



**Microfinance Regional  
Workshop:  
Sharing Microfinance resources  
and Knowledge in the Mekong  
region  
Phnom Penh, Kingdom of  
Cambodia  
December 8th-9th, 2004**

**16-Dec-04**

**Commercialization of and Linkages  
between Micro-finance and  
Commercial Banking**



# **“The Commercialization of Micro-finance and Linkages between Micro-finance and Commercial Banking”**

# Background of Cambodia

- Population was 13.8 mil. in 2003
- Women was 52%
- Annual growth rate was 2.5%
- Average household size was 5.2 persons
- Population in the rural area was 84%
- Income per capita was less than US300

# Overview of Banks in Cambodia

- There are 17 commercial and specialized banks operate in Cambodia, especially in crowded populated area and major provincial towns, and
- There are 9 licensed Micro-finance Institutions, and 27 MFI NGOs registered with the NBC
- Those financial Institutions are very important to economic development since they are committed to guarantee financial services in Cambodia.



# **Commercial Banking Activities defined under the Law on Banking and Finance:**

- a. Credit operations for valuable consideration, including leasing, guarantees and commitments under signature;
- b. The collection of non-earmarked deposit from the public;
- c. The provision of means of payment to customer and the processing of said means of payment in national currency of foreign exchange.

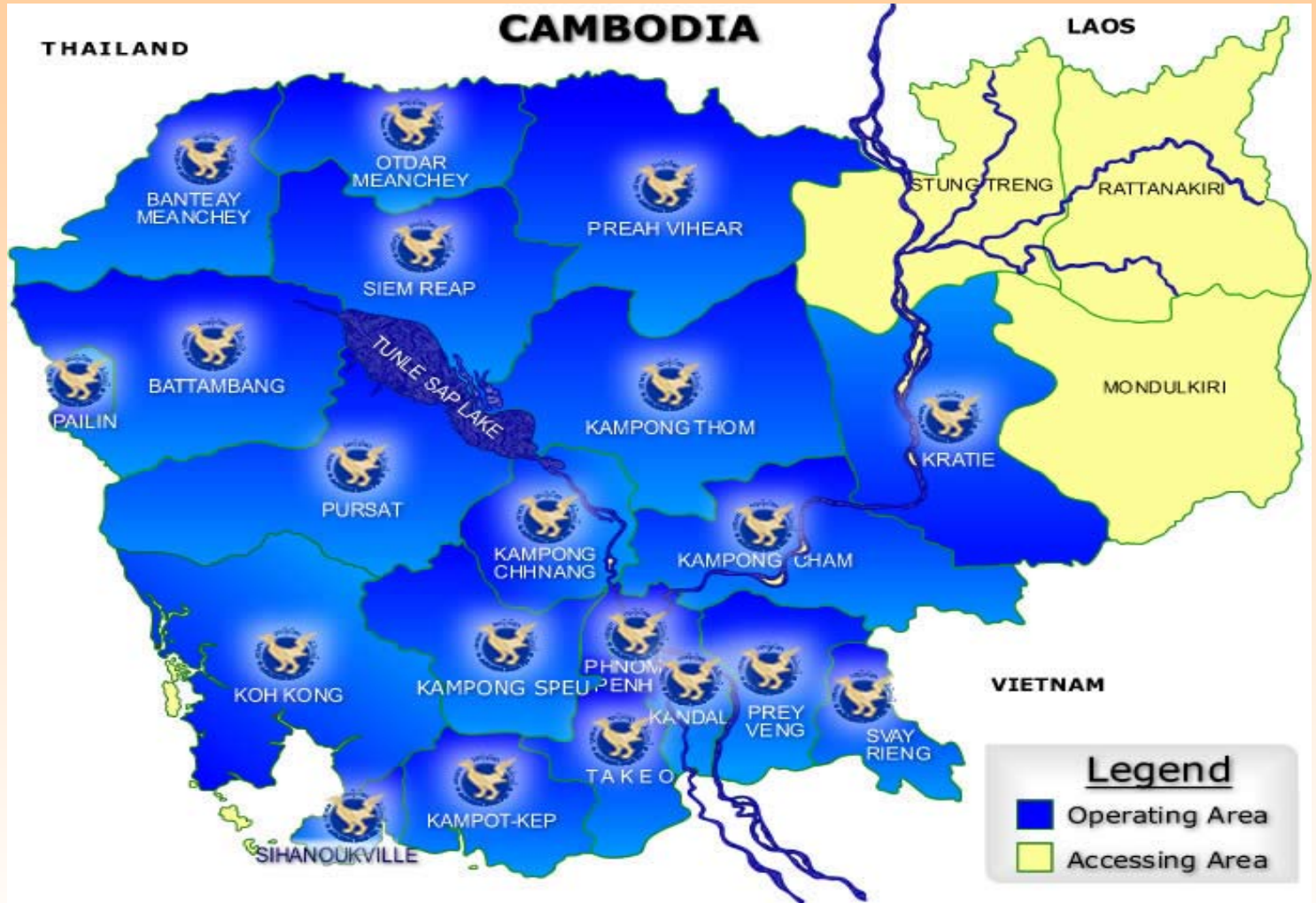
# Commercialization of ACLEDA Bank Plc.

