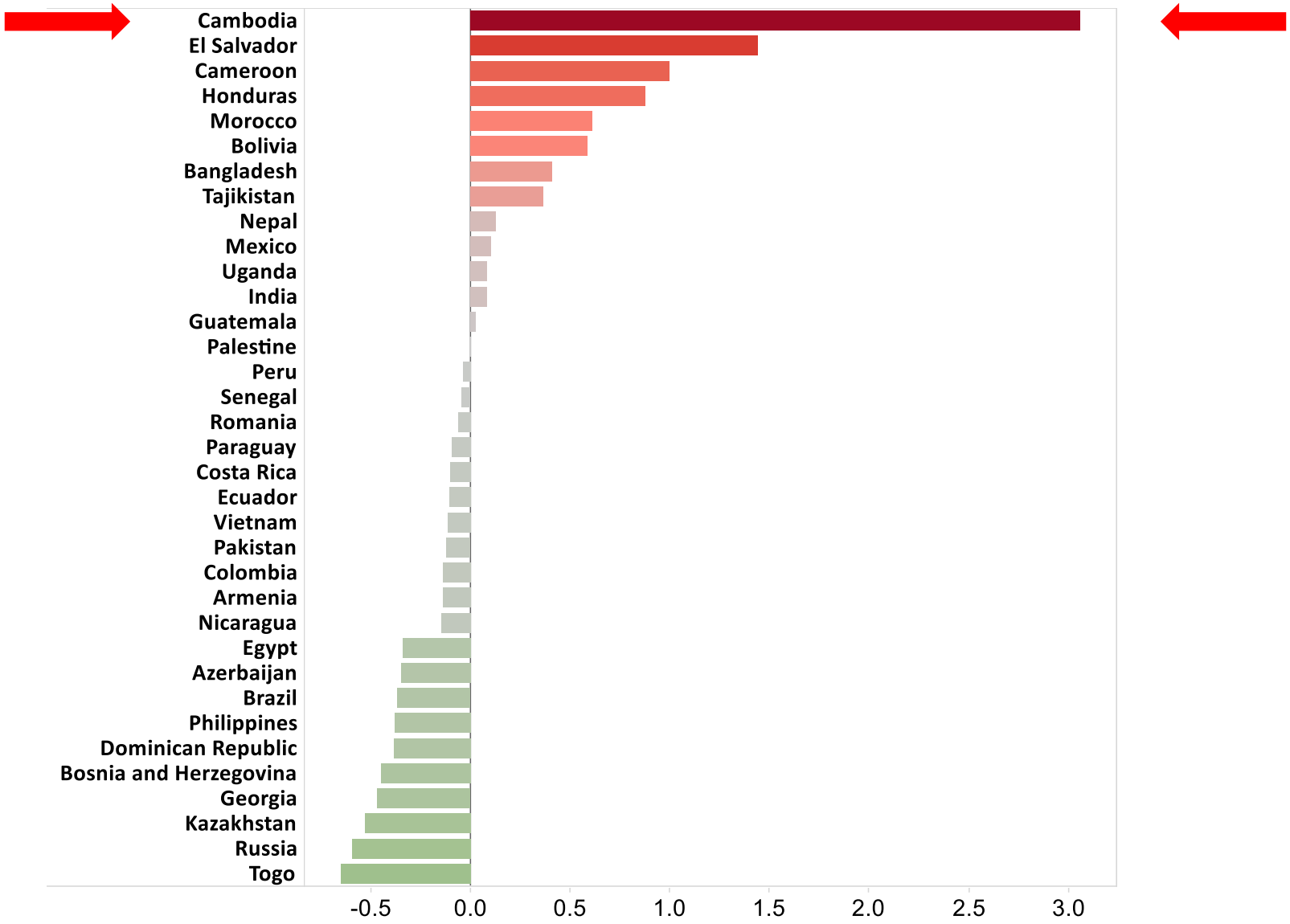
2011


2015 May


2016 Mar

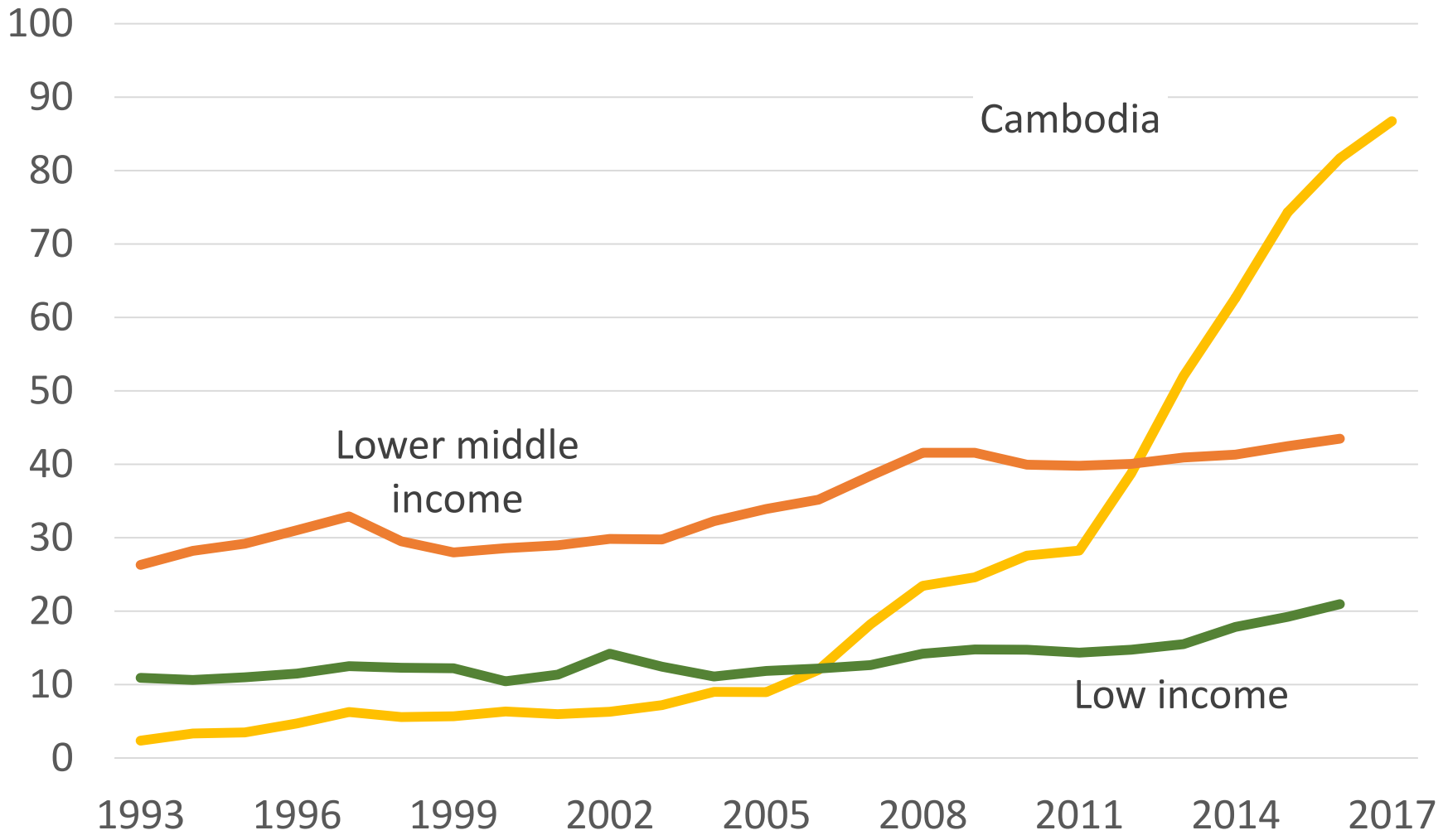
Loan sizes

Change in Avg Loan Bal / GNI per capita 2004-14 (%)

