



Reaching New Heights Microfinance Summit 2007

Improved Access to Financial Services
Investor Presentation

November 30, 2007

GRET





Who are we ?

- A development NGO based in France, created in 1976
- Project Implementation / Short-term Expertise / Public Policy / Knowledge management
- Working experience in over 40 developing countries
- 90 employees in France and abroad
- Six thematic departments
- A Microfinance and Small Enterprise Department dedicated to Microfinance, Micro insurance and BDS
- www.gret.org to know more about us



Why invest in AMRET?

- Gret launched microfinance activities in Cambodia in 1992
- End of the 90's = transformation
 - Choice of a legal status that fits legal requirements and Amret business and organization model → Limited Company
 - Gret needed to show its commitment to Amret development towards donors, investors, lenders, NBC, etc.
 - Gret wanted to keep a major role in the MFI governance:
 - To maintain the vision/mission of the IMF
 - To participate actively in the definition and implementation of the strategy
 - To be able to assume its contractual responsibility towards the donor (technical assistance contract)
 - NBC agreed to provide a derogation regarding the responsibility of influential shareholder
 - Not so many investors interested at the time



Have GRET's objectives as an investor been realized (how has this been measured)?

Yes:

- Amret has developed while keeping its vision / mission as a common reference for all shareholders
- Amret has grown fast thanks to its capacity to attract new lenders and investors
- Amret has not met any governance problems so far
- Today, new investors are willing to join Amret



Will GRET continue to be an equity investor after 5 years What role in the further development of the MFI sector?

- Gret wishes to decrease its level of participation in Amret capital below 20% - to avoid the responsibility as an influential shareholder
- No exit deadline
- Gret will remain an active minority shareholder – to play an active role in maintaining Amret vision/mission and in defining Amret's strategy
- Improving the social performance of MFIs is one of the great challenges for the microfinance industry => Gret will contribute to promote social performance indicators and will support MFIs to improve their social performance
- This will be done in Cambodia if relevant



Perspectives of the MFI sector in Cambodia

- There are many large MFIs in Cambodia compared to some other countries, especially in some specific geographical areas
- All MFIs will not be able to sustain a strong growth (over 50%) as planned, even if the Cambodian GDP keeps on growing
- Mergers should certainly be considered
- Product diversification is a major challenge (savings, cash management etc.). MFIs may need to transform into banks if not allowed by regulation to offer a wider range of products
- If the MFI industry in Cambodia wants to increase its impact on development and its social performance, new partnerships with non-financial stakeholders may be needed to address new problems (access to employment, education, health, etc.)