1. January 19th, 1993 was from the ILO/UNDP project to an NGO (Association of Cambodian Local Economic Development Agencies-ACLEDA).
2. October 7th, 2000 was from an NGO (ACLEDA) to a specialized Bank (ACLEDA Bank Limited).
3. December 1st, 2003 from a specialized bank (ACLEDA Bank Limited) to a commercial bank (ACLEDA Bank Public Limited Company).

# Reasons for Commercialization of ACLEDA Bank

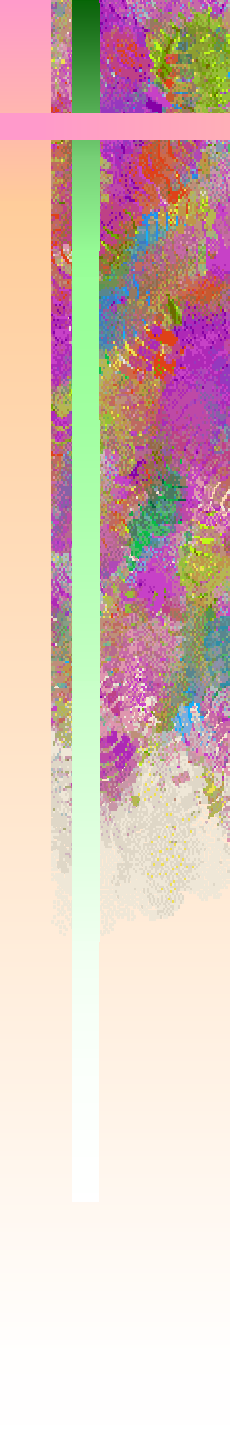
- 1- To comply with the regulation.
- 2- To be able to provide more financial services
- 3- To have better access to commercial funds

# ACLEDA Bank Network Map



16-Dec-04

Commercialization of and Linkages  
between Micro-finance and  
Commercial Banking



# ACLEDA Bank's Strategic Focus for the next five years

- Our strategic focus is to become the leading retail and micro-, small and medium scale enterprise full-service bank in Cambodia. We will also take advantage of 'niche' opportunities offered by our unique branch network – 119 offices in 18 and 3 towns out of the 24 provinces and towns– to establish ourselves as a provider of cash management services to the larger business entities, utilities, national and international enterprises and government organizations. The four businesses targeted are:

# ACLEDA Bank's Strategic Focus for the next 5 years (cont.)

Micro and small scale credit ('Micro-finance' – our traditional business);