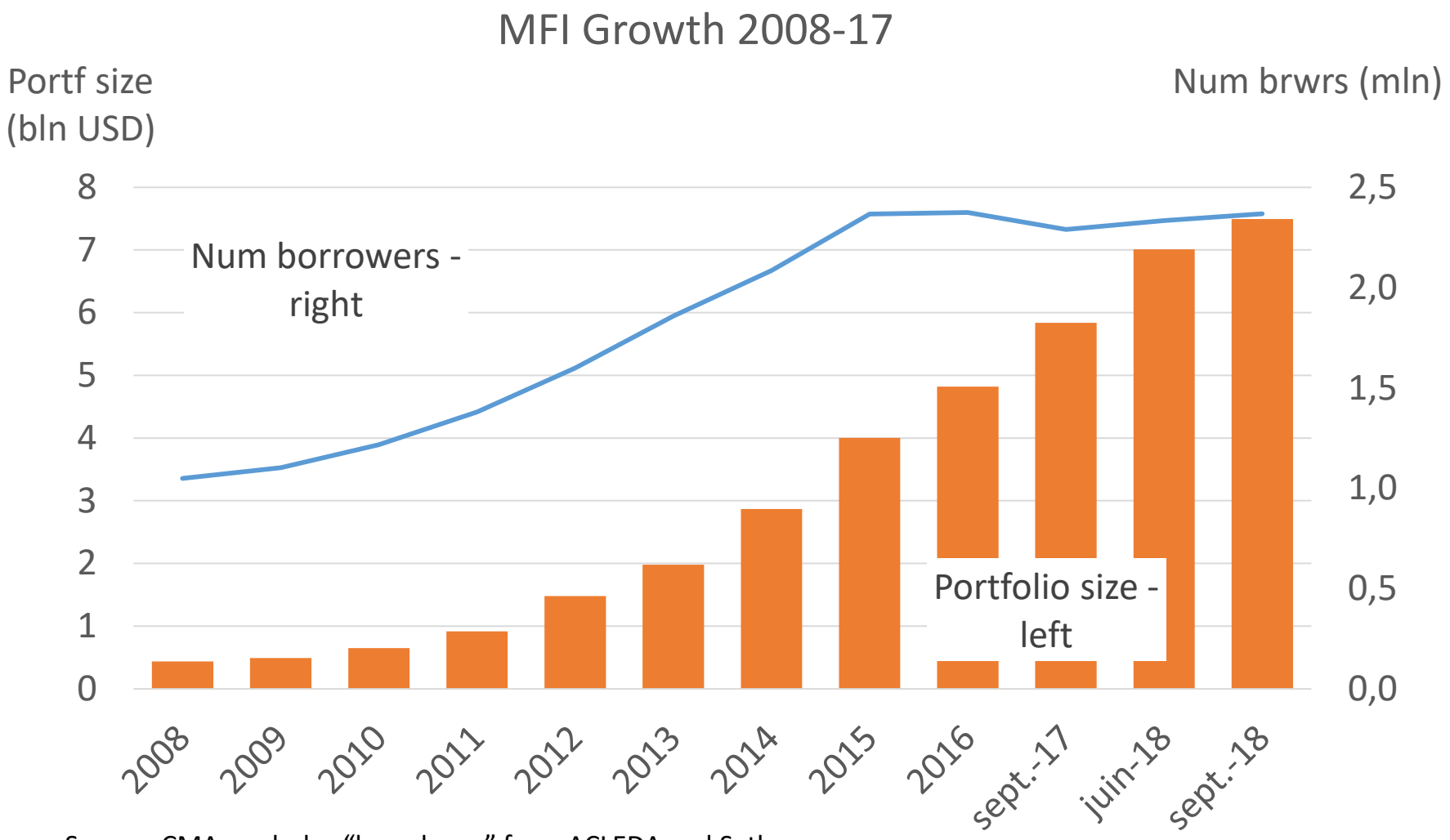


Source: MIX Market, change calculated for MFI panel using each MFI's average loan balance during 2004-14, then aggregate average calculated by weighting by number of active borrowers in 2014; only countries with a panel of at least 4 MFIs are included.

Domestic Loans to Private Sector (% of GDP)

