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Cambodia Microfinance Association

ANNUAL REPORT 2024

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Acronyms

ABC	The Association of Banks in Cambodia
ADA	Appui au Développement Autonome
ADB	Asian Development Bank
AFD	Agence Française de Développement
AMC	Annual Microfinance Conference
AMS	Apsara Media Services
ARDB	Agricultural and Rural Development Bank
CAFT	Cambodia Association Fintech & Technology
CBC	Credit Bureau Cambodia
CEO	Chief Executive Officer
CGCC	Credit Guarantee Corporation of Cambodia
CMA	Cambodia Microfinance Association
CoC	Codes of Conduct
CPP	Client Protection Principle
e-MFP	European Microfinance Platform
FI	Financial Institution
FSP	Financial Service Provider
GDT	General Department of Taxation
IBF	Institute of Banking and Finance
IMF	International Monetary Fund
LG	Lending Guideline
M-CRIL	Micro-Credit Rating International Limited
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
MSME	Micro Small and Medium Enterprise
NBC	National Bank of Cambodia
OID	Over-indebtedness
PAR	Portfolio at Risk
PWO	Private Water Operator

RCI	Rural Credit Institution
SPTF	Social Performance Taskforce
USD	United States Dollars
WASH	Water and Sanitation
WCAD	Water Credit Adaption
YEAC	Young Entrepreneurs Association of Cambodia

Chairwoman's Message

With profound sense of pride and a strong shared purpose, I am delighted to present the CMA Annual Report for 2024. This year has been marked by significant progress and alongside enduring challenges, reflecting the dynamic nature of our sector and its vital role contribution to Cambodia's economic landscape.

We have witnessed the continued expansion of financial inclusion across the nation, empowering individuals, and small businesses with access to essential financial services. Our sector has demonstrated remarkable resilience, adapting to evolving market conditions and maintaining a steadfast commitment to responsible lending practices. We have seen advancements in digital financial services, enhancing efficiency and accessibility, and facilitating greater financial literacy among our clients.

However, we have also faced headwinds. The global economic uncertainties have impacted our clients' livelihoods, leading to increased vulnerabilities. We acknowledge the challenges posed by external economic shocks, resulting lower incomes, and rising living costs. These factors have placed pressure on both our institution members and, more importantly, on the individuals and families we serve.

The well-being of our clients remains our top priority. We acknowledge the difficulties they encounter in managing debt and maintaining financial stability. To address these challenges, our sector has strengthened client protection measures, enhanced a client complaint mechanism, and promoted financial literacy programs. Our dedication lies in fostering responsible financial practice and ensuring that microfinance serves as a tool for empowerment rather than a cause of excessive strain.

Despite the challenges, the microfinance sector continues to create significant opportunities. By providing access to credit, savings, and other financial products, we empower entrepreneurs to expand their businesses, enable farmers to invest in their livelihoods, and support families to improve their



living standards. The transformative power of microfinance is evident in fostering economic mobility and cultivating more resilient communities.

In 2024, the CMA and its members have actively pursued solutions to address the sector's challenges and support clients. We have strengthened our collaboration with regulatory bodies, development partners, and other stakeholders to promote a stable and sustainable microfinance environment. We have invested in technology and innovation to enhance operational efficiency and improve service delivery. We have also focused on capacity building, ensuring that our members are equipped with necessary knowledge and skills to navigate the evolving landscape.

Our commitment to strengthening the sector and improving financial literacy among clients and the public remained steadfast. We continued implementing key projects and programs both offline and online, including Community Safe Finance, financial literacy campaigns, and sector capacity building through Regional Workshops for Banking and Financial Institutions' Management and the Responsible Lending Program. We also maintained rigorous monitoring and updates to our self-regulation framework, encompassing the Standard Loan Contract, Standard Contractual Terms, the Banking and Financial Institutions' Code of Conduct, etc.

2024 witnessed the sector's loan portfolio growth to USD 5.16 billion,

up from USD 5.12 billion in 2023. This year also demonstrated increased depositor confidence, with deposits rising to USD 2.54 billion from USD 2.2 billion. Microfinance institutions channeled loans into key economic sectors, including households (32.8%), agriculture (20.8%), trade and commerce (20.1%), services (11.8%), construction (6.7%), transportation (2.7%), manufacturing (2.7%), and other sectors (2.4%). This distribution underscores the sector's significant contribution to the Cambodian economy.

As we move forward, the CMA remains committed to its mission of fostering a responsible and inclusive microfinance

sector. We will continue to prioritize client protection, promote financial literacy, and advocate for policies that support sustainable growth. We will embrace innovation and leverage technology to enhance our services and expand our reach.

I extend my sincere gratitude to our members, partners, and stakeholders for their unwavering support and dedication. Together, we will continue to empower Cambodians and contribute to the nation's prosperity.

Warmest Gratitude

DITH Nita



Chairwoman of the Board of Directors

Secretary General's Message

This year has been marked by both significant progress and persistent challenges, demanding our unwavering commitment to the sector's sustainable growth.

We acknowledge the ongoing challenges facing the microfinance sector, including the impact of global economic fluctuations and evolving regulatory landscapes. We have actively engaged in addressing these issues through collaborative efforts with regulatory bodies, development partners, and our member institutions. Our focus has been on fostering a stable and resilient environment that safeguards both institutions and their clients.

The successful implementation of CMA's Annual Operation Plan (AOP) has been a key focus this year. We have worked diligently to ensure that our activities align with the strategic objectives of the CMA, driving progress towards our shared goals.

In 2024, the CMA Secretariat has played a pivotal role in facilitating sectoral efforts and initiatives. We have organized numerous meetings and dialogues with multi-stakeholders, fostering open communication and collaborative problem-solving. We have also overseen the development and implementation of self-regulatory frameworks, ensuring adherence to best practices and ethical standards. Furthermore, we have prioritized the human development of the CMA, strengthening our internal capacity to better serve our members.

To ensure the sustainability of our operations and enhance the value we provide to our members, we have actively pursued income generation activities, including the development and delivery of both specialized and customized training courses. These courses have not only generated revenue but have also contributed to the professional development of our members. Furthermore, we have conducted a wide range of workshops, seminars, programs, and projects to support key sector objectives aimed at accessing formal financial services, improving financial inclusion, and raising financial literacy awareness. These initiatives include but not limited to:



Improving Financial Literacy: We have implemented comprehensive financial literacy programs including Safe Finance Project in the Community targeting people in the community, the general public and microfinance clients, empowering them with the knowledge and skills to make informed financial decisions.

Enhancing Human Resource Capacity: Through BFIs' CEO and Board of Directors/Shareholder Training on Client Protection, regional workshops for Branch Managers and short-course training programs, we have strengthened the capacity of the sector's human resources, equipping them with the tools needed to excel in their roles. We have developed an online resource hub, providing members with easy access to valuable information and resources.

Promoting sector image: We have created video promotions to clarify and promote the roles of Credit Officers, ensuring clarity and professionalism in client interactions, and case study videos showcasing BFIs' clients who improved their living standard through using microfinance loans with the intended purposes. Ultimately, this will improve the financial literacy among BFIs' clients and the public.

Providing Capacity Development for Members and the Sector: We have delivered tailored capacity development programs to address the specific needs of our members and the broader sector.

This year has also witnessed a vital role of the CMA Secretariate in supporting the update and implementation of the sector's self-regulations such as Standard Loan Contract and Standard Contractual Terms, Banking and Financial Institutions' Code of Conduct, Lending Guideline, etc, which overall help promote the responsible and inclusive growth of the sector.

We actively monitored the implementation and updated the Standard Loan Contract (SLC) to ensure its continued effectiveness. Additionally, we provided support for the National Bank of Cambodia's (NBC) Prakas on Loan Restructuring, aiming to alleviate the financial burden on clients of Banking and Financial Institutions (BFIs) experiencing hardship.

As we move forward, the Secretariate remains committed to its mission of fostering a responsible and sustainable microfinance sector. We will continue to prioritize collaboration, innovation, and capacity building to ensure that our members and clients thrive.

I extend my sincere gratitude to our BoD members, partners, and stakeholders for their continued support and collaboration.

Warmest gratitude

CHHORN Vatanak



Secretary General

CAMBODIA ECONOMY 2024

STEADY GROWTH AMID GLOBAL UNCERTAINTY

Despite persistent geopolitical tensions, divisions, and the ongoing Russia-Ukraine war, the global economy has maintained a growth rate comparable to the previous year. According to the International Monetary Fund (IMF), global economic growth is projected to reach 3.2% in 2024. This growth is expected to be driven by developed economies, expanding by 1.7%, emerging and developing economies growing by 4.2%, and ASEAN economies growing by 4.6%. Global inflation has moderated from 6.7% in 2023 to 5.7%, allowing many central banks to gradually begin reducing interest rates.

The Cambodian economy is projected to achieve robust growth of 6% in 2024 (National Bank of Cambodia - NBC), up from 5% in 2023. This growth is primarily attributed to the strong performance of the manufacturing sector and the continued expansion of the tourism industry. The agricultural sector also continues to show positive progress, with increased production of rice, rubber, and fisheries. Conversely, the construction and real estate sectors experienced slower growth due to declining demand and ongoing property price corrections.

Cambodia's balance of payments is estimated to have a surplus of US\$432.5 million, largely due to an increase in net foreign liabilities within financial accounts, despite decreases in current account and capital surpluses. Foreign exchange reserve increased by 12.6% to US\$22.5 billion, equivalent to approximately seven months of import coverage for goods and services, exceeding the minimum recommended level for developing countries (three months).

Inflation remained low at 0.8%, the lowest in over a decade, driven by falling fuel prices, moderated food prices, and reduced core inflation. This price stability has significantly contributed to exchange rate stability, with

the average exchange rate at 4,071 riel per US dollar. While the NBC projects 6% growth, the IMF offers a slightly different perspective. The IMF forecasts Cambodia's economy to continue its recovery, albeit at a moderate pace, with real GDP growth projected at 5.5% in 2024 and 5.8% in 2025. The IMF expects inflation to rise from 0.5% in 2024 to 2% in 2025, remaining contained. However, the IMF highlights that downside risks persist, stemming from both external factors and domestic vulnerabilities, including policy changes by major trading partners, geoeconomic fragmentation, and the ongoing weakness in the construction and real estate sectors.

The IMF projects the fiscal deficit to be 2.4% of GDP in 2025, down from 3% in 2024, with a gradual fiscal consolidation anticipated in the medium-term fiscal framework. Public debt remains well-contained, staying below 30% of GDP over the next decade. The current account balance is projected to shift to a deficit of 1.8% of GDP in 2024, as strong import demand outpaces the recovery in exports and tourism. This deficit is expected to widen slightly to 2.5% of GDP in 2025, as export growth moderates.

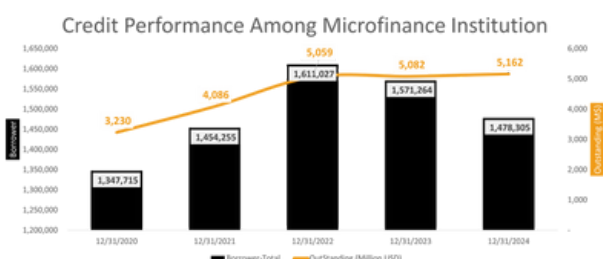
Overall, Cambodia's macroeconomic situation demonstrates good stability, evidenced by the continued recovery of economic growth, low inflation, and exchange rate stability. Cambodia's balance of payments remains in surplus, and the foreign exchange reserve is maintained at a healthy level."

Source: *The National Bank of Cambodia (NBC), and International Monetary Fund (IMF)*

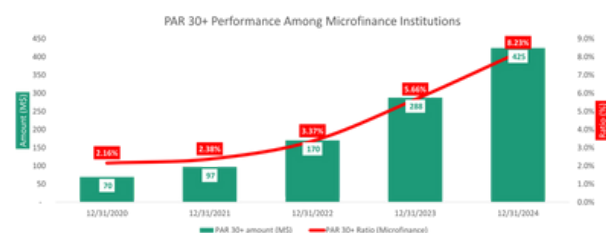
OVERVIEW AND PERFORMANCE OF THE MICROFINANCE SECTOR

The microfinance sector in Cambodia has evolved significantly over the past decade, becoming an essential component of the country's financial landscape. As of 2024, the sector is marked by a slight decline in the number of borrowers while witnessing a modest increase in total loan outstanding.

As of December 2024, the total number of microfinance borrowers in Cambodia has decreased to approximately 1,478,305, down from 1,571,264 in December 2023. This decline in borrower numbers indicates potential challenges in reaching new clients or retaining existing ones amid changing economic conditions. Conversely, the total loan outstanding in the sector has increased from \$5.082 billion in December 2023 to \$5.162 billion in December 2024. This growth suggests that while fewer individuals are accessing microfinance services, those who do are likely seeking larger loans, reflecting changing financial needs and possibly a strategic shift toward more significant investments.

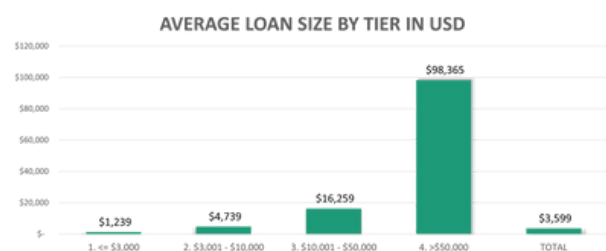


The increase in the Portfolio at Risk 30+ (PAR 30+) ratio in Cambodia's microfinance sector, which rose to 8.2% in December 2024 from 5.7% the previous year, is largely attributed to the ongoing economic downturn and the prolonged war between Russia and Ukraine. These factors have created significant financial strain for borrowers, resulting in increased repayment difficulties as job losses and inflationary pressures take their toll. In response to these challenges, the National Bank of Cambodia (NBC) issued a loan restructuring circular aimed at providing guidance and support to microfinance institutions (MFIs) in managing borrowers facing repayment difficulties.

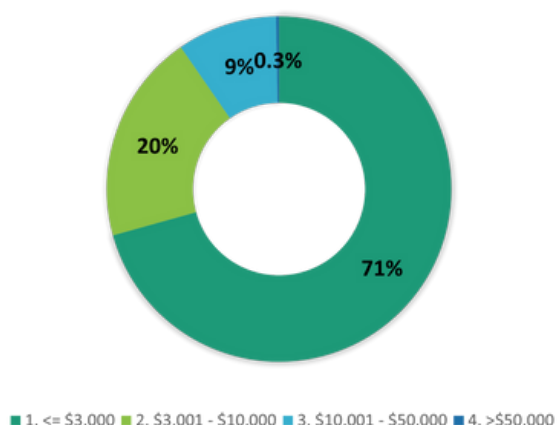


This circular encourages institutions to adopt flexible repayment terms and to consider the economic circumstances of borrowers, thereby facilitating a more supportive environment for those in distress. Additionally, the ABC and the CMA have issued statements outlining measures to support clients during these difficult times, emphasizing the importance of collaboration among stakeholders. The proactive approach of the NBC, along with the support from the two associations, plays a critical role in stabilizing the sector by ensuring that borrowers have access to options that can help them manage their debts more effectively.

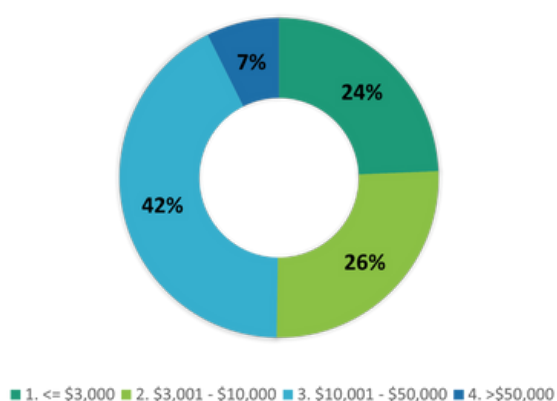
The microfinance sector in Cambodia is marked by a strong emphasis on small loan amounts. As of December 2024, data from Credit Bureau Cambodia (CBC) shows that an impressive 71% of microfinance borrowers are choosing loans of \$3,000 or less. This trend reflects the reliance of a significant portion of the population on smaller financial products. However, despite the high percentage of borrowers engaging with these smaller amounts, they account for only 24% of the total loan portfolio. This indicates that the average loan amount for these borrowers is \$1,239, which is three times lower than the overall sector average of \$3,599.



LOAN TIER IN % - ACCOUNT DISTRIBUTION



LOAN TIER IN % - OUTSTANDING BALANCE DISTRIBUTION



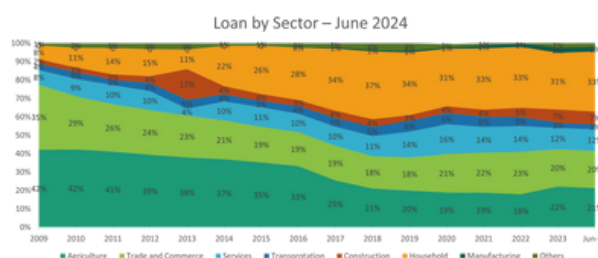
The overwhelming majority of microfinance borrowers are obtaining smaller loans without real estate as collateral, which indicates a different trend than the critics suggest - about 83% of borrowers opting for loans of \$3,000 or less. Instead of a shift toward more significant collateral requirements, the data highlights a preference and necessity among borrowers for small, unsecured loans that support their immediate financial needs. This indicates a substantial reliance on modest financial products among the microfinance clientele.