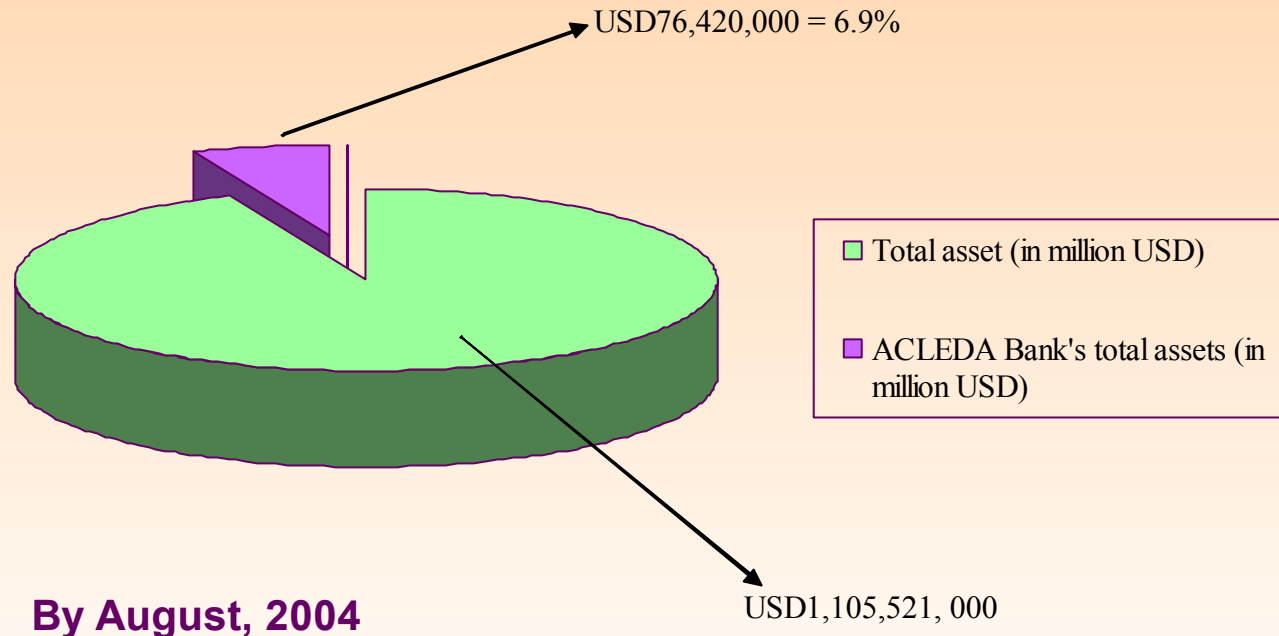
- Small to medium enterprise banking including credit and other services such as foreign exchange and trade finance;
- Retail Banking (deposits and credit) – to the general public;
- Cash management services (transfers, collections, payrolls, etc.) – to all sectors including commercial, national and multi-national companies, financial institutions, government and development agencies.

# **ACLEDA Bank Products and Services**

- 1- Micro business loan**
- 2- Small Business loan**
- 3- Medium Enterprise and commercial loans**
- 4- Personal loan**
- 5- Over Draft**
- 6- Savings and deposits**
- 7- Cash management services (Transfer, collection, payrolls, etc).**