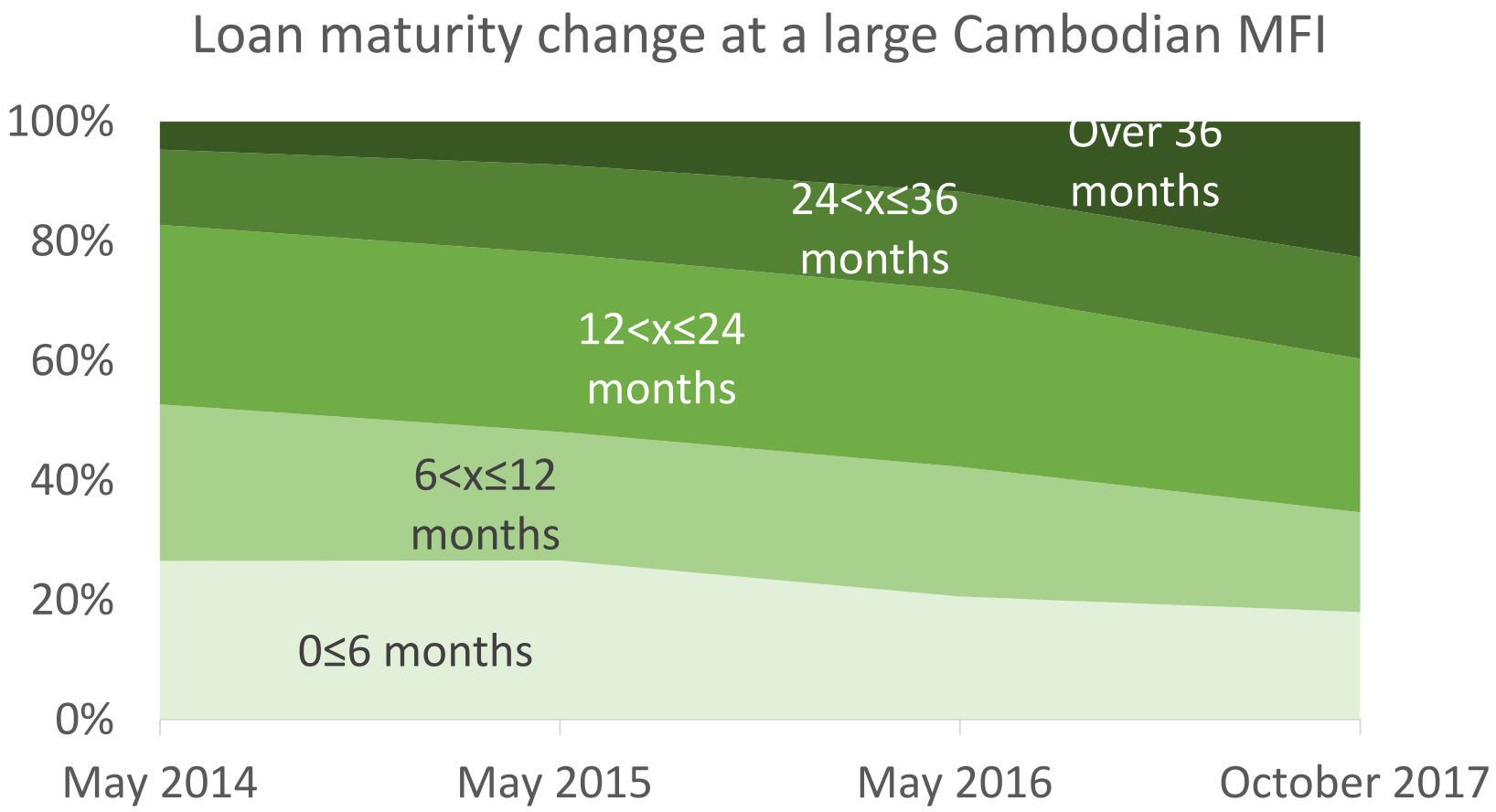


Growth, unabated

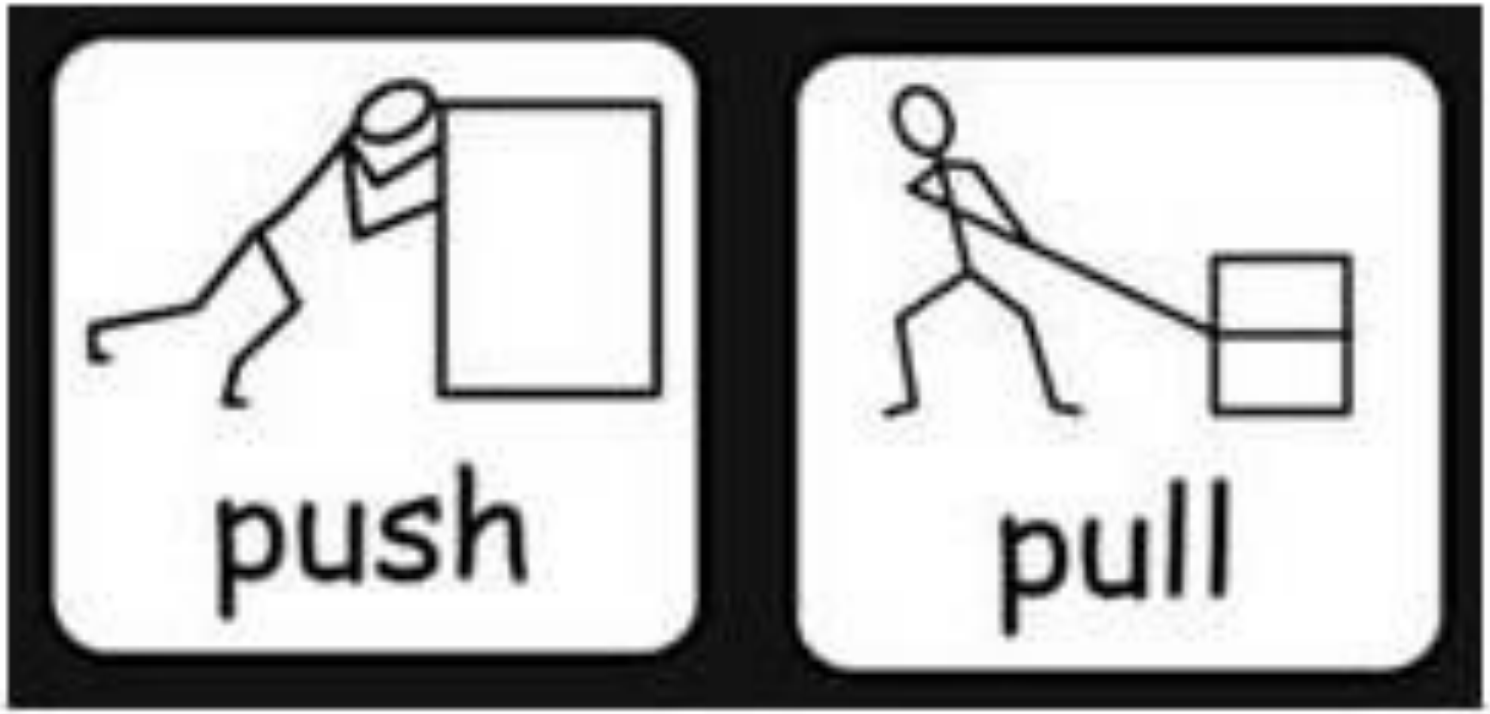


Source: CMA; excludes “large