There is a significant shift in the distribution of loans across various sectors in Cambodia from 2009 to June 2024. Notably, the agriculture sector has experienced a decline from 42% in 2009 to 21% in 2024, indicating a reduction in reliance on agricultural financing. The decrease in agricultural loans raises concerns about the sustainability of the agricultural sector in Cambodia. As farmers may be facing challenges such as climate

change, fluctuating commodity prices, and increased competition, the drop in agricultural financing could adversely impact food security and rural economies.

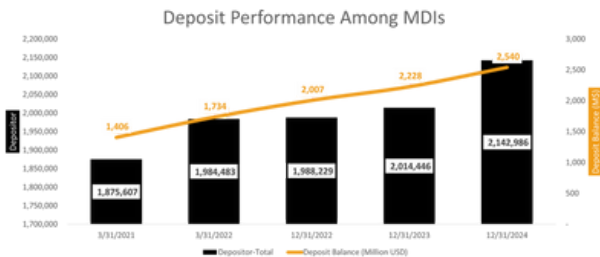
The trade and commerce sectors have shown a gradual decrease over the years, moving from 35% in 2009 to 20%. While it remains a significant portion of the loan portfolio, the decline suggests a degree of stabilization or saturation in lending within this sector. Conversely, the services sector has seen a steady increase from 8% to 12%, highlighting a growing demand for financial support in areas like retail and hospitality. The construction sector has also gained traction, rising from 2% to 7%, likely due to increased investment in infrastructure.

One of the most striking changes is seen in the household sector, which surged from 8% in 2009 to an impressive 33% by June 2024. This substantial increase indicates a growing reliance on microfinance for personal financial needs, which may encompass household expenditures, education, healthcare, and consumption. The emphasis on household loans may signal a shift towards personal debt, potentially leading to financial distress if not managed carefully. These trends underscore the importance for microfinance institutions and policymakers to adapt their strategies, ensuring that financial products remain accessible and tailored to the diverse needs of individual households.



The number of depositors has shown an incremental increase, growing from about 1.17 million in March 2020 to approximately 2.14 million by December 2024. Simultaneously, the total deposit balance has exhibited robust growth, rising from around \$1.77 billion to \$2.54 billion during the same period. This upward trend in both metrics indicates increasing public confidence in microfinance institutions as vital financial intermediaries.

The steady rise in depositors reflects a growing trend of financial inclusion, as more individuals and families seek to secure their savings and access financial services through microfinance platforms.



billion during the same period. This upward trend in both metrics indicates increasing public confidence in microfinance institutions as vital financial intermediaries. The steady rise in depositors reflects a growing trend of financial inclusion, as more individuals and families seek to secure their savings and access financial services through microfinance platforms.

Despite the microfinance sector's overall positive trajectory, several challenges remain. The decline in the

number of borrowers raises concerns about accessibility and the effectiveness of outreach strategies. The rising PAR ratio 30+ is a significant concern that warrants attention. Economic fluctuations can disproportionately impact vulnerable borrowers, increasing the risk of default. MFIs must prioritize effective risk management strategies, closely monitoring loan performance, and implementing supportive measures for borrowers at risk of defaulting.

In conclusion, while the microfinance sector has made significant strides in fostering financial inclusion and supporting economic development, ongoing efforts are needed to address the challenges ahead. By promoting responsible lending practices, enhancing financial literacy, and embracing technology, the microfinance sector can solidify its role as a vital component of Cambodia's financial ecosystem, contributing to sustainable economic growth and improved livelihoods for its citizens.

MICROFINANCE INSIGHTS

Loan Outstanding

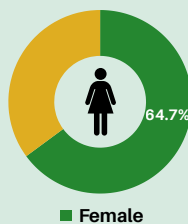


5.16
Billion USD

Borrowers



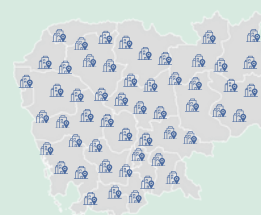
1.48
Million



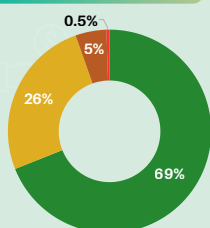
Offices



914
Offices

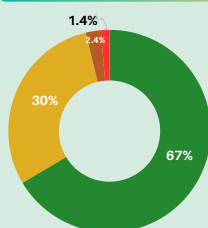


Share of Loan Outstanding



■ MDI ■ MFI ■ Leasing ■ RCI

Share of Borrower

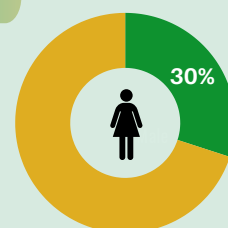


■ MDI ■ MFI ■ Leasing ■ RCI

Staff



21,213
Staff



■ Female

Deposit Balance

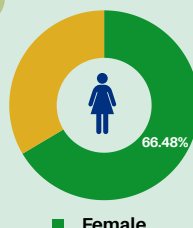


2.54
Billion USD

Depositors



2.14
Million



■ Female



PAR 30+
8.2%



Loan Restructure
6.4%

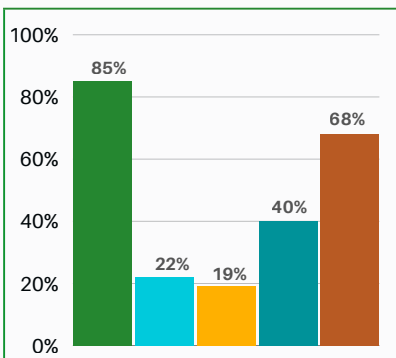


Loan Write-Off (within Q4)
1.7%

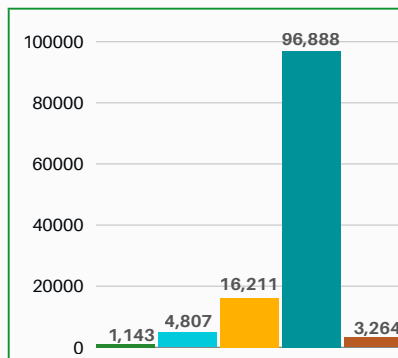
MICROFINANCE LOAN TIERS

■ T1. ≤ \$3,000 ■ T2. \$3,001 - \$10,000 ■ T3. \$10,001 - \$50,000 ■ T4. > \$50,000 ■ Total

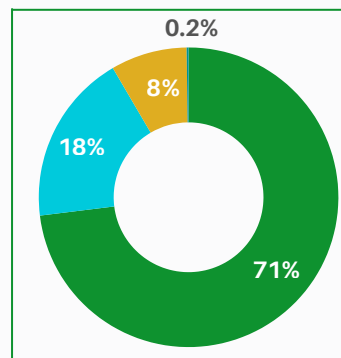
Loan Tiers in % - Without Real Estate Collateral Distribution



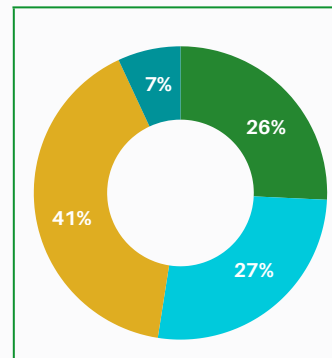
Average Loan Size by Tier in USD



Loan Tiers in % - Account Distribution



Loan Tiers in % - Outstanding Balance Distribution



* The data does not include banks



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 transform CMA into an agile organization that effectively preserves the sustainability of Cambodia's microfinance sector, the management team, under the Board of Directors' leadership, recognizes the importance of establishing the core values for the association. These core values are as follows.



- **Partnership**
Enhancing sustainable partnership with investors, donors & networks to deliver ending values for members and the sector.
- **Accountability**
Taking responsible actions for members and partners.
- **Relevance**
Aligning with emerging trends and adopting measurable solutions to benefit members and the sector.
- **Collaboration**
Committing to work together in a collaborative spirit towards the shared vision to achieve the best Interests of the sector.
- **Innovation**
Empowering creativity to develop immediate and long-term innovative solution for the sustainable development of the microfinance sector.
- **Responsiveness**
Taking proactive and responsive actions to deliver timely services to members and the sector.

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 2024 HIGHLIGHTS

STRATEGIC OBJECTIVE 1:

**STRENGTHENING THE RESILIENCE AND SUSTAINABILITY
OF MEMBERS AND MICROFINANCE SECTOR**



STRATEGIC OBJECTIVE 1: STRENGTHENING THE RESILIENCE AND SUSTAINABILITY OF MEMBERS AND MICROFINANCE SECTOR

I. DEVELOP AND MAINTAIN SECTOR SELF-REGULATIONS

► Develop and Enhance Sector Code, Standards, Guidelines

1 Guideline for CO Ethic for Bank and Financial Institutions

In 2024, a new code of conduct was developed with several key objectives for the financial sector. Its primary goals are to enhance the ethics, dignity, quality, and efficiency of credit officers and to safeguard customers and users of financial services, thereby fostering continued trust in the banking and financial industry. The code also seeks to reduce marketing and competition practices that are non-transparent, unethical, or unprofessional, which can negatively impact the financial sector. Ultimately, this initiative represents a collective commitment from banking and financial institutions in Cambodia to elevate the overall performance standards of credit service officers.

This comprehensive guideline outlines six core principles that govern the role of credit officers. These principles include: treating clients with respect and avoiding harassment, upholding integrity and honesty, maintaining confidentiality and privacy of client information, ensuring fairness and non-discrimination in all interactions, adhering to compliance with all applicable laws and regulations, and committing to continuing education and professional development.

2 Standard Loan Contract and Enforce the Practice

Standard Loan Contract (SLC), which was initiated by the National Bank of Cambodia (NBC), was developed by requested CMA and ABC with an aim to promote transparency and consumer protection in the banking and financial sector. Full implementation was achieved by November 1, 2023. Following this, the association conducted a survey to monitor the implementation process and identify challenges faced by the banking and financial sectors. The survey results revealed that 90% of responding BFIs have fully adopted both the Standard Loan Contract and the Standard Contractual Terms, while about 5% have yet to implement them.

Challenges in implementing the Standard Loan Contract include difficulties in outlining all necessary conditions for loans under USD 50K. Additionally, the Annex of SLC is too restrictive for loan drawdowns, highlighting the need for a more flexible approach to pre- and post-terms.



Certain conditions, like post-disbursement requirements and modes of release, also cannot be included in the standard loan contract, which complicates comprehensive implementation.

Based on the survey findings, the secretariat office of the ABC and CMA is collaborating closely with the Standard Loan Contract Working Group and a law firm to revise the Standard Loan Contract, ensuring that all members can apply it effectively. The updated Standard Loan Contract is expected to be completed by end of Q1 2025.

3 Lending Guideline (LG)

The Lending Guidelines is a self-regulation, developed by CMA and ABC, with objectives to thoroughly and accurately assess the borrowing capacity of clients, to monitor aggregate and institutional-level exposure to systemic risks and to reduce the incidence of multiple-indebtedness and rapid increases in household debt, both important causes of over-indebtedness and eventual delinquency. The Guidelines include the three key components below: Multiple loan rule, Data upload and Refinancing Rule. Regarding multiple loans, both ABC and CMA members successfully maintained average percentages below the 2% threshold, indicating effective monitoring of such practices.

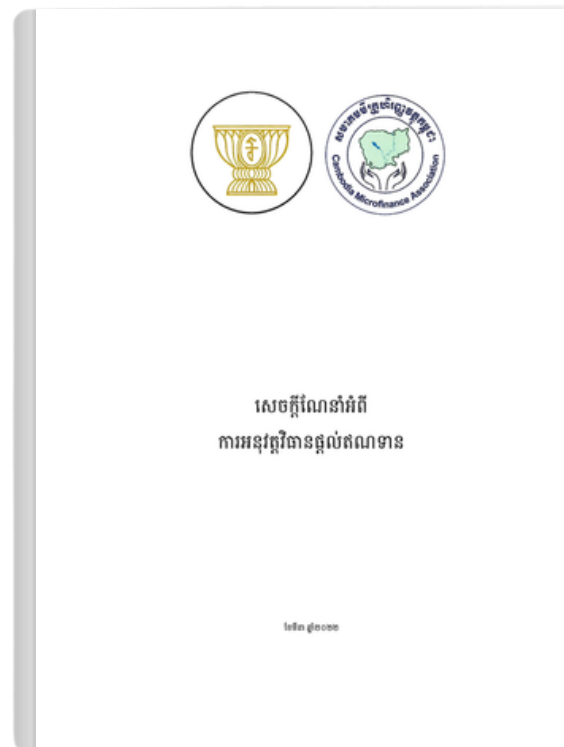
The noncompliance on the data upload showed a declining trend, particularly among ABC members. Despite some improvements in data uploads, these

efforts are insufficient, highlighting the sector's need for enhanced adherence to data upload requirements to ensure transparency and accuracy in reporting.

In the Refinance Red Zone, both organizations consistently remained below the 5% threshold, demonstrating their commitment to managing high-risk lending effectively.

As the financial sector in Cambodia continues to evolve, the ABC and the CMA recognize the necessity of conducting research to refine the Lending Guidelines in 2025. Despite the guidelines' initial success, challenges such as rising loan sizes, extended loan terms, and practices like loan restructuring and evergreen loans have emerged, raising concerns about responsible lending. Increasing reports of over-indebtedness further underline the need for regulatory oversight.

To address these issues, the upcoming research aims to evaluate the effectiveness of the current guidelines, identify emerging risks, gather stakeholder insights, and propose necessary refinements or new regulations. This proactive approach will ensure that the Lending Guidelines remain relevant and effective in fostering a sustainable financial environment that protects consumers while supporting the growth of the financial sector in Cambodia. By refining these guidelines, ABC and CMA can safeguard the interests of borrowers and enhance the overall health of the banking and financial system.



4 Sectoral Financial Incentive Framework

The banking and financial sector plays a vital role in supporting economic growth in Cambodia by providing accessible and effective financial solutions to meet the diverse needs of its population. However, the current incentive structures may contribute to irresponsible lending practices, leading to excessive credit that harms borrowers and poses systemic risks to the financial sector and the economy as a whole. To address this issue, it is essential to establish an Incentive Management Framework that promotes responsible lending behaviors while maintaining high ethical standards. By aligning incentives with sustainable practices, we can mitigate potential risks and foster a healthier financial environment that supports both borrowers and the broader economy.

The framework aims to create a structured and motivational system that rewards performance while promoting sustainable, ethical, and responsible lending practices. This framework provides high-level guidance for Banks and Financial Institutions (BFIs) to develop incentive policies that not only achieve sales targets but also maintain loan quality, adhere to regulations, and foster long-term customer relationships.

The framework had been developed by the CMA and the ABC and being review for endorsement by the National Bank of Cambodia and expected to be endorsed by Q1 2025.

5 Microfinance Operation Loan

The microfinance industry in Cambodia has experienced rapid growth over the past two decades, serving as a vital mechanism for promoting financial inclusion and supporting economic development. Microfinance has become a critical tool for expanding access to credit, particularly for underserved populations, including low-income individuals, small businesses, and rural communities. In recent years, many large microfinance deposit-taking institutions (MDIs) and microfinance institutions (MFIs) have successfully transformed into licensed commercial banks. This transformation reflects a broader trend in the microfinance sector, where institutions continue to evolve to offer a wider range of micro loan services. As a result, microfinance operations remain relevant regardless of the legal status of banking and financial institutions (BFIs).

The definition of the microfinance operation loans helps association to establishes standardized criteria, ensuring consistency across institutions and helping borrowers better understand their options and rights. This specific definition allows institutions to effectively target underserved populations, tailoring financial products to meet the unique needs of low-income individuals and small businesses. Additionally, a well-defined framework facilitates better risk assessment and management related to lending to lower-income borrowers, which is vital for developing appropriate lending practices. These clear definitions also aid in regulatory compliance, promoting responsible lending and consumer protection. Furthermore, they also help to enable accurate measurement of key performance indicators, such as loan disbursement rates and portfolio quality, which are essential for evaluating the impact of microfinance on financial inclusion. Finally, a clear definition serves as a guide for policymakers in developing effective strategies to enhance financial inclusion and support the microfinance sector.

Micro loan proposal has been developed and discussed amongst CMA board, FI committee of ABC and ABC Council. Currently, the micro loan definition is being reviewed by the National Bank of Cambodia and expected to have the full endorsement from the NBC in early of 2025.

II. ENHANCE CONSUMER PROTECTION, ACCOUNTABILITY, AND PROFESSIONAL PRACTICES AMONG CMA MEMBERS AND SECTOR

► Promote the Ethical Practice of the Credit Officer, Branch Managers, Management/Boards & Shareholders of the Members

1 Stakeholders Workshop on “Strengthening Responsible Inclusive Finance in Cambodia”



- To identify strategies and actionable recommendations for tackle those risks and issue to strengthening responsible inclusive finance in Cambodia.
- To develop action plan to address concern/challenges on micro-loan concerns in the banking sector.

