

## **Cambodian Entrepreneur Building Limited (CEB)**

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### **Brief History**

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Cambodian Entrepreneur Building Limited (CEB) was established as a NGO in 1995, under the name of Cambodia Community Building (CCB), to offer financial and health education services to poor communities. In collaboration with World Relief, CCB pursued an integrated microfinance approach, combining financial services (village banking) with free health education services. In 1999, CCB decided to adopt a more minimalist approach, centered on financial services, in order to transform into a self-sufficient MFI. It also shifted from a village banking methodology to a mix of individual and group lending. In February 2003, CEB registered with the Ministry of Commerce as a private limited company, and obtained a licence from the National Bank of Cambodia in April 2003.

### **Methodology**

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CEB offers financial services to both individuals and groups. Group financial services include lending through groups where poor women in a local community form solidarity groups of 2 - 8 members. Solidarity group loans ranges between US\$100 and US\$500, where women members in each group serve as guarantors for each other. A collateral, usually in the form of a land or a market stall deed, is requested from each group member. Loans are issued either in US dollars or the Cambodian Riel.

Individual financial services include individual loans catering typically for poor women successfully managing micro-businesses. These loans range from US\$300 to US\$5,000. Loan appraisal includes a simple, but sound business plan and a visit to the business premise by the credit officers. The vast majority of individual loans are issued in US dollar and are often used for business expansion, capital equipment purchases, such as agricultural machinery, office equipment and so on. A collateral in terms of fixed assets (mortgages and movable assets, i.e. livestock) with a value of 200% of the loan account, and guarantee from household members are required.

Both group and individual loans comes with compulsory savings of 5% of the loan amount. Voluntary savings products are being introduced.

### **Area of Operations**

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CEB operates from 14 offices located in 5 provinces, reaching more than 500 villages.

## Clients

CEB credit officers visit the various solidarity groups operating in different villages to collect savings and disburse credit. Individual clients also have the choice to come to the branch office for loan repayment and disbursement at a time convenient to them.

Active clients	Active savers	Active borrowers	Gender
8,293	8,293	8,293	100% women

*As of October 2004*

## Poverty Focus

CEB's mission is to build entrepreneurship and empower poor women, through supporting their income-generating activities and microenterprises.

Average Loan Outstanding	Average outstanding loan size / GNP per capita	Average deposit size
US\$417	139%	US\$20

*As of September 2004*

## Distinctive Features

CEB works mostly in urban settings, and does not benefit from external expertise or subsidies.

## Innovations

n/a

## Financial results

The microfinance loan portfolio outstanding is almost US\$3.5 million, with a **99% repayment rate**.

Loan Portfolio	Portfolio at risk	Savings Deposits	OSS / FSS	RoE / RoA
US\$3,483,532	0.62%	US\$164,000*	154%*/110%*	n.a / 2%*

*As of October 2004, except (\*) as of September 2004*

## Challenges and development plans

CEB plan to mobilize private international investors with financial leverage in order to support its ambitious expansion plan and to maintain itself as one of the leading microfinance institutions in Cambodia. It will focus on individual lending, and aims to increase its portfolio on average by 25 to 50% per year.

## Inclusion in financial Sector

CEB is a licensed MFI, regulated by the National Bank of Cambodia. It access funding from the Rural Development Bank, and international funds and donors (IFAD, ADB, Triodos, Oikocredit, Blueorchard, ShoreCap, etc). CEB is owned by CCB NGO (45%) and CEB Employee Company (11%), while ShoreCap International took a 43% share in November 2004.

## Sources

- CEB Brochure and materials
- CMA statistics as of September 2004