loans” from ACLEDA and Sathapana

Larger sizes through longer terms…



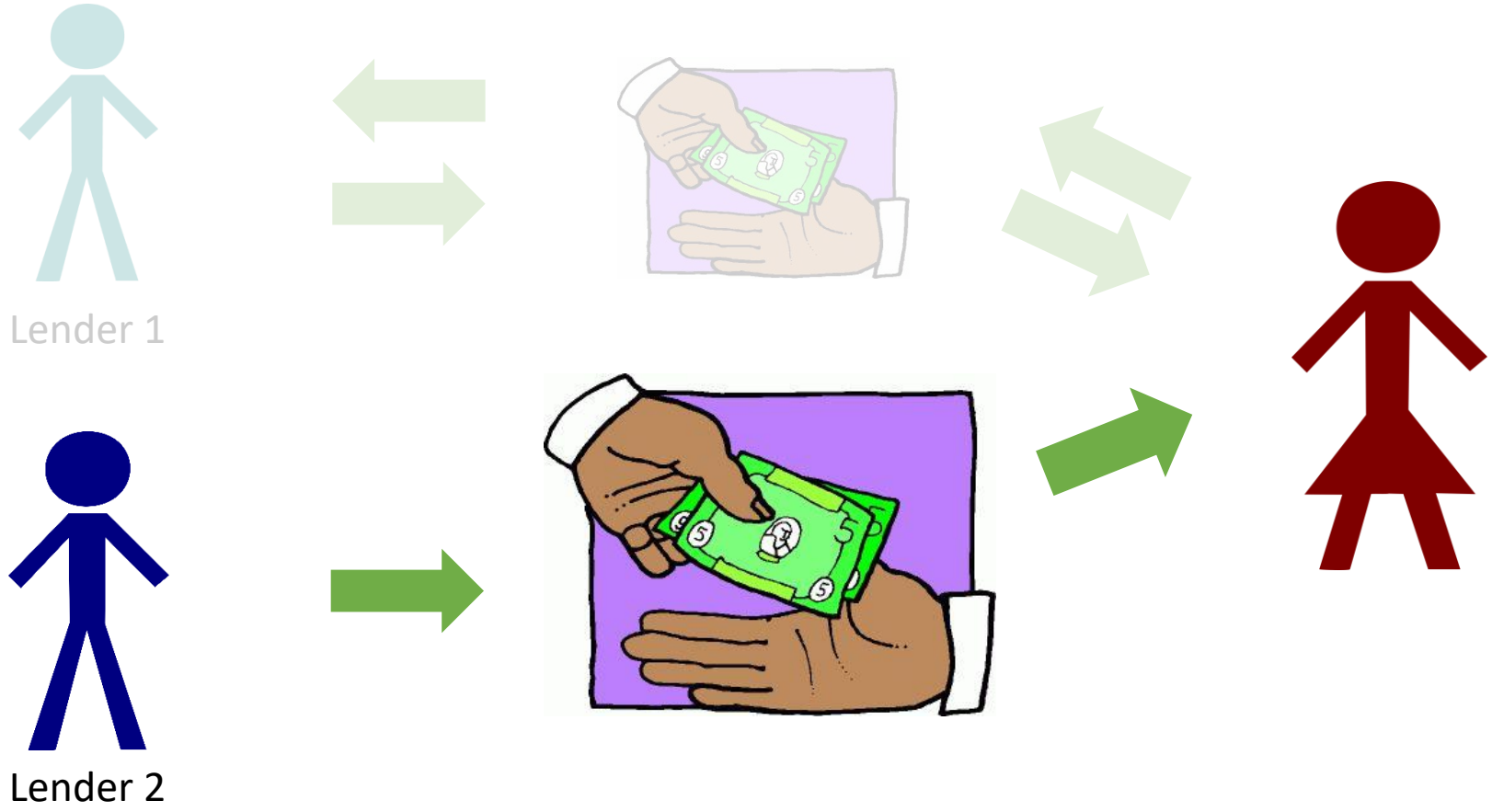
Credit dynamic in Cambodia