2 District-Level Microfinance Workshop in Ratanakiri Province

On December 24, 2024, a district-level workshop was held, co-organized by the CMA and the ABC, with support from the National Bank of Cambodia and the Ratanakiri Provincial Administration. The event was chaired by His Excellency Ngin Nel, Deputy Governor of the Ratanakiri Provincial Governor.

The workshop aimed to achieve the following objectives:

- To share the latest developments and trends in formal banking and financial services.

The Stakeholders Workshop on “Strengthening Responsible Inclusive Finance in Cambodia” have been jointly developed by the CMA and ABC on 29th January 2024 at the Center for Banking Study.

The main objectives of the stakeholder’s workshop on “Strengthening Responsible Inclusive Finance in Cambodia” are to:

- To facilitate dialogue and exchange of the participant’s views, perspective as a financial practitioner on the current risks and issues in the current context.



- To increase awareness among citizens and local authorities, particularly in Lumphat and Kon Mom districts, about the advantages of utilizing formal financial services.
- To discuss and explore solutions for strengthening responsible lending practices.
- To engage in efforts to prevent informal lending.

3 Regional Workshops for Branch Manager

In our ongoing commitment to enhance the qualifications and productivity of branch managers, the CMA cooperated with the ABC organized a series of four workshops, engaging 490 participants, including 22 women, in Siem Reap, Battambang, Phnom Penh, and Ratanakiri provinces.

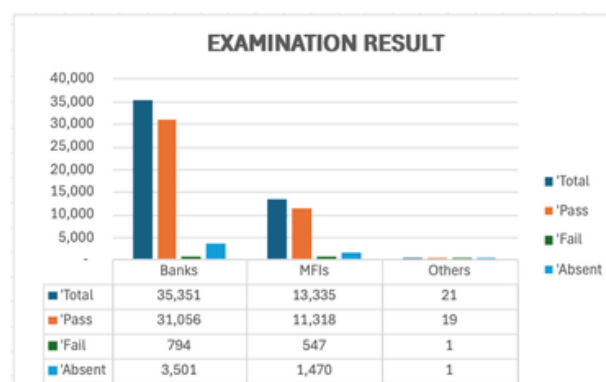
These workshops aimed to improve efficiency, offer specialized support, facilitate networking, and discuss ethical regulations regarding financial transactions in Cambodia. Participants reported applying the knowledge gained, resulting in positive work outcomes. The workshops successfully enhanced qualifications, fostered collaboration, and encouraged meaningful discussions about ethical financial practices. The CMA remains dedicated to the professional development of our members and is committed to strengthening the microfinance sector in Cambodia.



4 Responsible Lending Certification and Enforce Practices



The Responsible Lending Certification (RLC) program, initiated by the ABC and the CMA in collaboration with the Institute of Banking and Finance (IBF), enhances the competencies of credit-related staff in responsible lending, ethical decision-making, and risk management. Over three years, the program has strengthened the integrity and sustainability of the microfinance sector through comprehensive certification, training workshops, and consumer awareness campaigns. As of 2024, the program's registration summary includes 48,164 participants from banks and MFIs, with 35,351 passing the certification exam. This initiative aims to create a more ethical and sustainable microfinance ecosystem that benefits both borrowers and financial institutions.



5 Financial Consumer Protection Webinar with IFC

In 2024, the Cambodia Microfinance Association (CMA) and the International Finance Corporation (IFC) hosted a webinar titled "Good Collection Practices in Micro and Retail Lending: Balancing Business Goals with Integrity."

With nearly 100 participants from various CMA member institutions, the event emphasized the importance of treating borrowers as partners and highlighted trust and ethical practices as vital for sustainable growth in Cambodia's financial sector.

The webinar aimed to raise awareness of ethical practices, promote consumer protection, and encourage responsible lending strategies that support borrowers' long-term well-being. Key topics included the role of collections, integrity-driven standards, practical implementation strategies, and case studies of successful approaches.

Chaired by Mr. SOK Voeun, CMA Vice Chairman, and featuring insights from Mr. Jinchang Lai of the IFC and keynote speaker Ms. Pauline Tee, the strong turnout underscored the sector's commitment to ethics and proactive consumer protection. The event called stakeholders in microfinance and retail lending to adopt a collaborative, integrity-focused approach for the benefit of borrowers and Cambodia's economy.



► Promote Good Governance and Practice among BFIs in Compliance with Laws, Policies, Regulations, Codes, and Guidelines of the Sector and Regulators

1 Harmonization of COC and CP Pathway

The harmonization process have been started in early 2023 and have fully completed in 2024. The objective of this harmonization is to align the principles of the Code of

Conduct with international client protection standards by establishing a unified framework for accountability and ethical practices throughout the sector, while also improving transparency and trust.

The assessment is necessary because it will provide a clear evaluation of these institutions' adherence to the Cambodia Code of Conduct and the International client protection standards, thereby demonstrating their commitment to ethical practices and accountability.

This assessment will create a significant impact on the overall sector and encourage positive changes that benefit both lenders and clients alike.

Require all 30 BFIs to conduct the assessment first and follow by the rest. The final report for the assessments of these 30 BFIs is expected to be ready by the beginning of Q3 2025.

► Manage and Respond to Complaints of the Clients

1 The Financial Consumer Center

The need to establish the Financial Consumer Centre (FCC) arises from the rapid growth and transformation of the microfinance and retail finance sector in Cambodia, which has not been matched by adequate consumer protection measures. Concerns about the conduct of micro and retail lending institutions have been highlighted by various unfavorable reports from NGOs and international development institutions. These issues have led to a lack of trust in the industry and raised alarms about consumer rights and protections. The establishment of the FCC aims to strengthen consumer protection standards, enhance trust in financial institutions, and provide a dedicated agency to address consumer complaints effectively.

The establishment of a Financial Consumer Center (FCC) in Cambodia was lead and support by the IFC which aim to improve the level of Financial Consumer Protection in Cambodia. This includes undertaking consumer education and awareness activities, managing a call center for consumer inquiries and complaints, and

initiating support for a future Debt Counseling Service.

The Complaint Center is in the process of being developed and is anticipated to be finished by the first quarter of 2025. This center will serve as a key resource for consumers to voice their concerns and seek assistance. Concurrently, debt counseling initiatives are being discussed and developing good progress with the supported from various stakeholders such as the UN Agency, NBC, professional associations, development partners, and investors. These collaborations aim to provide effective guidance to individuals facing debt challenges. Once the Complaint Center and the debt counseling services are established, efforts will shift to developing a financial literacy component. This component will focus on educating consumers about financial management, helping them make informed decisions about their finances.

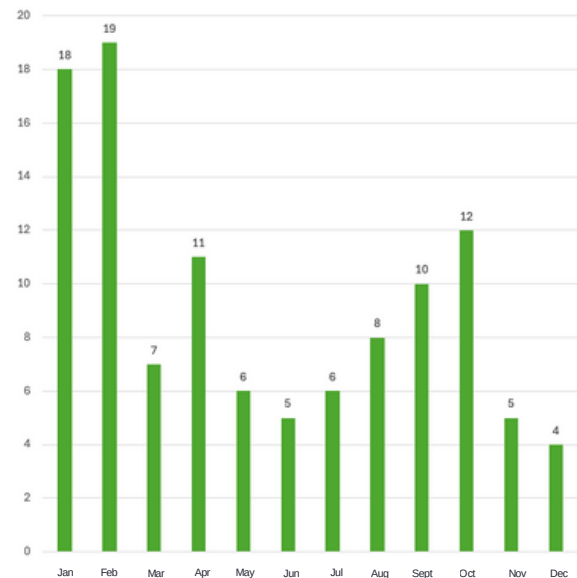
2 Complaint Hotline

CMA has introduced its complaint hotline since 2018 to help client aggrieveance their issues. Since late 2023, the hotline **015 365 222** has been merged with ABC complaint mechanism, making it the only hotline for clients in the banking and finance sector.

In 2024, CMA alone received 264 calls. Of this, 153 were in inquiries, Feedback and Other types clients, and 111 were lodged as complaints.

Out of the 111 complaints, the association helped mediate with the aim of reaching an amicable and acceptable solution between the lending institution and the complaining customer, and ultimately ending the case. However, three cases are still ongoing because two of them could not be contacted after they filed their complaints, and one case is still in the process of being resolved and requires time due to the complexity of the case.

Most complaints are related to repayment, followed by repayment capacity issues, loan restructuring, and others, while most complaints are received from customers in Phnom Penh, Takeo, Kampong Speu, and Kandal.



III. ACCESS TO FINANCE PROGRAM

▶ Enhance Sector Initiative to Bridge the Gap for Green Business Operators in accessing to Formal Financial Service

Cambodia faces significant vulnerability to the effects of climate change. Despite being one of the countries with the least contribution to global climate change, it ranks among the most susceptible nations to its impacts. According to the Global Climate Risk Index, Cambodia is ranked as the 14th most vulnerable out of 181 countries. Thus, one of financial inclusion strategy and action plan in the context of existing Financial Sector Development Strategy 2016 2025, to provide opportunities for banks and financial institutions (BFIs) to leverage on the trust factor to expand their market. Therefore, the opportunity for BFIs to leverage this trust is to address other barriers that are keeping consumers from accessing their services. Introduction of Green loan products help the BFI to have better client retention and better loan quality to ensure their business continuity and sustained financial sector to continue providing financial inclusion and responsible financial services". Through the partnership with Oxfam Cambodia and funding support from Irish Embassy, CMA has bridge the gap for Green Business Operators in accessing to green finance

through implementing a project call “Climate Resilience for All” which aims to increase the resilience of Cambodian systems and individuals to transform the risks of climate change into opportunities for sustainable development through effective and efficient adaptation and mitigation responses.



Within this reporting period of 2024, the project has hired consultant to conduct research on “Developing Green Finance Instrument for Microfinance Sector” outlining the global benchmark, Cambodia Context and policies, risks, challenge, opportunity and recommendation that very helpful for BFIs to underwriting their internal policy, procedure and product development. The project also conducted training on Green Product Development to 24 Members BFIs, Engaging SOGE company in the dialogue platform to understand the green business operation model and even conducted field visit to promote business matching between business operators and BFIs. Access to finance for Green Business Operator was one of the key vital agenda that CMA has put in its Annual Microfinance Conference 2024 at Siem Reap. More than 300 leaders from BFIs, Regulators, International and National partners, investors and key stakeholders participated in the event and witness it. Beside these above description, CMA also conducted several meetings to call for participations and raise awareness among members BFIs. As the result, 24 member BFIs composed of MDIs, MFIs, Leasing Companies and RCIs become project beneficiaries.

► **WaterCredit Adaptation Program to promote access to Sanitation and safe water in Cambodia**

Despite Cambodia is making steady but insufficient progress in meeting water, sanitation and hygiene (WASH) targets. More than 2 million people in Cambodia lack access to safe water, and 3 million lack access to improved sanitation. With approximately 77 percent of Cambodians living in rural areas, poor access to safe water and sanitation disproportionately affects its rural communities. One in three Cambodians uses water from a non-improved drinking source, which means they do not hygienically separate human waste from human contact. In Cambodia and around the world, millions are navigating the COVID-19 pandemic with the added challenge of living without access to safe water. Now more than ever access to safe water is critical to the health of families in Cambodia.

Although Cambodia has one of the fastest growing economies in Asia, access to affordable financing for water and sanitation remains a barrier for families to secure water connections and toilets for their homes. There is positive momentum as the government of Cambodia set an aggressive goal to reach 100 percent access to improved water and sanitation in rural areas by 2025.

The Water Credit Adaptation Project (WCAD) was designed to Strengthening the capacity of CMA members through trainings, workshop, technical assistant in produce development and engagement with key stakeholders to ensure Water and Sanitation credit products are developed and offered to their clients thoroughly. Within this reporting period of 2024, there were many significant achievements such as: Raising Awareness on Climate Change and Water Credit Adaptation among CMA's members through mainstreaming key important message in CMA's operation and CEO club meeting. Furthermore, many of the training and workshop on boosting WASH Loan selling skill were provided to Credit Officers and Brand Manager.



The project also conducted round table discussion in some compulsory platforms such as the Annual Rural Credit Institution Meeting, the Annual Microfinance Conference etc. As the result from these efforts, by December 2024, 14 institutions had become partners of the project and 13 institutions have successfully disbursed about 14 million US dollar and impacted about 100 K people to improved WASH and access to safe water at home.

► Access to Finance with YEAC

The Access to Finance (A2F) Program 2024, implemented by the Young Entrepreneurs Association of Cambodia (YEAC) in collaboration with the CMA and the ABC, with support from Khmer Enterprise, development partners, and financial institutions, aimed to improve financial access for micro, small, and medium enterprises (MSMEs). By focusing on financial inclusion and capacity building, the program strengthened MSMEs' ability to secure debt and equity financing,

ultimately fostering economic growth and job creation.

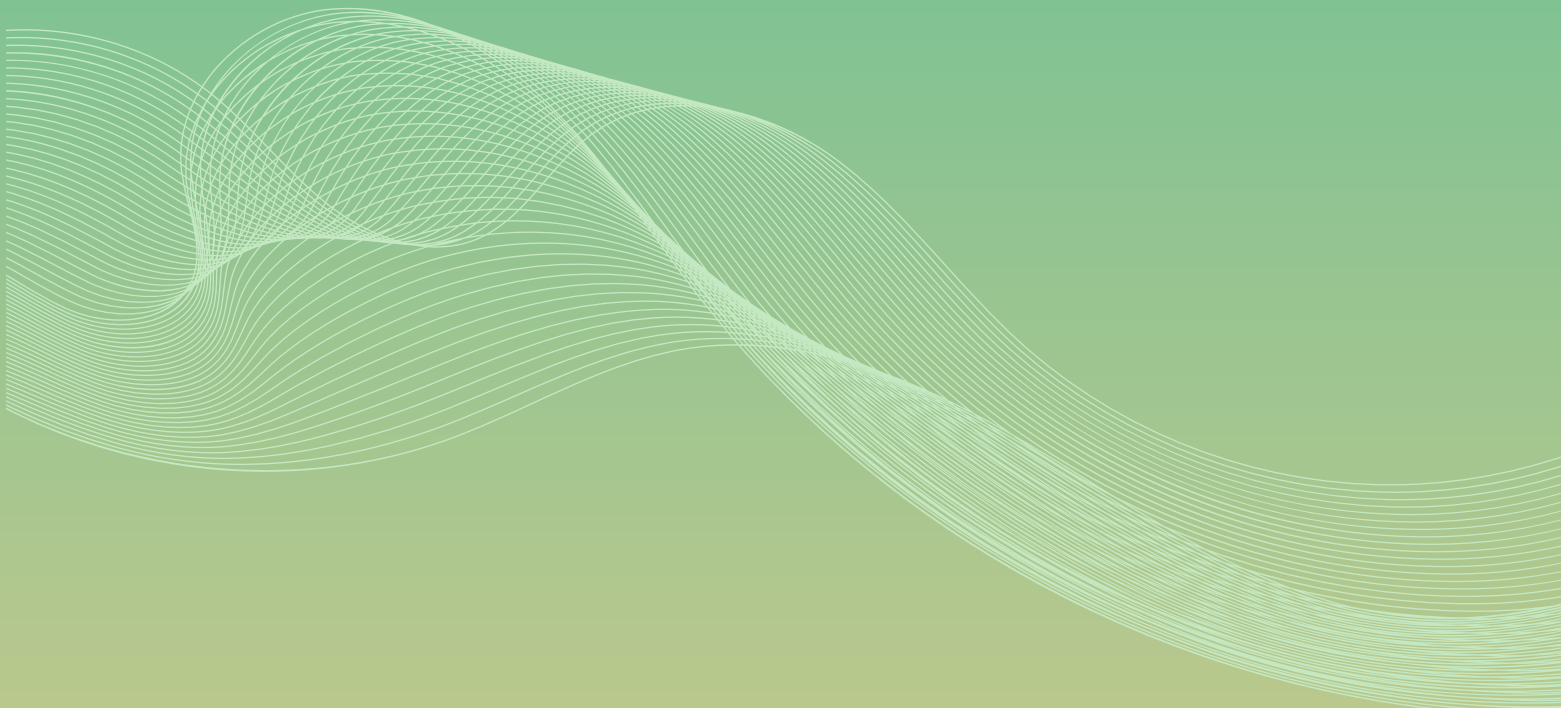
In 2024, the program successfully disbursed \$1,221,050 in loans and equity investments to 13 MSMEs, enabling them to expand operations and strengthen their financial capacity. As a result, these businesses generated a total revenue increase of \$735,090.06, demonstrating the program's direct contribution to business growth. In addition to financial support, the program played a vital role in job creation, with 63 new jobs generated, further enhancing economic stability within local communities.

A key achievement of the A2F Program was its extensive engagement with MSMEs. A total of 1,120 enterprises, including 350 female-led businesses, actively participated in program activities, highlighting the significant demand for structured financial support initiatives. Capacity-building efforts also played a critical role, with 227 MSME owners, including 86 women, receiving specialized training on essential financial topics such as business plan development, cash flow and financial management, movable asset finance, and best practices in obtaining and managing formal financing. These training sessions improved the financial literacy and credit readiness of MSME owners, enhancing their ability to access funding opportunities.