MFIs Clients

Refinancing

Competition via refinancing



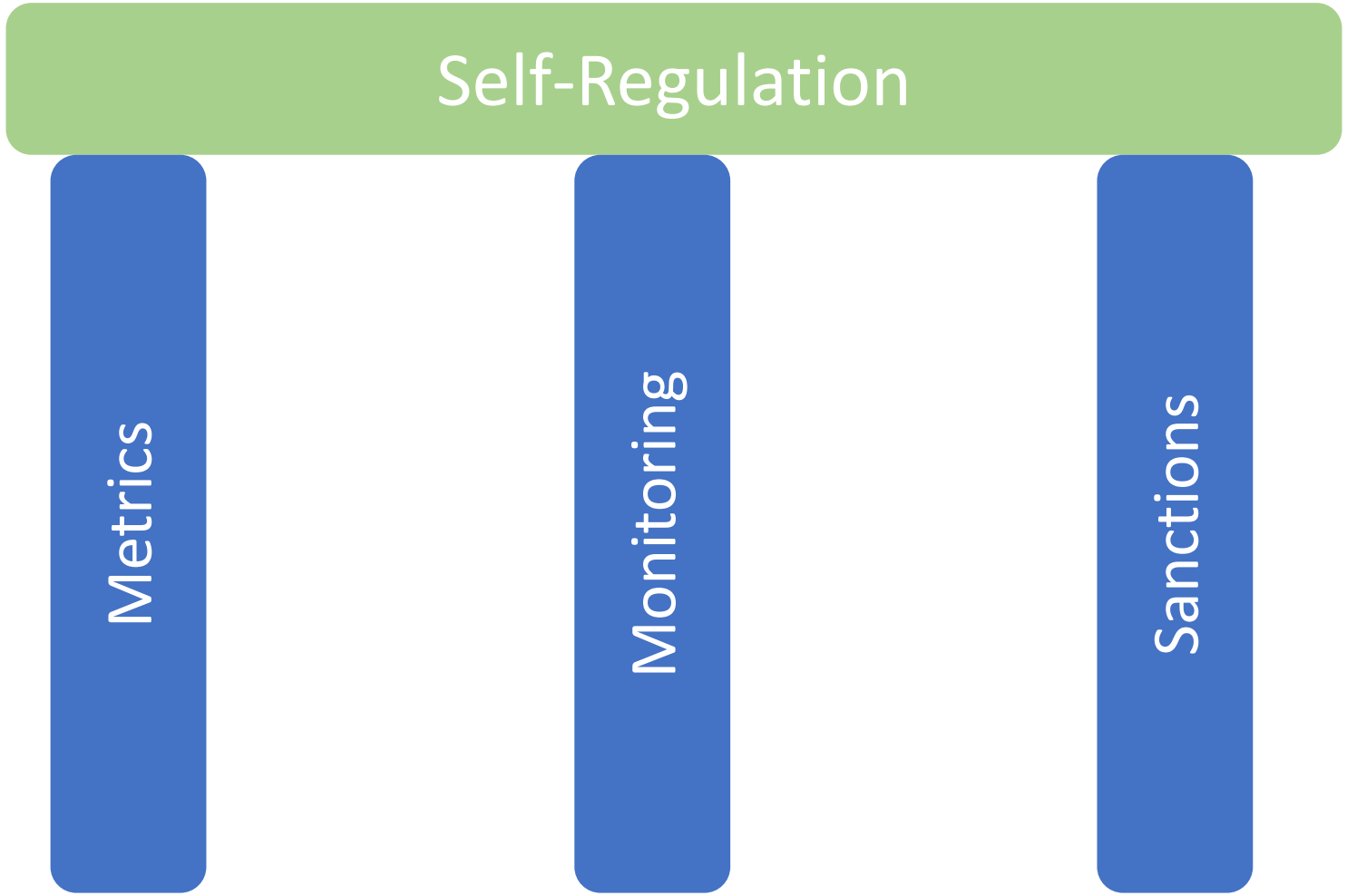
And in Cambodia, usually:

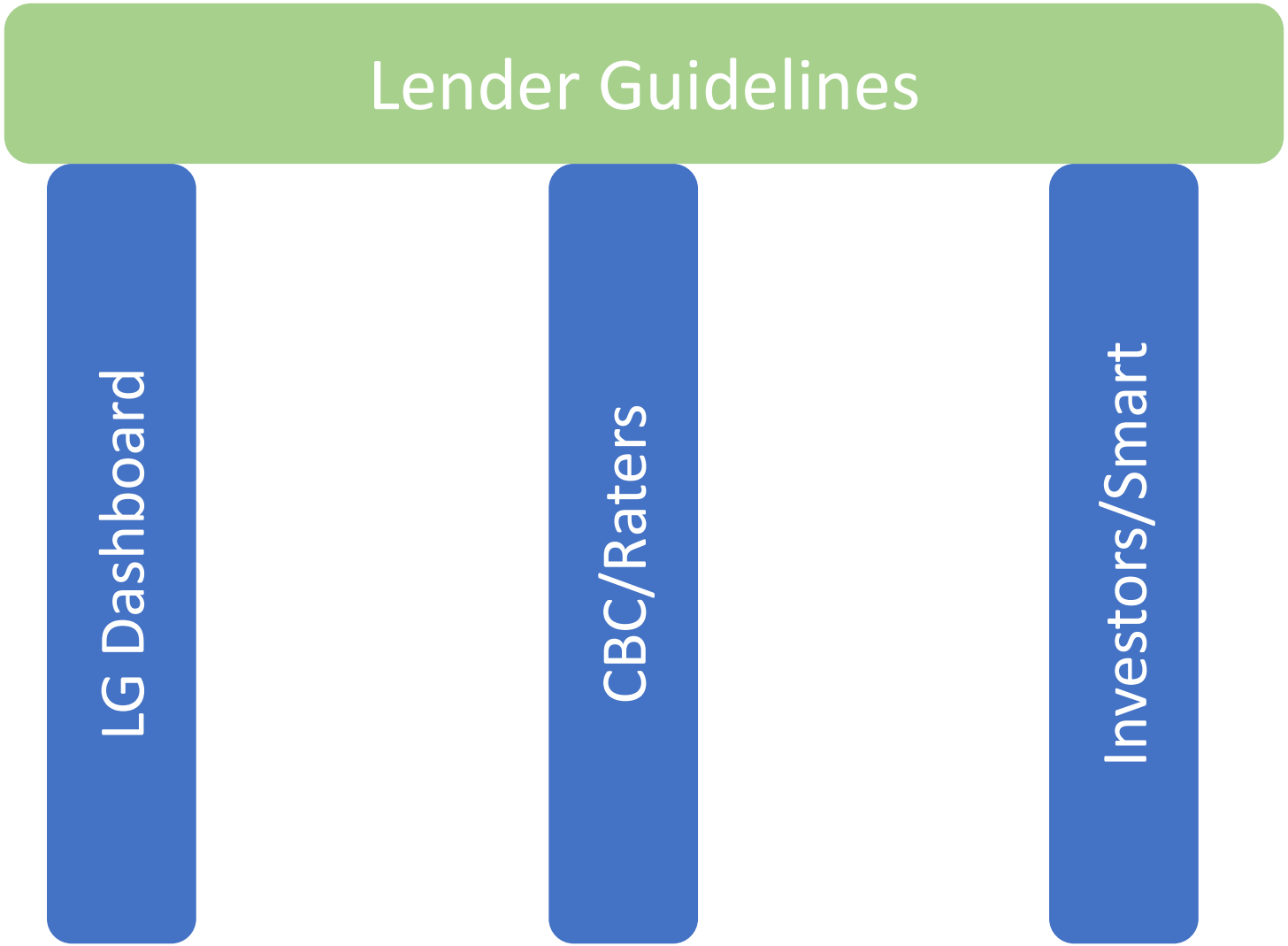
Lender 2 = Lender 1

41% of ALL disbursements were refinanced loans

(Jan 2018)

A new model for self-regulation


Self-Regulation
Metrics
Monitoring
Sanctions


Lender Guidelines
LG Dashboard
CBC/Raters
Investors/Smart

Oversight & Sanctions: Investors Smart Campaign

CBC

Lending Guidelines Monitoring Report

[redacted]

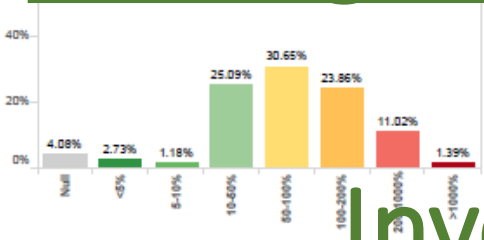
Members [redacted]

Reporting Month
March, 2018

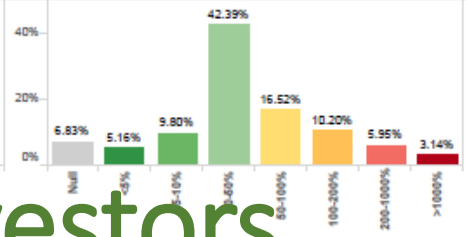
For disbursements in:
March, 2018

Multiple loan rule violation				Data Upload Violation (later than 5 bussiness days)			
Member		MFI Sector		Member		MFI	
Borrowers	Percent	Borrowers	Percent	New Acc	Close Acc	New Acc	Close Acc
195	2.01%	5,113	2.32%	92%	96%	19%	51%

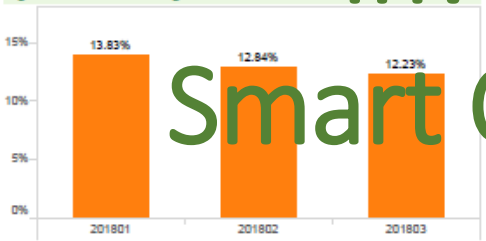
Loan - Income - Member



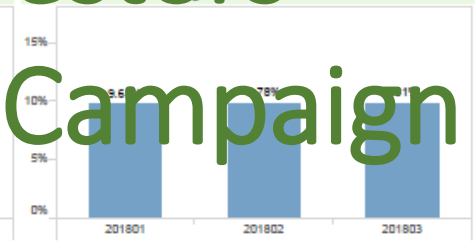
Loan - Income - MFI Sector



High Risk Loan with Change in Lender - Member



High Risk Loan with Change in Lender - MFI Sector



For High Risk Loans, all figures are expressed as percent of number of loans disbursed during the period.

Loan Risk Matrix by Member March, 2018

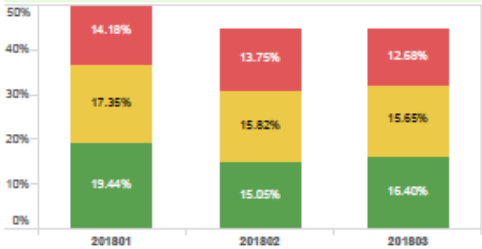
Time\Size	<110	>=110	>=120	>=140	>=160	>=180	>=200
1st Trimester	2.69%	0.76%	1.95%	1.87%	1.13%	0.60%	3.21%
2nd Trimester	4.38%	1.17%	2.70%	1.91%	2.01%	0.49%	5.37%
3rd Trimester	4.40%	0.39%	1.81%	1.56%	1.11%	0.35%	4.86%

High Risk Matrix
- High Risk
- Medium Risk
- Low Risk

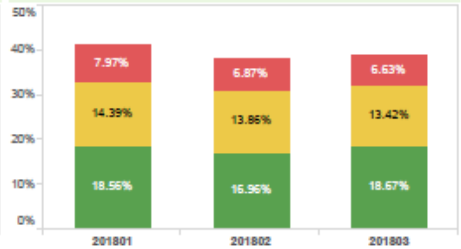
Time: In which period during the prior loan's term it was refinanced. Trimester=1/3rd of loan term.