STRATEGIC OBJECTIVE 2:

**INCREASE FINANCIAL LITERACY AND POSITIVE
ATTITUDE TOWARD MICROFINANCE AMONG
FINANCIAL CONSUMERS AND PUBLIC**



STRATEGIC OBJECTIVE 2: INCREASE FINANCIAL LITERACY AND POSITIVE ATTITUDE TOWARD MICROFINANCE AMONG FINANCIAL CONSUMERS AND PUBLIC

I. PROMOTE THE GOOD IMAGE AND VISIBILITY OF THE SECTOR AMONG THE KEY STAKEHOLDERS AND THE PUBLIC

To foster a robust and positive image of the sector, strategic efforts must focus on enhancing visibility and understanding among key stakeholders, including journalists, regulators, civil society organizations (CSOs), and the general public.

► Improve Knowledge and Understanding Among the Journalists and Stakeholders

1 Dialogue with Journalists

To foster mutual understanding and exchange insights on the global and local news landscape, as well as the banking and microfinance sectors in Cambodia, CMA and ABC hosted a dialogue between foreign media correspondents and the association leaders. This session facilitated knowledge sharing, experience exchange, and the dissemination of crucial information for both sectors.

During the session, representatives from CMA and ABC shared updates on the latest developments, challenges, and opportunities within Cambodia's banking and microfinance industries. Key topics included the sector regulatory framework, efforts to promote financial inclusion, and initiatives to protect borrowers' rights. The discussion also highlighted the sector's contributions to economic growth and poverty reduction, particularly in rural areas.

► Improve Knowledge, Understanding, and Collaboration among the CSOs and Local Authorities for Positive Perceptions Toward Microfinance Sector

1 Forum with CSOs and DPs

CMA and ABC, in collaboration with the NGO Forum on Cambodia, the Fair Finance Cambodia Coalition, and

Oxfam, organized a dialogue forum between the banking and financial sector and civil society organizations. The event focused on two key themes: "Responsible Business and Consumer Protection" and the "Official Launch of the Consumer Complaint Mechanism for the Banking and Financial Sector." The forum brought together 50 representatives from civil society organizations and leaders from the banking and financial sectors.



Its objectives were to provide updates on developments in the banking and financial sector, including regulations and self-regulatory initiatives aimed at promoting financial literacy and consumer protection. Additionally, the forum sought to consult with civil society organizations and gather their valuable input, as well as to introduce a consumer complaint mechanism tailored to the banking and financial sector.

The event was presided over by His Excellency Kith Sovannarith, Director General of Banking Supervision at

the National Bank of Cambodia; Her Excellency Dith Nita, Chairwoman of the CMA Board of Directors; Mr. Rath Sophoan, ABC Chairman; Ms. Towfiqua Hoque from IFC; and Mr. Soeung Saroeun, Executive Director of the NGO Forum on Cambodia.

2 Workshop on “Microfinance Sector in Cambodia”

CMA financially supported and participated in six workshops on the “Microfinance Sector in Cambodia,” organized by NBC across six provinces: Ratanakiri, Siem Reap, Oddar Meanchey, Takeo, Kep, and Tboung Khmum. These workshops served as platforms for participants to raise questions, voice complaints, share concerns, and provide suggestions and requests related to the banking and finance sector. Attendees, including local authorities, representatives from banking and financial institutions (BFIs), and members of the public, gained valuable insights and updates on the latest trends and regulatory measures in Cambodia’s microfinance sector. A key focus was on how NBC’s past and future initiatives aim to alleviate borrowers’ burdens and protect their interests.



3 Riel and Bakong (KHQR) Promotion

CMA’s Board of Directors and leadership have, in 2024, lent their support to and participated in NBC’s dissemination workshops promoting the Cambodian riel and the KHQR payment system. These workshops seek to enhance public awareness and adoption of the riel and KHQR, in accordance with the Royal Government of



Cambodia’s Financial Sector Development Strategy 2016-2025 and development of the digital payment system Cambodia.

In 2024, these dissemination workshops were conducted across seven capital and provincial locations, including Phnom Penh, Svay Rieng, Prey Veng, Banteay Meanchey, Siem Reap, Mondulakiri, and Ratanakiri. The CMA remains committed to encouraging its member institutions to actively promote the use of the riel, notably through educational outreach to customers and the general public.

4 Reverse Innovation, Cohort 4

Another fintech engagement is with Techo Startup Center’s Reverse Innovation 2024 - Cohort 4. In this year’s program, as a Knowledge Partner and Challenge Owner, the CMA contributed microfinance expertise and promoted the program. CMA presented the challenge, “Collective Digital Platform for Financial Literacy: Narrowing the Gap and Expanding Access,” which was selected and addressed by the innovator team “Rongcham,” who advanced to the final round.

Reverse Innovation is a 10-week accelerator program which focused primarily on FinTech topics where the invited corporates or industrial leaders shared their challenges with the startups to solve and develop services or products that could be the solution to those challenges. The program includes Bootcamp (2 weeks) & Acceleration (10 weeks).



5 Other Dialogues

The CMA is committed to fostering strong partnerships and driving positive change within our sector. This year, our Board of Directors and management have been actively engaged in collaborative efforts with key stakeholders, including donors, regulators, and government agencies. Through participation in strategic events, workshops and meetings organized by esteemed organizations such as Water.org, NBC, and various ministries such as the Council of Ministers, the Ministry of Agriculture, Forestry and Fisheries, we've worked to advance our industry, share valuable insights, and contribute to the development of impactful solutions. These collaborations underscore our dedication to building a robust and sustainable future for our sector.



Promote Positive Stories, Showcases, and Information to the Publics and Concerning Groups/Stakeholders

CMA is committed to fostering a positive image of the microfinance sector through strategic public relations and communication initiatives. Recognizing the importance

of transparency and engagement, the CMA, through media and social media, actively promotes sectoral achievements, case studies, shares valuable information, and addresses key stakeholder concerns.

1 Press Releases and Statements

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.



In 2024, CMA issued eight press releases and statements on topics of sectoral progress, promotion of financial literacy, client protection etc, to strengthen consumer protection and fair competition, partnership and clarification over sectoral issues. These press releases and statements were picked by both foreign and local media for their publication, covered by 112 headlines.

2 International Public Relations

Recognizing the critical need to showcase the Cambodian financial sector's commitment to sustainable growth and responsible practices, the CMA and the ABC forged a strategic partnership with a PR company, Two-Way Public Relations. This collaboration was driven by the imperative to effectively communicate the sector's significant achievements and ongoing initiatives to a global audience, including

international donors, lenders, and key stakeholders.

The campaign's success was evident in its impressive reach, with over 220 million readers engaging with 831 published headlines from 2 press releases. This extensive coverage served to reinforce the Cambodian financial sector's reputation as a reliable and responsible partner, fostering stronger relationships with international donors, lenders, and stakeholders.



3 Microfinance Talk-Show

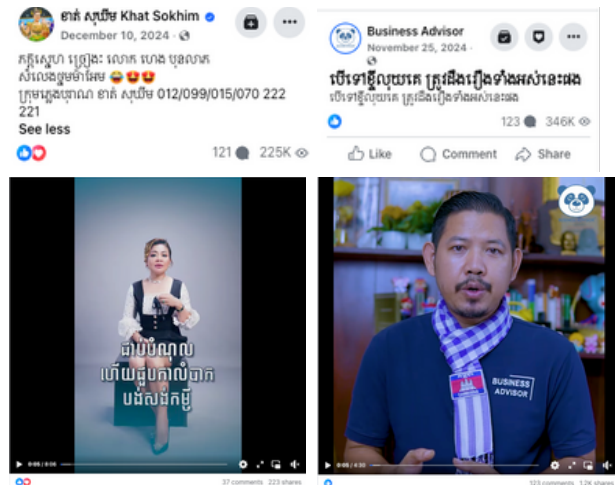
In an effort to promote the microfinance sector, emphasize its commitment, respond to criticism, and enhance advocacy efforts, five talk shows were organized with four media outlets: BTV, Business Cambodia, Cambonomist, and WMC. Featuring speakers Mr. SOK Voeun, CMA's Board Vice Chairman, and KANG Tongngy, CMA's Head of Communications Department, the discussions covered key topics such as client protection in microfinance, loan procedures, the promotion of Riel accounts, lending to SMEs, and the distinctions between formal and informal lending.



4 Key Opinion Leaders (KOLs) Campaign

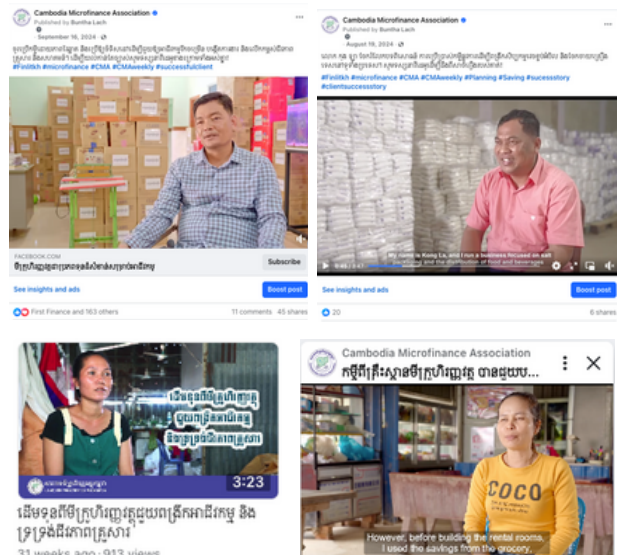
In a strategic effort to enhance sector image and change the negative perception toward the sector, the CMA launched a Key Opinion Leader (KOL) campaign, resulting in the creation and dissemination of six impactful

video clips. Notably, Ms. Khat Sokhim's two clips garnered a combined viewership of 540.9K across Facebook and TikTok, while Mr. Perk Mi's contributions achieved a remarkable 3.6 million views on Facebook alone. Additionally, two clips produced and published by Business Advisor reached 435.2K views on Facebook and TikTok, demonstrating the campaign's broad reach and effectiveness in engaging diverse audiences.



5 Successful Clients

In 2024, CMA produced eight case study videos, with four more currently in production. These videos showcase how microfinance clients have improved their livelihoods by using microfinance loans for their intended purpose and practicing sound financial management. The positive impact on their families' livelihoods is clearly demonstrated. These videos will help raise the profile of the sector, as well as improve financial literacy among clients and the public.



Last year, four of the eight videos produced were released through the association's weekly campaign, with the participation of its member institutions. On the association's Facebook page, these four videos received over 530,000 views. The association will release the remaining eight videos in 2025 after their production is complete.

► Monitor and Address Emerging Cases That Concern Misunderstanding of the Sector

The Cambodian microfinance sector faced a turbulent year, demanding both immediate response and sustained communication efforts. This required a multi-pronged approach, encompassing both reactive intervention and proactive public engagement.

1 Actively Respond to Media Inquiries

During the past year, CMA launched a robust communications campaign, conducting over 128 interviews and participating in talk shows across online media, radios, and televisions, focusing on microfinance, economic development, and social impact in the face of criticism from the public, NGOs, and social media influencers. These interviews and talk shows helped to counter criticism, provided clarification, and gave more understanding to the audiences about the microfinance sector.



2 Intervene in Critical Public Cases

In 2024, the sector confronted significant reputational challenges, necessitating proactive management. The CMA intervened in five cases attributed to alleged over-indebtedness, including a suicide in Takeo province,

critical foreign media reports, a controversial documentary, an RFI report on debt-driven hardship and migration, and a tragic family murder-suicide in Kandal province. Each incident required a strategic response to address public concerns and mitigate reputational damage.

► Networking and Advocacy

CMA is actively strengthening its network and advocacy efforts through strategic participation in key international platforms and events. From engaging in crucial discussions on responsible finance and customer protection at the CERISE+SPTF Annual Meeting in Manila, to facilitating knowledge exchange on SME lending in Kuala Lumpur, and contributing to regional dialogues on climate resilience and agricultural finance with APRACA, the CMA is committed to fostering collaboration and highlighting positive changes within the microfinance sector. These engagements underscore the CMA's dedication to expanding financial inclusion, promoting responsible practices, and addressing critical development challenges through meaningful partnerships and knowledge sharing.

1 Engage With International Platforms, Events and Organizations

i. CERISE+SPTF

Mr. PA Ponrithy, CMA Board Member, attended the CERISE+SPTF Annual Meeting in Manila, Philippines, in June 2024. The meeting, themed "Building Responsible Finance ecosystems: A summit on Responsible Finance in action" drew approximately 300 participants from 42 countries.



Mr. PA Ponrithy participated in training sessions and workshops focused on customer protection and engaged in discussions on innovative strategies and collaborative solutions to enhance the social impact of global financial institutions.

ii. Water.org

To enhance financial inclusion by bolstering capital access for Small and Medium Enterprises (SMEs), the CMA, represented by Mr. CHHORN Vatanak, Secretary General, conducted a study tour on SME lending in Kuala Lumpur, Malaysia. The tour, which was conducted in partnership with the Asian Banking School and with support from Water.org, hosted 22 leaders from various financial institutions.



ii. Engagement with APRACA

The CMA sent representatives to two separate events organized by APRACA. Mr. VONG Phakyny, head of the Financial Inclusion Department, participated in an online roundtable discussion in May 2024 on "Emergence of climate resilience financing to salvage poor people from distress".



In August 2024, Mr. KAING Tonggy, Head of the Communications Department, attended the 77th APRACA Regional Meeting in Siem Reap Provinc, focused on supporting credit across the agricultural value chain for regional development, financing policies, and addressing development gaps.



► Corporate Social Responsibility

The CMA demonstrates its commitment to corporate social responsibility through various initiatives aimed at fostering a sustainable and responsible microfinance sector, including the construction of schools, the provision of flood relief to affected communities, among others.

Blood Donation

For this year, CMA, in partnership with the NBC, the UYFC, and the ABC, held a blood donation campaign themed "Together to Save Lives" at the UYFC Phnom Penh headquarters.





The initiative sought to contribute to social welfare by encouraging blood donations from the private sector, particularly the banking and financial sector, and to promote public awareness of the importance of blood donation. The campaign drew 500 participants and collected 383 units of blood, which were donated to the National Blood Transfusion Center (NBTC) to assist those in urgent need.

II. ENHANCE THE FINANCIAL LITERACY AMONG CLIENTS AND YOUTHS

The CMA remains committed to enhancing financial literacy across Cambodia through innovative and impactful initiatives. In 2024, CMA strategically expanded its outreach, leveraging diverse media platforms and collaborative partnerships to reach wider audiences. This report outlines key activities undertaken to promote financial education, empower consumers, and strengthen the microfinance sector, highlighting the association's dedication to fostering financial well-being.

► Improve Digital Financial Literacy

1 Comedy Video Campaign

Building upon the proven effectiveness of its comedic approach, CMA expanded its financial literacy video library in 2024. Four new comedy videos, produced by LD Picture Production and featuring the popular comedian Neay Kroeun and his team, were produced and will be used for the 2025 campaign. This strategic investment ensures a continuous flow of engaging content to educate audiences on vital financial principles.

In 2024, CMA successfully utilized nine videos produced in 2023, featuring Perk Mi, for its weekly financial literacy campaign. Through collaboration with member Banking



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a year ago · 214.4K views

👍😂 Sena Chanradv and others

and Financial Institutions (BFIs), these videos were shared across 63 facebook pages, achieving a remarkable 7.374 million views. This campaign effectively raised awareness of financial literacy, promoted understanding of debt management, and fostered a positive image of the financial sector, particularly microfinance, through the entertaining and accessible medium of comedy.

2 Short Financial Education Videos

The CMA partnered with Apsara Media Services (AMS) to produce 20 short educational videos on various financial topics, including debt management, formal financial services, consumer protection, savings, and informal loans. These videos were used in the Association's weekly financial literacy campaign, engaging member banking and financial institutions. This year, 63 institutions participated by sharing the videos on their social media platforms.



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50 weeks ago · 5.2K views

The Association also incorporated 9 additional videos from the National Bank of Cambodia (NBC) events into the campaign. The combined release of these 29 videos resulted in 1.86 million views.

3 Financial Education Talk-Show: “Financial Street, Season 2”

The CMA, in collaboration with AMS, ABC, and CBC, and with support from the NBC, produced “Financial Street, Season 2,” an online talk show aimed at enhancing financial literacy among Cambodians. This 20-episode series covered a wide range of topics, including installment loans, technology risks in finance, savings, financial management for farmers and workers, and complaint mechanisms, with a particular focus on farmers, garment workers, and MSMEs.



As the primary technical advisor, CMA provided both funding and expertise in financial education. CMA played a crucial role in shaping the strategic direction of the show, mobilizing stakeholders such as member financial institutions, speakers, and partners. CMA also facilitated coordination between the AMS production team and speakers, including successful clients of member BFIs. The 20 episodes were broadcast live every Wednesday at 7 PM on the social media channels of AMS, CMA, ABC, and participating BFIs. To date, 18 episodes have been released, garnering over 5 million views, with the remaining two scheduled for release in 2025.

Complementing the online series, two workshops were conducted, engaging approximately 600 students. These

workshops provided valuable insights into key financial concepts such as credit scores, loans, and debt management, equipping students with essential knowledge for making informed financial decisions in their future endeavors.

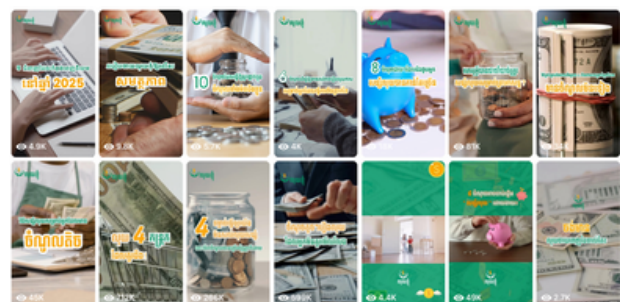
4 Contents for Regular Financial Education campaign

CMA has taken an important step towards increasing financial literacy among Cambodians and strengthening the resilience of the microfinance sector. With the aim of reaching wider audiences, especially farmers, garment workers, Micro Small and Medium Enterprises (MSMEs), youth and the public, CMA has gone beyond traditional communication methods and has established a strong presence on various social media platforms. Besides its own main Facebook page namely Cambodia Microfinance Association, currently CMA is effectively managing several social media subpages on various platforms such as Facebook, Tiktok, and Youtube which each caters to a specific audience and purpose.



In 2024, 1,246 social media content were produced and posted in different formats on two Facebook subpages: 1) កុយម៉ូនី - My Money, with 42K followers and 27K likes, targeted youth and the public, 2) កសិផលខ្ញុំ - MyFarm, with 17K followers and 5.9K likes, targeted at farmers.

The channels got a total view 6Million.



► Financial Literacy with Community Members

1 Safe Finance in Community Project

Introduction

Strengthening Safe Finance in Community Project is designed to contribute to the safe and secure use of formal financial services in the community, with a focus on enhancing financial literacy, consumer empowerment, and protection, aimed at increasing access to formal financial services in contribution to the improvement of living standards and development in accordance with the policies of the Royal Government of Cambodia. The project is led by the NBC, the CMA, ABC, CBC with supports from development partners, and key stakeholders to be able to expand the scope across Cambodia.

Safe Finance focuses on promoting financial literacy, consumer empowerment, and protection in Cambodia and was piloted in four provinces: Kampong Thom, Kampong Speu, Svay Rieng, and Battambang since 2023. This project will expand its scope step by step according to the support and benefits of the project. The implementation of the project is guided by 5 main strategies such as (1) Enhance Financial literacy, consumer empowerment, and protection, (2) Strengthen partnerships through resource mobilization and participation from governments, authorities, national and international NGOs, and development partners, (3) Promote the development of guidelines and tools for project implementation and improve the quality of implementation, (4) Document evidence and apply good lessons toward the project scope expansion, and (5) Strengthen leadership, management, monitoring, and evaluation mechanisms and coordinate with relevant institutions to strengthen and expand implementation.



Endline Survey

Following a baseline survey conducted in August 2023, an endline survey in 2024 was conducted in October to evaluate the impact of the financial education initiatives and measure changes in household financial behaviors and literacy and analyzing economic indicators related to household income and expenditure.

The survey targeted 400 households previously interviewed in the baseline survey to ensure consistency in data collection. The survey covered eight communes across four provinces: Battambang, Kampong Thom, Kampong Speu, and Svay Rieng. A combination of structured questionnaires and open-ended questions has been used to gather both quantitative and qualitative data, enabling a comprehensive analysis of participants' experiences and the program's overall impact on the community.

Community Safe Finance Dissemination Workshop

On October 8, 2024, the Community Safe Finance Dissemination Workshop was conducted to provide a comprehensive overview of the Safe Finance project. This workshop highlighted the project's objectives, progress, and key milestones achieved through various initiatives. Additionally, the event marked the launch of the Safe Finance book, which serves as an essential resource for enhancing financial literacy and consumer empowerment within the community. Representatives





from the project implementation team engaged in panel discussions, reflecting on community experiences and the positive impacts of the initiative.

The workshop took place at the Center for Banking Studies in Phnom Penh, presided over by H.E. Yim Leat, Deputy Governor of the National Bank of Cambodia. This gathering underscored the commitment to promoting financial education and consumer protection, reinforcing the project's significance in fostering a financially literate society.

Promote Financial Literacy

In 2024, a total of 12,184 individuals, including 9,224 women, from 46 targeted villages across four communes participated in awareness-raising sessions on financial literacy conducted by the Safe Finance focal point. Additionally, 1,928 individuals, comprising 845 women, engaged in the mainstreaming agenda aimed at enhancing financial literacy, consumer empowerment, and protection, which was integrated into existing community meetings led by commune chiefs across the four communes. This extensive outreach underscores the commitment to fostering financial education and empowerment within the community.



Financial Literacy Through Public Formal Education

1 Support MoEYS's Financial Literacy Curriculum

CMA, through NBC, has contributed \$30,000 towards the development of financial literacy curriculum of the Ministry

of Education, Youth and Sports' (MoEYS) General Knowledge School. This contribution aims to enhance financial literacy among public school students.



The donation was formalized during a February 2024 workshop on Integrating Financial Literacy into the General Knowledge School's Curriculum – Phase 3, at the Center for Banking Studies. The workshop was presided over by Her Excellency Dr. CHEA Serey, Governor of the NBC, and Her Excellency KIM Sethani, Permanent Secretary of State of MoEYS.

Building on its commitment to financial education, CMA previously provided technical support to a financial education project of Union of Youth Federations of Cambodia, namely Rean Pi Luy version 2. The project provided financial literacy training to high school students in Phnom Penh, Kandal and Svay Rieng province.

Financial Literacy with Youths and Public

1 ASEAN Savings Day campaign

ASEAN Savings Day is celebrated on 31st October every year in ASEAN member countries. In Cambodia, NBC hosted events with an aim to increase public awareness of the importance of saving as well as to promote the culture of saving through formal financial institutions among Cambodians with support from stakeholders including CMA. In 2024, CMA supported to NBC in organizing ASEAN Savings Day in Kampong Speu province. Over 1,000 participants have joined the event under the theme "Importance of Saving from Childhood".



Prior to the event day, CMA launched one-month online campaign with various topics which all are relevant saving and financial knowledge to raise awareness about savings and financial literacy, particularly among young people through social media channels.



STRATEGIC OBJECTIVE 3:

**STRENGTHENING THE ETHICAL AND PROFESSIONAL CAPACITY OF
HUMAN RESOURCES FOR SUSTAINABLE OPERATIONS OF
MICROFINANCE SECTOR**



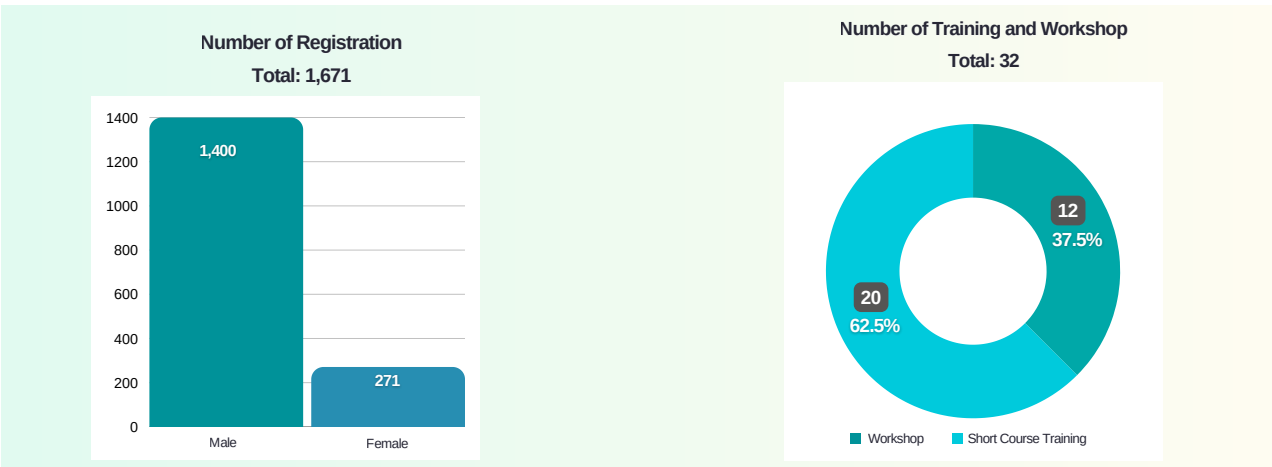
STRATEGIC OBJECTIVE 3: STRENGTHENING THE ETHICAL AND PROFESSIONAL CAPACITY OF HUMAN RESOURCES FOR SUSTAINABLE OPERATIONS OF MICROFINANCE SECTOR

I. SERVICE SUPPORTS AND MEMBER DEVELOPMENT

► Provide Capacity Development for the Members and Sector

The CMA essential for capacity development in the microfinance sector, organizing training workshops, facilitating networking among institutions, advocating for supportive policies, and promoting ethical standards.

In 2024, under the initiative of the Education and SD Committee of the CMA, we made significant strides in empowering our industry through comprehensive capacity-building initiatives. We successfully conducted 24 impactful training courses, engaging over 400 participants, including approximately 18% women, from various Microfinance Institutions (MFIs). These courses were thoughtfully designed to address all key functions required by our members, including Credit, Administration/HR, Data Analysis, Auditing, Treasury, Compliance, Finance and Tax, Leadership, IT, and Marketing.



The insights and skills gained from these training sessions have led to substantial improvements in member performance and accelerated institutional growth. Participants were left equipped with practical knowledge that not only benefited their own institutions but also empowered them to share best practices with peers across the sector. This collective exchange of knowledge has significantly contributed to the development and resilience of the microfinance sector in Cambodia, fostering a more robust and dynamic financial landscape.



1 Conduct Competency Workshops

i. CEO and Shareholder Workshop

CMA is committed to the professional development of our members, exemplified by our valuable CEO and Shareholder Workshops. These workshops foster networking among CEOs, shareholders, and board members, sharing effective client protection mechanisms and featuring expert speakers. Engaging discussions on overcoming sector challenges promoted best practices and collaboration among 54 participants from various institutions, strengthening the microfinance community and enhancing our commitment to client protection.



ii. WASH Loan Selling and Effective Negotiation Techniques

CMA, in cooperation with Water Org, successfully organized the fourth WASH Boost Product Workshop to promote WASH products within Cambodia's microfinance sector. This initiative attracted 227 participants from various MFIs across the country, underscoring CMA's commitment to enhancing access to essential WASH products. The workshop facilitated knowledge sharing and strengthened collaboration within the microfinance community, ultimately contributing to improved health and sanitation outcomes for borrowers.



2 International Referral or Exchange Training or Workshop Programs

CMA plays a major role in Cambodian financial sector in promoting financial inclusion, and green financing by facilitating regular dialogue between the various stakeholders. CMA is very active in supporting its member institutions by raising awareness on the different issues and challenges faced by the market, as well as through training and other activities on a series of topics related to financial inclusion, including in particularly responsible finance that contribute to promote domestic economy and sustainable development. Throughout the partnership between Water.Org and CMA, together we want to call out more operational effectiveness for greater impact to the consumers through promote access of safe water and sanitation among consumers in remote area. To ensure partner BFIs had adequate capacity to disburse loan that promote impact to the target group of the project, Capacity Development is one of the crucial agenda that Water.Org and CMA focusing on and continue to strengthen.

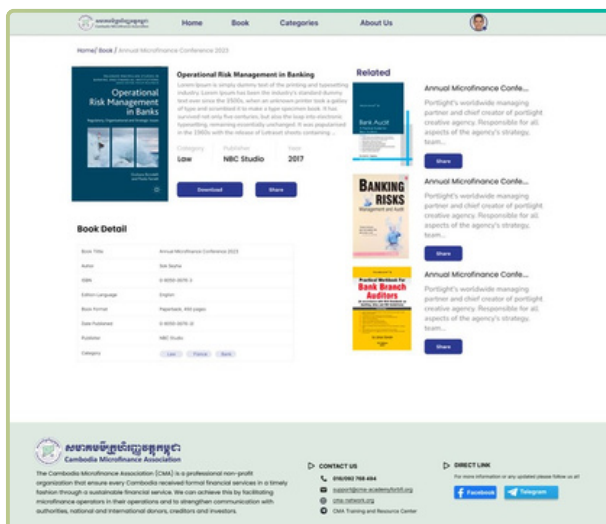


CMA successfully hosted an international training course on "SMEs Lending Without Collateral" in Kuala Lumpur, Malaysia, from 16-19 June 2024. The program, funded by Water.org, brought together 21 participants, primarily senior management-level professionals, to enhance their knowledge and skills in innovative lending practices for small and medium-sized enterprises (SMEs).

The successful execution of the "SMEs Lending Without Collateral" training course marks a significant milestone for CMA and its partners. The program not only enhanced the expertise of senior management professionals but also contributed to the broader goal of promoting financial inclusion and sustainable economic development. CMA looks forward to building on this success and continuing its collaboration with Water.org and other stakeholders to drive impactful initiatives in the future.

3 Build Online Resource Hub for Members (E-Library)

The purpose of the Online Resource Centre Hub is to provide members with diverse sources of information that can be accessed anytime and anywhere, allowing them to obtain the necessary information conveniently; it is now fully operational, offering free access to approximately 4000 (newly added 2,000) updated documents tailored to their needs in the microfinance sector, and the CMA encourages all members to utilize this valuable resource to enhance their knowledge and practices.



4 Academy Live Show

In 2024, as part of our unwavering commitment to enhance financial literacy and foster professional development, the CMA proudly launched the Academy Live Show program. This innovative initiative aims to promote financial knowledge, encourage experience sharing, and cultivate essential skills among university students.

Throughout the year, we successfully delivered 10 engaging shows featuring 22 esteemed speakers from our university partners and CMA member organizations. These sessions offered invaluable insights into the financial sector, effectively bridging the gap between academic theory and practical application.



NO	Topic
1	Getting Start and understanding the financial sector
2	Getting start and searching for job opportunity
3	Job Market and Career Opportunity in Credit Field
4	Job Market and Career Opportunity in Compliance Field
5	Job Market and Career Opportunity in Marketing Field
6	Job Market and Career Opportunity in Audit Field
7	Job Market and Career Opportunity in IT Field
8	Job Market and Career Opportunity in the Finance Field
9	Job Market and Career Opportunity in Training Field
10	Job Market and Career Opportunity in the Operation Field

The Academy Live Show program exemplifies CMA's dedication to nurturing the next generation of financial professionals. By equipping students with the knowledge and skills they need to excel, we are not only contributing to their individual growth but also fortifying the future of the financial landscape in Cambodia. Together, we are investing in a brighter, more knowledgeable tomorrow for all stakeholders in the industry.

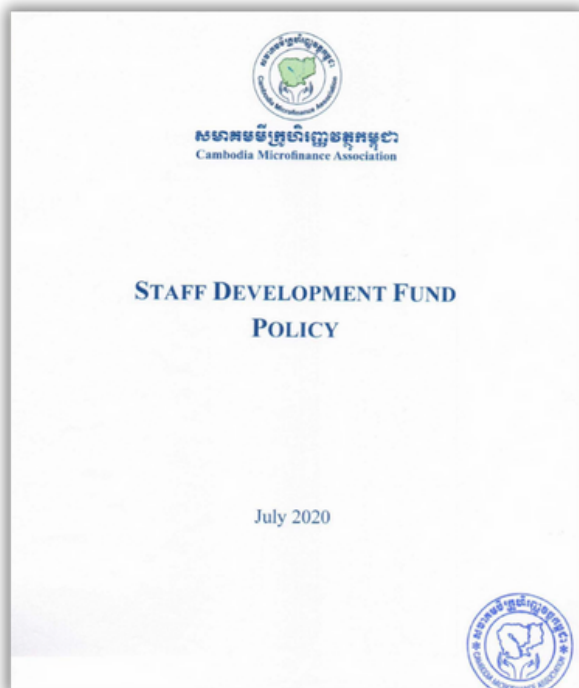
5 Build Qualified Trainer Pools for Members and Sector

In our ongoing commitment to enhance the capacity of our members, we have engaged a resource trainer from the banking and microfinance sector, as well as from professional schools. CMA is proud to report that we currently have a total of 66 professional trainers from

banks, financial institutions, and educational organizations. Each trainer brings years of experience in the sector and possesses unique skills in areas such as credit analysis, leadership, risk and compliance, HR and performance management, IT and marketing, and problem-solving. They are all contributing their expertise to our training initiatives.

▶ **Coordinate and Manage Staff Development Fund (SDF) for Members**

The Cambodia Microfinance Association (CMA) established a Staff Development Fund (SDF) Policy to enhance the capacity of its member institutions and contribute to the overall development of the microfinance sector. This fund is supported by financial contributions from microfinance institutions that recruit staff members from other CMA-member institutions.



2024 Achievements and Improvements

In 2024, CMA made significant strides in improving our services and fund management system. CMA managed the SDF with fairness and transparency for our member BIFs (Banking and Financial Institutions). Specifically, we strengthened our human resources office system and provided comprehensive training to members on how to access and utilize it.