Size: difference in original loan amount between new and prior loan (in %).

Loan Risk Matrix - Member



Loan Risk Matrix - MFI Sector



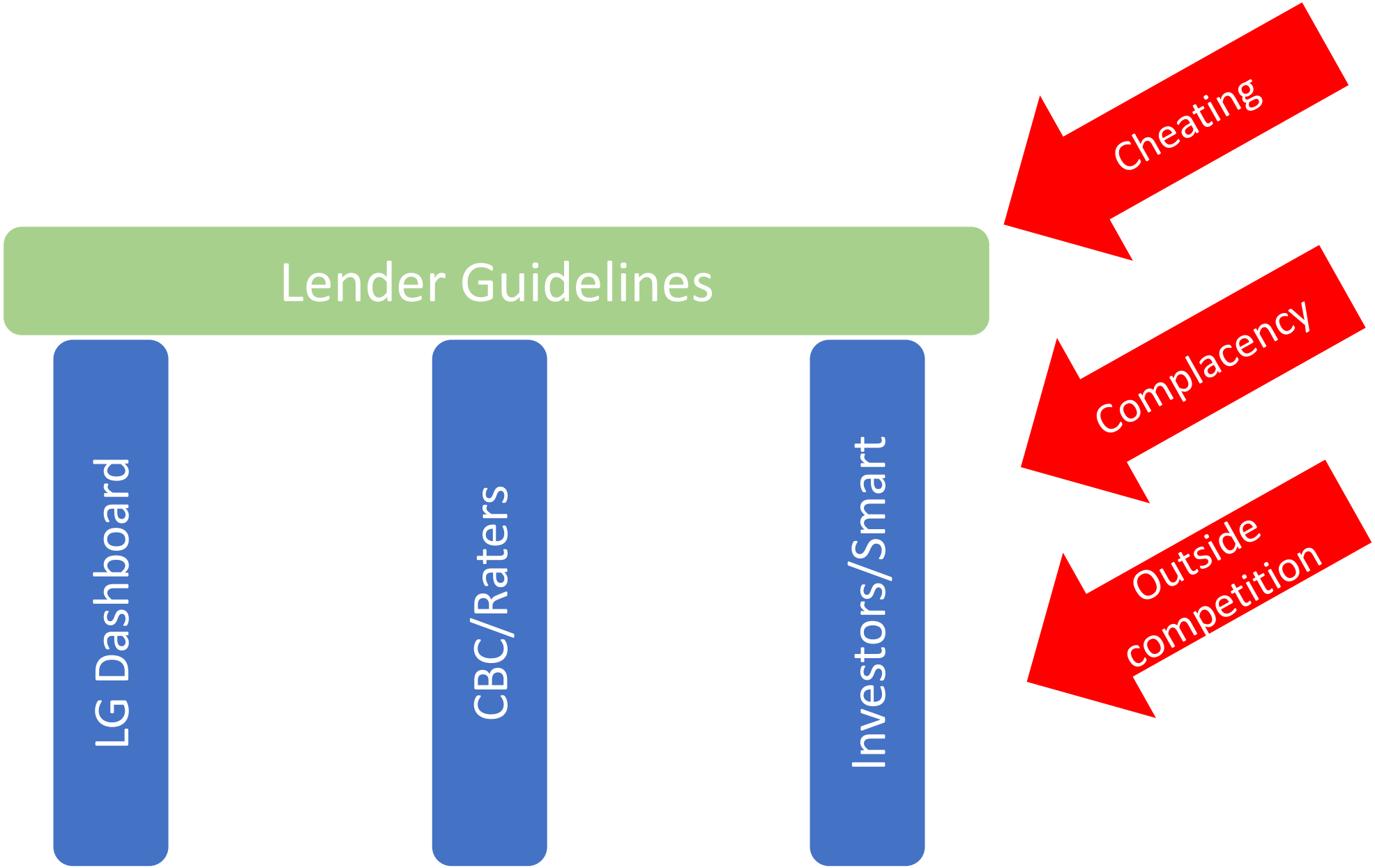
Colors correspond to sections in matrix above.

Monitoring:

CBC
CMA
Rating Agencies

Oversight & Sanctions:

Smart Campaign Investors


Lender Guidelines
LG Dashboard
CBC/Raters
Investors/Smart
Cheating
Complacency
Outside competition

Only one long-term solution:

Formal regulation

Thank you!