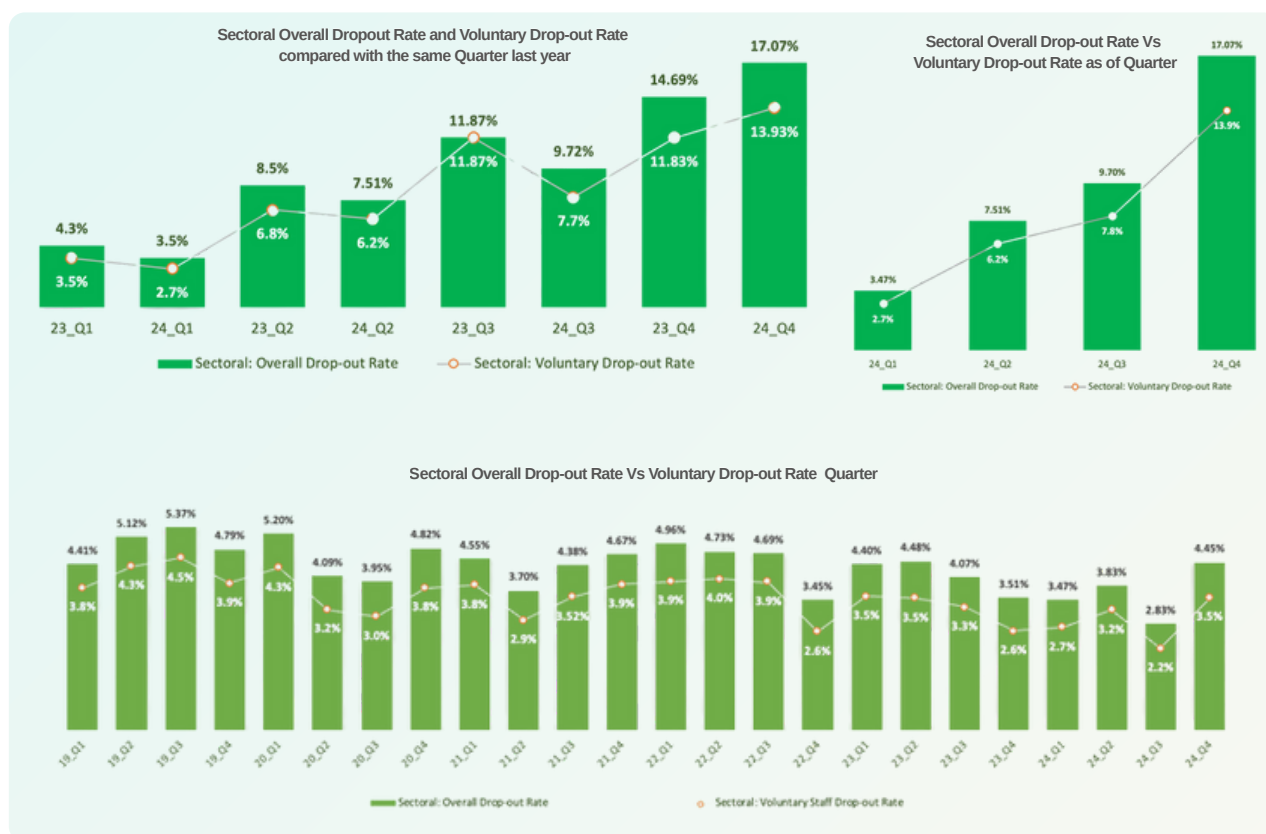
Key Activities and Accomplishments:

- **Staff Movement Reporting:** We produced and distributed monthly and quarterly Reports on Matching of Staff Movement and provided the quarterly reports to our members. Additionally, we generated monthly reports on staff movements, collaborating with CMA and ABC member BIFs to ensure accuracy and completeness.
- **Enhanced HR Bureau System:** To better serve our members and the sector, we significantly improved the HR Bureau system. CMA conducted training for all members in April and May 2024, leading to the signing of agreements for system usage starting June 2024. The implementation of the HR Bureau system, a collaborative effort with ABC and CBC, involves improving 18 key functions. CMA has successfully developed seven of these functions and are actively working on the remaining ones.
- **Effective Training Fund Management:** We effectively managed the training fund for both our members and the broader sector, ensuring efficient resource allocation.

We provided our members with quarterly reports that offer valuable data for analysis, helping each institution address its specific needs. These reports include:

1. Quarterly Report on Employees Movement

This report details the number of employees transitioning from one institution to another within the financial sector, as well as to other sectors, over a defined period. It clearly distinguishes between voluntary and involuntary departures, aiding in problem identification, employee retention, and strategic improvements for individual institutions and the financial sector as a whole. As of 2024, the total employee departure rate from the microfinance sector was 17.07%, with voluntary departures accounting for 13.9%.



2. Report on Fraud Management in the Sector

This report monitors cases of fraudulent employees within each institution, based on information from the human resources departments of CMA member BFIs. This contributes to the Cambodia's microfinance sector's efforts to recruit employees correctly, effectively, and competently. In alignment with the Royal Government's policy on job creation, the CMA's Board of Directors decided to lift the ban for individuals who committed fraud after three years from the date of the offense. As of 31 December 2024, there were 387 reported fraud cases.



3. Report on the Survey of Employee Salary Increases

This report offers CMA member BFIs a convenient way to determine the average salary increase for employees in the microfinance sector. This data assists them in planning and adjusting employee salaries to align with the current business environment.

4. Quarterly Financial Reports

CMA prepared and submitted regular quarterly financial reports to our members and the National Bank of Cambodia (NBC).

These reports provide specific information on the use of the Staff Development Fund (SDF) and SDF data managed by the CMA.

5. Other Services Provided by CMA

CMA also provided additional support to Cambodia's microfinance sector and our member BFIs, including:

- Assisting members in checking the history of dishonest acts, including fraud, for approximately 2,036 applicants.
- Facilitating meetings and resolving issues at the Human Resources Club, a vital club within Cambodia's microfinance sector.

II. REPRESENT THE VOICE OF AND FOR THE MEMBERS FOR CREATE ENABLING ENVIRONMENT FOR RESPONSIBLE AND SUSTAINABLE BUSINESS OPERATIONS

► Coordinate and Facilitate Member Meetings, Networking and Exchange

1 Annual General Assembly (AGA)

The Annual General Assembly (AGA) serves as a crucial platform for stakeholders to engage in discussions about achievements, challenges, and future directions, while also facilitating board elections every two years. On February 16, 2024, in Phnom Penh, H.E. Dith Nita from CAMMA Microfinance Institution was elected Chairwoman, and Mr. Sok Voeun from LOLC (Cambodia) Plc was elected Vice Chairman, with over 100 representatives from various financial institutions in attendance.

The assembly highlighted key progress across several committees, including the Education and SDF Committee,



PR-RIF Committee, Audit and Finance Committee, Financial Inclusion and Self Regulation Committee, and Risk and Compliance Committee. Each committee showcased its commitment by presenting strategic plans for 2024. Furthermore, the assembly approved the annual budget and activities plan for 2024, paving a smooth path for continued growth and collaboration.



The BoD consists of:

1. H.E. DITH Nita, Chairwoman, CAMMA Microfinance Institution
2. Mr. SOK Voeun, Vice Chairman, LOLC (Cambodia) Plc
3. Oknha CHHUN Sopheak, Mohanokor Microfinance Plc
4. Mr. DOS Dinn, Amret MFI
5. Oknha HOUT Ieng Tong, Hatha Bank Plc
6. Mr. KEA Borann, AMK Microfinance Plc
7. Mr. KHOU Buntry, Funan Microfinance Plc
8. Miss. KHUN Sonita, YCP Microfinance Plc
9. Mr. PA Ponnak Rithy, Maxima Microfinance Plc
10. Mr. SIM Senacheert, First Finance Plc
11. Mr. Milev Yannick Nicolas, Chamroeun Microfinance Plc
12. Mr. DY Sitha, representing Rural Credit Institutions, DAIKOU FINANCE PLC
13. Mr. KHENG Tilen, representing Financial Leasing Companies, BSP Finance (Cambodia) Plc

2 Annual Microfinance Conference (AMC)

The Annual Microfinance Conference 2024 brought together approximately 400 participants, with 10% female representation, including C-level executives from CMA member microfinance institutions, development partners, and international experts, for a day of insight and engagement focused on the challenges and opportunities in inclusive finance, green finance best practices, WASH production development, and innovative technologies.



Under the theme “Sustainable and Inclusive Microfinance: Current Situation and Future Trends of the Sector,” the conference explored how microfinance institutions can foster inclusive and responsible practices, contribute to a resilient economy through digital adaptation, and embrace climate finance initiatives.

The conference aimed to keep attendees informed on regulatory updates, reveal the current state of the Cambodian microfinance sector while identifying key trends, challenges, and opportunities, facilitate knowledge sharing among stakeholders, showcase innovative solutions and best practices in microfinance, explore technology's role in enhancing financial inclusion and operational efficiency, foster discussions on responsible finance and social impact, and develop actionable recommendations for the future of microfinance in Cambodia. Participants reflected on financial sector stability, collaborated to promote financing mechanisms, engaged in strengthening responsible finance initiatives, networked with key stakeholders, and captured strategic insights to innovate their business strategies. This event also presented an exceptional opportunity for microfinance stakeholders to raise their profile in Cambodia, with various sponsorship opportunities available for interested parties to support the event and ensure its success.

3 CEO Club Meeting

The CMA's CEO Club successfully hosted three impactful meetings in 2024, including the anticipated AGA and AMC gatherings, with over 400 members participating. These events highlighted the club's essential role in fostering a vibrant community focused on insight-sharing and innovation.

Attendees engaged in discussions on key industry topics, including innovative financial solutions for micro-sized

loans, the challenges of shadow banking, UN strategies for sustainable development, resilience assessments for financial institutions, stability in transactions through safe finance practices, green finance advocacy, and sustainable water financing solutions.

These successes reflect our commitment to nurturing a supportive environment for our members, paving the way for enhanced networking and collaboration, as we look forward to sustaining this momentum and fostering growth, partnership, and innovation in the upcoming year.



4 Annual RCI Workshop

The CMA successfully organized its Annual Rural Credit Institution (RCI) Workshop, themed "Financially Adapted Development and Ensuring Sustainability of Rural Credit Institutions." This pivotal event aimed to address key issues within the rural credit sector and foster crucial collaboration among stakeholders.

Attracting over 100 participants from more than 50 rural credit institutions and relevant organizations, the work-



shop also served to review the achievements of 2024 and outline the strategic plan for 2024-2025 for the RCI Club.

Beyond strategic planning, the event provided a vital platform for sharing expertise and experience on compliance standards required by regulators and stakeholders. It prepared participants to effectively engage with investors and relevant partners, while simultaneously strengthening relationships and solidarity among rural credit institutions, regulators, and other pertinent parties.

The Annual RCI Workshop was a significant success, effectively achieving its objectives and reinforcing CMA's steadfast commitment to supporting the growth and sustainability of rural credit institutions across Cambodia. Looking ahead, future goals include organizing additional workshops to address emerging challenges, enhancing collaboration with investors and stakeholders, and fostering continuous communication among members to ensure sustained support and growth, thereby paving the way for future impactful initiatives.

► Collect and Respond to Members' Agenda and Lobby to Get Support From Related Regulators, Ministries, and Stakeholders for the Members

The CMA has established a system of core clubs to address specific needs and challenges within the microfinance sector. Supported by dedicated technical teams, these clubs focus on distinct professional areas, including the CONG Club, Finance Club, HR Club, CEO Club, Leasing Club, Operations Club, and RCI Club.

This structure provides tailored support for addressing industry challenges, fosters focused networking among members, enhances capacity building through knowledge

sharing, advocates for diverse policies in the interests of its members, facilitates the sharing of best practices and innovative solutions, and improves visibility and communication regarding sub-sector issues. Ultimately, this club framework significantly strengthens the CMA's ability to support its diverse membership and promote sustainable growth throughout Cambodia's microfinance landscape.

1 Conduct Regular Club Meetings and Address the Members' Matters/Agenda

i. HR Club

In 2024, the CMA's HR Club organized two meetings, bringing together 250 participants to address issues and share experiences among members. Participants received training on the HR Bureau system, which was officially implemented to promote greater transparency, save time, and leverage advanced technology for members. Additionally, the club shared valuable data insights into the sector, including watch lists, staff movements, and updated regulatory information.



ii. Finance Club

The Finance Club held two meetings with approximately 260 participants to discuss the implementation of financial reporting standards in line with the Cambodian International Financial Reporting Standards (CIFRS). Updates on new regulations issued by the National Bank of Cambodia, the General Department of Taxation, and other relevant regulators were also covered.

The Finance Club is a crucial initiative for CMA member BFIs, encouraging adherence to regulatory requirements,

risk management, and sustainability within individual institutions in the microfinance sector. It supports members in addressing various challenges and strengthening governance practices to ensure the sector's sustainability and integrity in Cambodia.



iii. CONG Club

The Compliance Officer Networking Group (CONG) Club, formed as a platform for professional development, networking, and advocacy for compliance staff across CMA's member BFIs, held three engaging sessions in 2024, attracting around 300 participants. These sessions focused on standard loan contract practices and other regulatory updates.

The club has also fostered a more knowledgeable, connected, and influential compliance community within the microfinance sector. Ultimately, it helps ensure that member BFIs operate in compliance with relevant laws, regulations, Prakas, and guidelines. The club also serves as a valuable channel for CMA to stay informed about its members' needs.



iv. Operation Club



In 2024, the Operation Club held two meeting sessions to discuss sector-specific agendas, particularly Lending Guideline compliance, the Sector Code of Conduct, Consumer Protection, Credit Quality monitoring, broader sector issues, and NBC Prakas on Loan Restructuring.

With 135 active members, the club which serves as a collaborative platform for professionals from Microfinance Deposit Institutions (MDIs), Microfinance Institutions (MFIs), Leasing Companies, and Rural Credit Institutions (RCIs), also fosters knowledge sharing, capacity building, and industry-wide collaboration to enhance operational efficiency and innovation within Cambodia's microfinance sector.



v. Leasing Club

Last year, CMA's Leasing Club held two meetings. These sessions addressed issues related to standard loan contracts, pawn shops, illegal loans, tax matters, and other compliance requirements, with the ultimate goal of strengthening the leasing sector and contributing to Cambodia's economic development.



vi. RCI Club

During the report year, CMA organized one main RCI Club meeting to review and update future plans, as well as to share current trends, issues, and opportunities. Concurrently, the RCI Core Group, comprising 13 committed members, holds monthly meetings to discuss general issues and exchange hot topics. This group is supported by a dedicated core RCI team, which has developed a comprehensive roadmap for all RCIs, alongside a data profile and successful knowledge-sharing initiatives.

The CMA's Rural Credit Institutions (RCIs) Club was established with the aim of enhancing the capacity of RCIs in serving communities and addressing their challenges. It also seeks to foster knowledge sharing and collaboration among members, improve professional skills through training, promote sustainable lending practices, advocate for supportive policies, and enhance financial inclusion for underserved populations.



STRATEGIC OBJECTIVE 4:

**ENHANCING PROFESSIONALISM AND SUSTAINABILITY OF CMA IN
COORDINATING FOR SUSTAINABLE DEVELOPMENT OF
MICROFINANCE SECTOR**



STRATEGIC OBJECTIVE 4: ENHANCING PROFESSIONALISM AND SUSTAINABILITY OF CMA IN COORDINATING FOR SUSTAINABLE DEVELOPMENT OF MICROFINANCE SECTOR

I. IMPROVE EFFECTIVE COMMUNICATION, VISIBILITY AND ROLES OF THE ASSOCIATION

► Develop and Improve Communication Channels, Infrastructure and Contents

CMA enhanced our effective communication and visibility through successfully building and maintaining an up-to-date website that provides stakeholders with the important information in the sector and easy access to vital resources. CMA has effectively managed both offline and online communication channels such as social media (Facebook, LinkedIn, TikTok, Telegram, X, Youtube), ensuring that members, investors, stakeholders, and staff can readily access to the information they need. Our dedication to regularly updating website content and improving SEO ensures that relevant and beneficial information is easily found by our members and stakeholders.

We produced our annual report and shared it with stakeholders, members, and investors to demonstrate our transparency and showcase our achievements.



Additionally, we enhanced the visual representation of CMA events through improved photography and design, ensuring our activities response to our audience and effectively their essence. Through these initiatives, the CMA reaffirms its commitment to strengthening communication and visibility, ultimately fostering a more connected community and reinforcing our role as a vital resource and support system for our members and stakeholders.

II. MANAGE AND UTILIZE CMA FUNDS EFFECTIVELY AND EFFICIENTLY

► Control & Manage Financial Transactions and Prepare Financial Reports Accurately

1 Prepare and finalize CMA Budget and Planning for 2025

The CMA prepared an Annual Operation Plan (AoP) and Budget to effectively manage resources, ensure compliance with regulatory requirements, and support the sustainable growth of its member BFIs. This plan

helped CMA align its activities with strategic goals, address emerging challenges, and enhanced governance practices within the microfinance sector in Cambodia.

2 Manage and Control Day-to-Day Financial Transaction, Bookkeeping, and Cash Controls

The CMA's Finance Department managed and controlled day-to-day financial transactions, ensuring accurate

bookkeeping and maintaining effective cash controls. This included overseeing all financial activities, recording transactions accurately, and implementing robust cash management procedures to ensure financial integrity and compliance with regulatory standards. Additionally, the department focused on financial reporting, budget management, and internal audits to enhance transparency and accountability within the organization.

3 Review Documents and Support Financial Expenditure for CMA and Program Activities

The Finance Department reviewed documents and supports financial expenditure for both CMA and program activities. This included ensuring all financial documents are accurate and compliant, overseeing expenditures, and maintaining budgetary alignment to ensure financial integrity and effective resource management. Additionally, the department focused on financial analysis, cost control, and compliance audits to enhance financial performance and accountability within the organization.

4 Prepare Financial Reports for Program, Donors, Committees, and Boards

The CMA prepared financial reports for programs, donors, committees, and boards. This includes compiling accurate financial data, ensuring compliance with reporting standards, and presenting clear and comprehensive reports to support decision-making and transparency. Additionally, the reports focus on financial performance, funding utilization, and impact assessment to provide stakeholders with a thorough understanding of the financial health and effectiveness of the CMA's initiatives.

▶ Ensure Regulatory Compliance and Practices in Compliance with ACCAR, GDT, NSSF, and Auditor

1 Prepare Report for ACCAR, GTD, and NSSF

The CMA's Finance Department prepares reports for submission to the Accounting and Auditing Regulator (ACCAR) and manages the monthly and annual tax declarations to the General Taxation Department (GTD). In addition, the Department ensures the timely and accurate preparation of personnel reports for submission to the National Social Security Fund (NSSF) for all employees of the Association. This encompasses collecting accurate financial data to ensure regulatory compliance and support efficient and accurate financial management.

2 Coordinate and Support to External Audit and Take Actions to Fulfill the Recommendations

The CMA's Finance Department coordinated and supported external audits and took actions to fulfill the recommendations. This included organizing audit activities, providing necessary documentations, assisting auditors, and implementing recommended improvements to ensure compliance and enhance operational efficiency. Additionally, the department focused on continuous improvement, risk mitigation, and adherence to best practices to strengthen the overall audit process and organizational governance.

III. EXECUTE EFFECTIVE ADMINISTRATION AND PROCUREMENT/LOGISTICS SUPPORT FOR CMA AND PROGRAM IMPLEMENTATION

▶ Administration Supports to CMA and Programs

In 2024, the CMA made significant advancements in providing effective administrative, procurement, and logistics support. This ensured smooth operations and successful program implementation through several key actions: compiling a comprehensive list of suppliers, managing assets and inventory for optimal resource utilization, prioritizing office security, facilitating procurement, maintaining clear communication with stakeholders, and successfully organizing various events and activities. All these efforts strengthen our commitment to operational efficiency and foster stronger connections within the microfinance sector. CMA looks forward to continuing this momentum in the coming year.

▶ Staff Recruitment, Onboarding, and Capacity Building

In 2024, the CMA successfully expanded its team by recruiting skilled professionals, thereby enhancing our capabilities and expertise to better serve our community. We organized regular staff meetings and coaching sessions to foster collaboration and strategic planning. Additionally, we conducted comprehensive performance management and reviews for continuous staff development, and offered targeted training programs and capacity-building initiatives to equip our staff with essential skills for success.

▶ Improve Internal Governance Policies, Procedures, and Regulations, and Strengthen Professional Practices

The CMA focused on enhancing internal governance by reviewing and improving policies and procedures to strengthen professional practices. This involved conducting a thorough review of CMA policies to ensure alignment with current best practices and organizational goals, including aligning our financial reporting with CIFRS for SMEs to assist in the recording, reporting, and recognition of our accounting and finance policies.

CMA organized refresher training sessions to ensure all staff members were well equipped with the updated policies, promoting compliance and consistency in operations. Additionally, we provided training on finance procedures to help staff navigate expense claims and understand the necessary supporting documentations while also offering support for operational activities and cost management to ensure resources are utilized efficiently and effectively. This reinforced the CMA's commitment to strong internal governance, enabling us to maintain high professional standards while effectively meeting the needs of our community.



CORPORATE GOVERNANCE

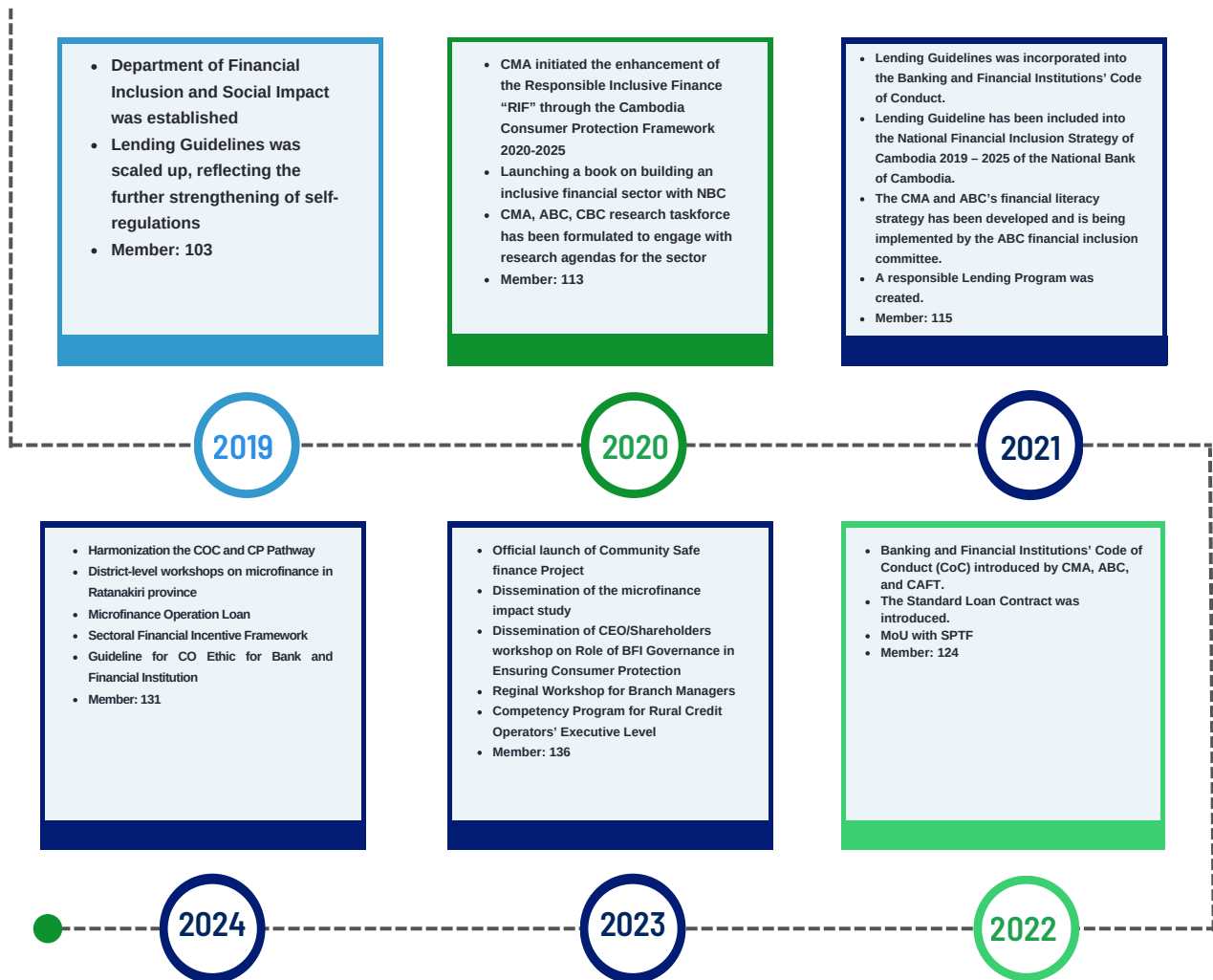
OVERVIEW

The CMA 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





BOARD OF DIRECTORS

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.



H.E DITH Nita

CMA Chairwoman
CAMMA Microfinance
Institution

H.E. DITH Nita is Chairwoman of the CMA Board of Directors, 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, she bring significant expertise to the microfinance sector.

She has been involved with the CMA since 2016 and elected as Chairwoman in 2024. In her leadership role, she is dedicated to promote responsible lending, consumer protection, financial literacy, fintech and financial sector capacity building within Cambodia.



Mr. SOK Voeun

CMA Vice Chairman
LOLC (Cambodia) Plc.

Mr. SOK Voeun is currently the Chief Executive Officer of LOLC (Cambodia) Plc. He is also a member of Certified Management Accountant (CMA), a member of Institute of Public Accountants (IPA), CMA Vice Chairman, and an Independent Director of Credit Guarantee Corporation of Cambodia (CGCC).

Mr. Sok has more than 20 years' experience in microfinance sectors and banks; covering digital and product development, leadership, and management over credit, risk, finance, and human resource. M. Sok obtained his Master's degree of Business Administration, majoring in Finance and Banking at Build Bright University in Cambodia in 2005 and received a Bachelor's Degree of Economic Science in Management of Enterprise at the former Faculty of Law and Economics in 2000.



Mr. KEA Borann

CMA Board of Director
AMK Microfinance Institution
Plc.

Mr. KEA Borann is currently serving as CEO of AMK Microfinance Plc (AMK), CMA Director, Director of Credit Bureau of Cambodia (CBC), Director of Credit Bureau Holding (CBHC), and Director of Institute of Banking and Finance. In addition, Borann also holds different role as chair, vice chair in different committees both within the associations and as well as Government private sector working groups.

During these years, Borann supports the sector and advocates on various policies with different stakeholders both government and private sectors along with sectorial initiative such as lending guideline and code of conduct, and responsible lending, etc. Borann has been working in Microfinance sector close to 20 years starting his first career as accountant and has been moving in various position during this last two decades.



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.



Mr. PA Ponnak Rithy

CMA Board of Director
MAXIMA Microfinance Plc.

Mr. PA Ponnak Rithy holds 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.



Okhna CHHUN Sopheak

CMA Board of Director
MOHANOKOR Microfinance
Institution Plc.

Okhna CHHUN Sopheak is the founder, majority shareholder and currently the CEO of MOHANOKOR Microfinance Institution Plc. With his passion and commitment, he spearheaded the company's growth and development and its transformation into Microfinance Deposit taking MFI in 2020. He also championed the implementation of the Social Performance Management and Client Protection Principles and obtained Smart Campaign Certification in 2021 for the company. Under his leadership, received CEO of the Year 2021 and Fastest Growing Microfinance Provider Cambodia 2021 awards given by the Global Banking and Finance Review.

Okhna CHHUN has more than eight years of experience in microfinance and attended various training courses on leadership, corporate governance, strategic management, microfinance and human resource management and supervision both locally and overseas. He has Bachelor degree in Business Administration-Accounting and Bachelor degree in Arts in English (English for International Business).



Mr. SIM Senacheat

CMA Board of Director
First Finance Plc.

Mr. SIM Senacheat has experiences in banking and finance for more than 26 year and 20 years as President and Chief Executive Officer (CEO). Senacheat holds master's degree in business administration. He is also accredited under the Microfinance Training of Trainers course certified (MFTOT) by ADBI, TDLC of the WB, and UNCDF. He currently serves as CEO of First Finance Microfinance Institution Plc.



Mr. KHOU Buntry

CMA Board of Director
FUNAN Microfinance Plc.

Mr. KHOU Buntry has over 24 years of working experience in Banking, Microfinance, and International NGOs. He is also selected as CMA Board Member for the mandate of 2022-2023.

Mr. Khou has been appointed as Chief Executive Officer of Funan Microfinance Plc. in January 2017. Prior to join Funan Microfinance Plc., he was EVP & Chief Financial Officer for Cambodia Post Bank for 4 years. Mr. Khou was Finance Director with Hattha Bank for 5 years. Prior to Hattha Bank, he spent 2 years as Finance Manager for Room to Read Cambodia, 4 years as Finance Manager for Marie Stopes Cambodia and 2 years as Accountant for Canadia Bank. He graduated MBA in Finance, Charles Sturt University, Australia and completed BBA in accounting, Faculty of Business (now, known as National University of Management) in 1999.



Mr. Yannick Nicolas MILEV

CMA Board of Director
Chamroeun Microfinance Plc.

Yannick Nicolas MILEV holds a Masters Degree in Sociology from Paris V René Descartes and an MSc in Development Studies from the School of Oriental and African Studies. He has over 20 years of experience in the development sector, including over 15 in financial inclusion, spanning operations and management across a range of countries in Asia and Africa. He is currently CEO of Chamroeun Microfinance Plc., a leading social microfinance company.



Ms. KHUN Sonita

CMA Board of Director
YCP Microfinance Plc.

Ms. KHUN Sonita, being majored in Public International Law and minor in Business Management, started her first career in a trading company as business development executive.

From there, she has developed her entrepreneurial and leadership skill. In 2009, She joined YCP as assistant to CEO. From that, she has attended both local and international trainings related to the sector, and later was promoted to Deputy CEO.



Mr. KHENG Tilen

CMA Board of Director
BSP Finance (Cambodia) Plc.

Mr. KHEN Tilen, serving as the General Manager of BSP Finance (Cambodia) Plc. Over the course of 20 years, he has amassed extensive experience in various sectors, including banking with ACLEDA, Cathay United Bank, and Phillip Bank, as well as in Microfinance Deposit-Taking Institutions (MDI) with KREDIT, and the leasing industry with BSP Finance and AEON.

Mr. Khen holds a Master of Management from Thailand's Burapha University, along with two Bachelor degrees earned at IFL and IIC. Additionally, he has been recognized as a Chartered Banker by Experience by the UK's Chartered Banker Institute, and completed the Organizational Leadership program at the USA's Harvard Business School.



Mr. DY Sitha

CMA Board of Director
DAIKOU Finance Plc.

Mr. DY Sitha is a highly accomplished Cambodian professional with a strong background in finance and development. He holds a Bachelor's degree in Business Management from the University of Cambodia and a Bachelor's degree in Education majoring in Teaching English from Build Bright University. Currently serving as the Chief Executive Officer (CEO) of DAIKOU Finance Plc, Mr. Dy is responsible for the overall management of the organization. With extensive experience in leadership roles, he has successfully managed teams, programs, and partnerships throughout his career.

Mr. Dy's professional journey includes positions such as Regional Program Manager at Heifer International Cambodia and Zonal Coordinator for Design, Monitoring, and Evaluation at World Vision Cambodia. He has also worked as a Senior Trainer at Thaneakea Phum (Cambodia) Microfinance Institute and Training Officer at Heifer International Cambodia. Mr. Dy's expertise extends to project management, training, evaluation, and technical support. He has participated in various training programs to enhance his skills in program design, advocacy, leadership, and monitoring and evaluation. Fluent in both Khmer and English, Mr. Dy is recognized for his dedication, accomplishments, and commitment to excellence in his professional endeavors.



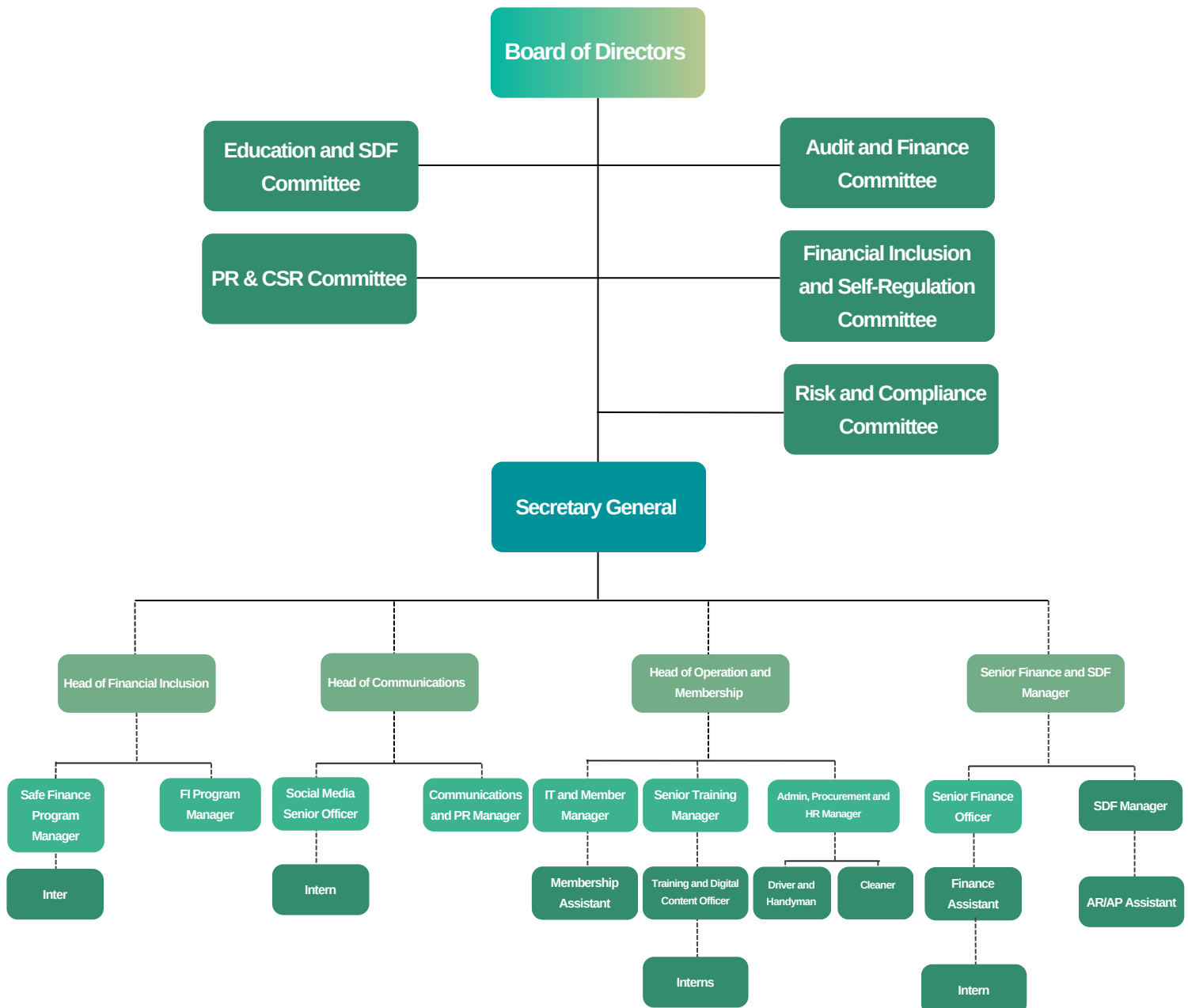
Oknha HOUT Ieng Tong

Advisory Board

Oknha HOUT Ieng Tong was co-founder of Hattha Bank in 1994. With his masterly leadership and management skills, plus broadened banking experience, he has led Hattha from a Food Security Project to become a leading commercial bank in Cambodia.

Besides a Masters Degree, he has been exposed to many experts sharing and workshops on financial inclusion in many countries, like the USA, Philippines, Indonesia, France, Germany, etc. He was voted to be Chairman of CMA of BOD in 2008-2009 and 2016-2017. He was CEO of Hattha Bank until 2024.

ORGANIZATIONAL STRUCTURE



SENIOR MANAGEMENT TEAM



Mr. CHHORN Vatanak
General Secretary

Mr. CHHORN Vatanak, with over two decades of experience in the financial sector and civil societies, brings a wealth of expertise to his role as Secretary General of the Cambodia Microfinance Association (CMA). In his current position as Secretary General, Mr. Chhorn oversees the day-to-day operation of the association, ensuring its smooth and sustainable functioning.

Before his appointment as the Secretary General, he was the Head of CMA's Training and Development Department who played a crucial role in enhancing the capacity and professionalism of the microfinance sector, focusing on the employees of over 130-member financial institutions. He also led and facilitated the Human Resource Networking Club (HR Club) and Compliance Officer Networking Group (CONG) of the microfinance sector to promote the high standards of employee performance and ethical practices among HR practitioners and regulatory compliance with the sector.

Previously holding various leadership positions at international NGOs such as Cooperation Committee for Cambodia (CCC), World Vision International (WVI), and Good Return, he has a proven track record in organizational development, human resources management, training and development, program and project management, fundraising and proposal writing, and information communication technology.



Mr. VONG Pheakyny
Head of Financial Inclusion Department

Mr. VONG Pheakyny 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, SPTF, 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
Head of Communications Department

Mr. KAING Tongngy is the Head of CMA Communications Department 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, community development, agriculture, education, public health, advocacy, ICT and startups, but his area of expertise is in media and communications.

Tongngy graduated with BA in Media Management in 2011, BA in English Literature in 2007 and AA in Teaching Methodology in 2003. Tongngy is also passionate about integrating ICT for development.



Ms. KUN Kanhaphal
Head of Operations and Membership
Department

Ms. KUN Kanhaphal is the Head of the CMA Operations and Membership Department. In this capacity, she oversees internal controls, cultivates a strong organizational culture, improves coordination and support for member priorities, and seeks funding and business development opportunities to secure the association's sustainability. She also addresses the training needs of members to fill skill gaps, facilitates the Human Resource Management Club, fosters strong relationships, develops solutions for member issues, and assists in planning the effective utilization and development of human resources.

With over 12 years of experience in senior leadership and management roles in both international and local development organizations, as well as private companies in finance and operations, Kanhaphal brings significant expertise to her role. Before joining CMA, she worked in finance and general operations for a private company in Singapore. She earned her degree in finance and banking in 2010 and is currently pursuing a master's degree in accounting science along with ACCA certification at Camed Business School.



Ms. PHENG Vouchnice
Senior Finance and SDF Manager

Ms. PHENG Vouchnice serves as the Senior Finance and Staff Development Fund (SDF) Manager at CMA. In this role, she is responsible for overseeing the financial operations, management, and control of both CMA and the Staff Development Fund.

In the area of finance, Ms. Pheng leads budget planning and control, banking operations, financial analysis, and management reporting. She works closely with both internal and external auditors to ensure the integrity and soundness of CMA's financial practices. Additionally, she coordinates and facilitates CMA's Finance Club, which supports members in addressing technical challenges, sharing solutions, and adopting best practices.

Regarding the SDF, Ms. Pheng manages and monitors the fund, ensuring the accuracy and timeliness of sector reports. These include the turnover ratio report, watchlist dashboard, and salary increment report, which are shared with CMA members on a monthly and quarterly basis. Her work supports informed decision-making and strategic planning across the sector.

With over 11 years of experience in the private banking and financial sectors, Ms. Pheng brings strong expertise in finance, accounting, customer relationship management, and auditing. Prior to joining CMA, she held roles as a Senior Business Relationship Officer at a bank and as an accountant in the real estate sector. She also has experience managing finance and hospitality operations in the hotel industry. Ms. Pheng holds a Master's degree in Taxation and Audit from a university in Cambodia.

COMMITTEES AND CLUBS

I. Committees

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.

• Education and 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 CMA Board of Directors and Chairwoman of CAMMA Microfinance Limited

➤ **Vice Chairman: Oknha HOUT Ieng Tong**

- CMA Advisory Board of Director

➤ **Members**

- **Oknha CHHUN Sopheak**, CMA Board Member and CEO of MOHANOKOR Microfinance Plc
- **Ms. KHUN Sonita**, CMA Board Member and CEO of YCP Microfinance Plc (YCP)
- **Mr. DY Sitha**, CMA Board Member and CEO of DAIKOU Finance Plc
- **Mr. KHENG Tilen**, CMA Board Member and CEO of BSP Finance (Cambodia) Plc

➤ **Invitees**

- **Ms. PEAIK Pisak**, Chief People and Development Officer of AMK Microfinance Plc.
- **Mr. LY Bunrith**, Chief Operation Officer of Chamroeun Microfinance Plc.

• 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.

➤ **Chariman: Mr. KHOU Buntry**

- CMA Board Member and CEO of FUNAN Microfinance Plc

➤ **Vice Chairman: Mr. PA Ponnak Rithy**

- CMA Board Member and Board of Director of Maxima Microfinance Institution

➤ **Members**

- **Mr. SIM Senacheert**, CMA Board Member and CEO of First Finance Microfinance Institution Plc.
- **Mr. KHENG Tilen**, CMA Board Member and CEO of BSP Finance (Cambodia) Plc.

➤ **Invitees**

- **Mrs. VATH Sovanna**, Head of Accounting and Finance Department of CAMMA Microfinance Plc.
- **Mr. SOK Sophal**, DCEO of LOLC (Cambodia) Plc.

• Public Relations and CSR Committee



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.

➤ **Chairman: Mr. DOS Dinn**

- CMA Board Member and CEO of AMRET Microfinance Institution Plc

➤ **Vice Chairman: Mr. SIM Senacheert**

- CMA Board Member and CEO of First Finance Microfinance Institution Plc.

➤ Members

- **Oknha CHHUN Sopheak**, CMA Board Member and CEO of MOHANOKOR Microfinance Plc
- **Mr. Yannick Nicolas MILEV**, CMA Board Member and CEO of Chamroeun Microfinance Institution Plc.
- **Oknha HOUT Ieng Tong**, Advisory Board Member
- **Ms. KHUN Sonita**, CMA Board Member and CEO of YCP Microfinance Plc (YCP)

➤ Invitees

- **Ms. NGNAY Somealea**, Head of Marketing, AMRET Microfinance Plc.
- **Mr. CHÂN Soratha**, Head of Public Relations, Wing Bank (Cambodia) Plc

• Risk and Compliance 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. SOK Voeun

- Vice-Chairman of the CMA Board of Directors and CEO of LOLC (Cambodia) Plc.

➤ **Vice Chairman:** Mr. KEA Borann

- CMA Board Member and CEO of AMK Microfinance Institution Plc.

➤ Members

- **Mr. SIM Senacheert**, CMA Board Member and CEO of First Finance Microfinance Institution Plc.
- **Mr. DY Sitha**, CMA Board Member and CEO of Daikou Finance Plc
- **Mr. KHENG Tilen**, CMA Board Member and CEO of BSP Finance (Cambodia) Plc

➤ Invitees

- **Mr. UK Kosal**, Chairman of CMA Compliance Officer Networking group (CONG) Club and Chief Compliance Officer of AMK Microfinance Plc.
- **Ms. PEAIG Pisak**, Chief People and Development Officer of AMK Microfinance Plc.
- **Mr. MAK Vichet**, Chief Compliance and Risk Officer of AMRET Microfinance Plc.

• Financial Inclusion and Self-Regulation Committee



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.

➤ **Chairman: Mr. KEA Borann**

- CMA Board Member and CEO of AMK Microfinance Institution Plc.

➤ **Vice Chairman: Mr. SOK Voeun**

- Vice-Chairman of the CMA Board of Directors and CEO of LOLC (Cambodia) Plc.

➤ **Members**

- **Ms. KHUN Sonita**, CMA Board Member and CEO of YCP Microfinance Plc (YCP)
- **Mr. KHOU Buntry**, CMA Board Member and CEO of FUNAN Microfinance PLC.
- **Mr. PA Ponnak Rithy**, CMA Board Member and Board of Director of Maxima Microfinance Institution
- **Oknha HOUT Ieng Tong**, Advisory Board Member
- **Mr. Yannick Nicolas MILEV**, CMA Board Member and CEO of Chamroeun Microfinance Institution Plc.
- **Mr. DY Sitha**, CMA Board Member and CEO of Daikou Finance Plc
- **Mr. KHENG Tilen**, CMA Board of Director and CEO of BSP Finance (Cambodia) Plc

➤ **Invitees**

- **Mr. MUTH Pisey**, Head of Credit Department of LOLOC Cambodia Plc.
- **Mrs. NUB Socheat**, Head of the Sustainability Management Department of LOLOC Cambodia Plc.

II. Clubs

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



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.

➤ **Chairwoman: H.E. DITH Nita**

- Chairwoman of CMA and Chairwoman of the Board of Directors of CAMMA Microfinance Limited

➤ **Vice Chairman: Mr. SOK Voeun**

- Vice-Chairman of the CMA Board of Directors and CEO of LOLC (Cambodia) Plc.

➤ **Members:**

- Chief Executive Officers from each member

• Operation Club



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

➤ **Chairman: Mr. MUTH Pisey**

- Head of Credit Department, LOLC (Cambodia) Plc.

➤ **Vice Chairman: Mr. TAN Youhay**

- Chief Sale Officer, AMRET Microfinance Plc.

➤ **Members**

- Operations Managers from each member

• Finance Club



The Finance Club aims to strengthen member institutions by enhancing professional skills, promoting collaboration, sharing best practices in finance and accounting, supporting compliance with relevant standards, contributing to CMA training efforts, and advocating on regulatory issues.

➤ **Chairwoman: Ms. VATH Sovanna**

- Head of Accounting and Finance Department of CAMMA MFI.

➤ **Vice Chairwomen:**

- **Ms. THON Kimhoy**, Deputy Head of Financial analysis, Tax and Reporting, AMRET MDI.
- **Mrs. KEO Taraty**, Head of Finance Department, LOLC MDI.

➤ **Members:**

- Representatives of Finance Departments from each member

• CONG Club



The Compliance Officer Networking Group (CONG) Club 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.

➤ **Chairwoman: Mr. UK Kosal**

- Chief Legal and Compliance Officer, AMK Microfinance Institution Plc.

➤ **Vice Chairman:**

- None

➤ **Members:**

- Operations Managers 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 find solution to overcome the issues.

➤ **Chairman: Mr. KHENG Tilen**

- CMA BBoard Member and CEO of BSP Finance (Cambodia) Plc

➤ **Vice Chairman: Ms. Meas Molika**

- Chief Executive Officer of iCare Leasing Plc

➤ **Members**

- Representatives from each financial leasing company member

• RCI Club



The Rural Credit Institution (RCI) 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. DY Sitha**

- CMA Board Member and CEO of Daikou Finance Plc.

➤ **Vice Chairman: Mr. VEN Samean**

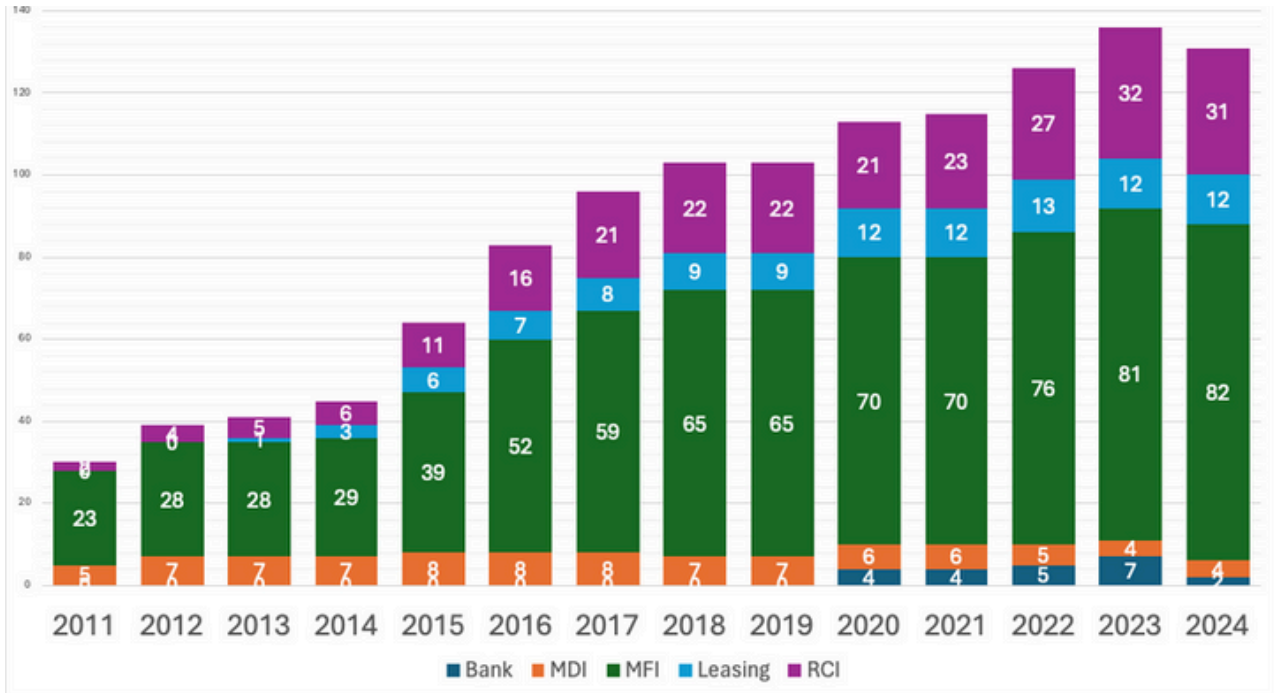
- Member of Board of Directors, MAMEDE Finance Plc.

➤ **Members**

- Representatives from each rural credit institution member

CMA'S MEMBERS

By the end of 2024, the CMA has over 131 members, encompassing a diverse range of financial institutions: 2 Banks, 4 Deposit-Taking Microfinance Institutions (MDIs), 82 Microfinance Institutions (MFIs), 31 Rural Credit Institutions (RCIs) and 12 Financial Leasing Institutions (FLIs). Our members play a vital role in Cambodia's development by providing crucial funding and financial services to those who need them most. Below is our members:





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.



CERISE+SPTF

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.



Ireland



Oxfam is an international confederation of 21 affiliates operating together in 77 countries with development programs in Africa, the Middle East, Latin America, across Asia and in parts of Eastern Europe. We are working together to end world poverty and injustice.

In Cambodia, Oxfam has supported development of the country since 1979 after the Khmer Rouge regime, and it continues with a strong commitment to Cambodians, especially women and youth as well as other marginalized groups. Hence, People living with disabilities, LGBTQI people, Indigenous groups and ethnic minorities, women facing exploitation, abuse or violence, and age discriminated vulnerable groups are being empowered to peacefully hold government and others with power accountable so that they can realize their rights to build a resilient society free from poverty and injustice.



Water.org is a global nonprofit organization working to bring water and sanitation to the world. We want to make it safe, accessible, and cost-effective.

We help people get access to safe water and sanitation through affordable financing, such as small loans. We give our everything every day to empower people in need with these life-changing resources – giving women hope, children health and families a bright future.





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