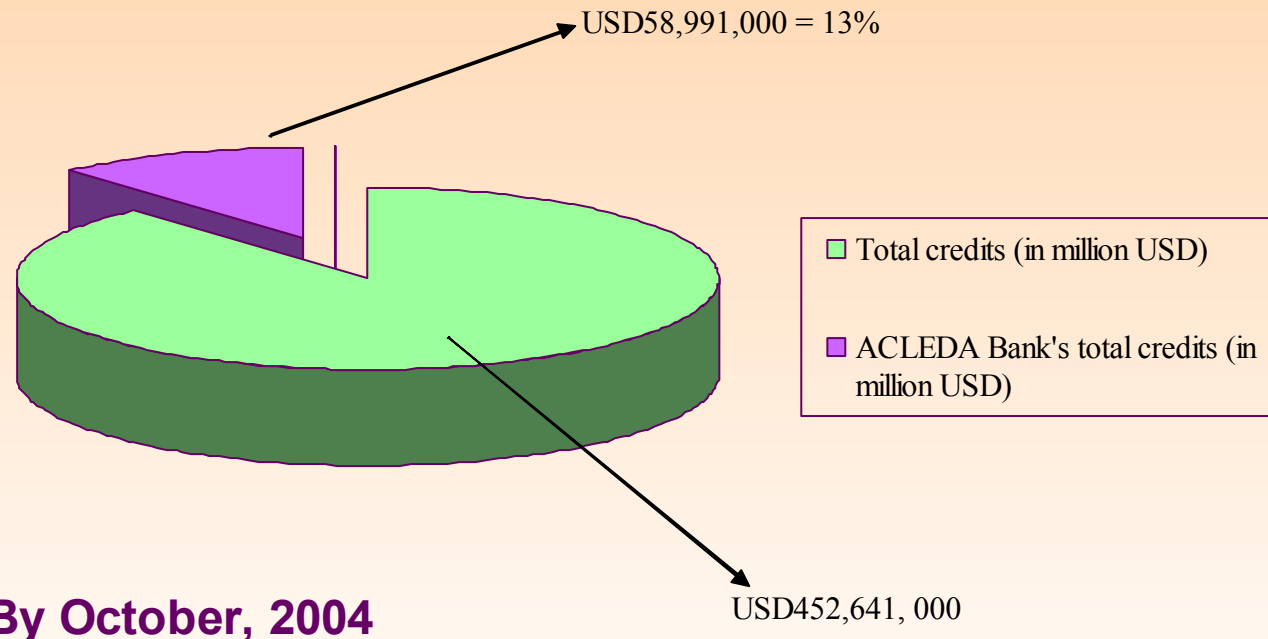
# ACLEDA Bank's Market Share

Total Assets:



# ACLEDA Bank's Market Share (Continued)

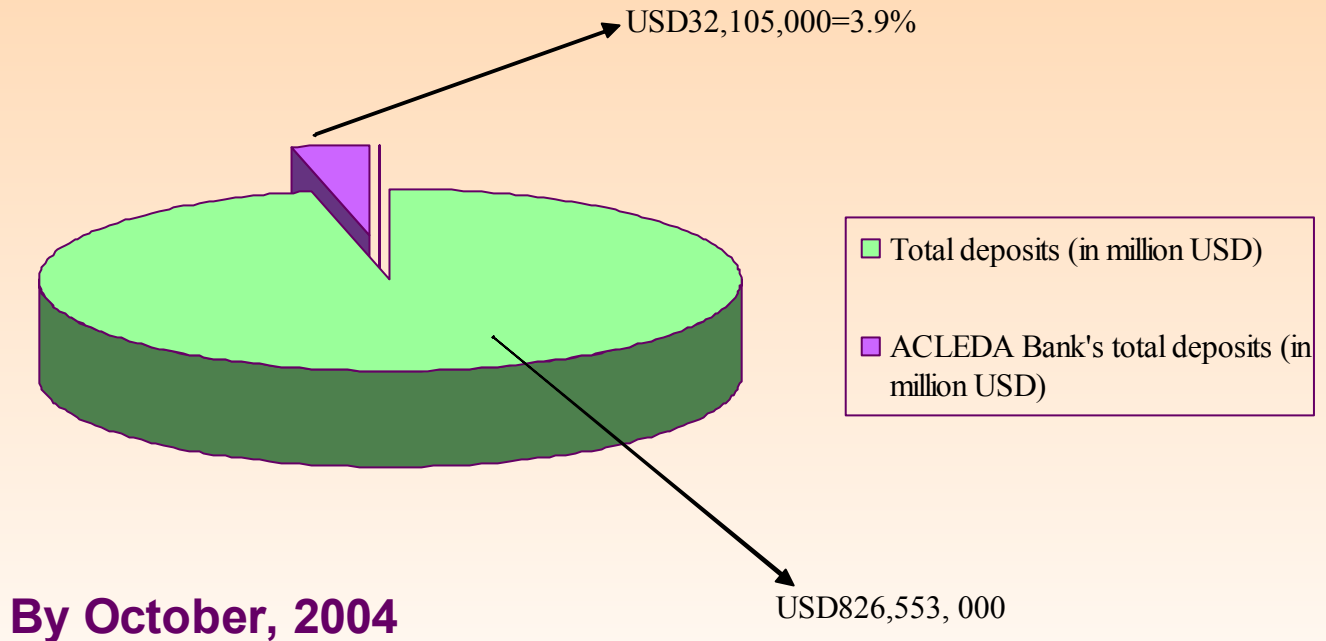
Total Lending:



By October, 2004

# ACLEDA Bank's Market Share (Continued)

Total Deposits:



# ACLEDA Bank Customers:

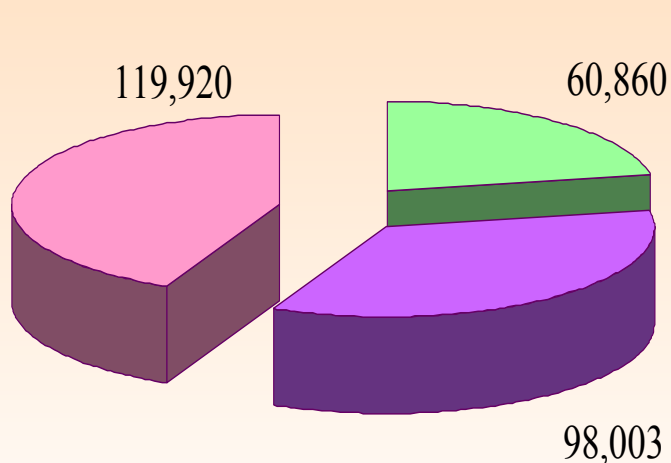
ACLEDA Bank is working with all sectors including:

- Micro business,
- Small business,
- Medium enterprises,
- Microfinance institutions,
- Commercial,
- National and multi-national companies,
- Government and development agencies,
- Etc.

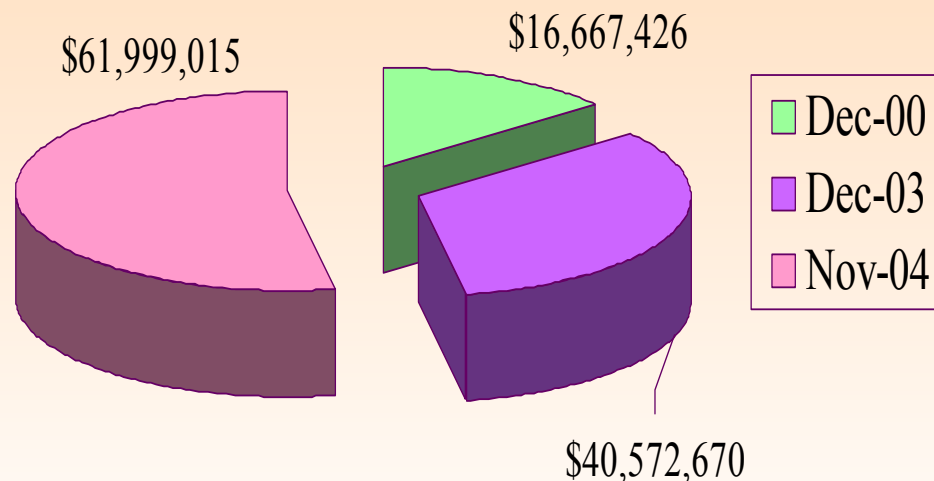
# Linkages between MFIs and Commercial Banks in terms of Products and Services

## 1. Credit Products:

### Active Customers

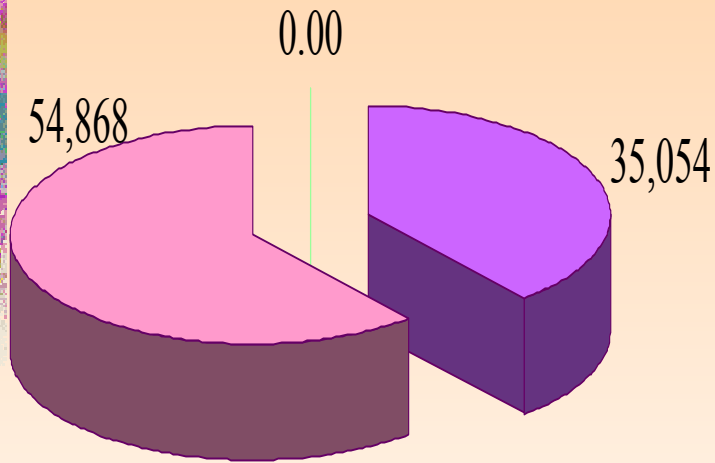


### Amount of Portfolio

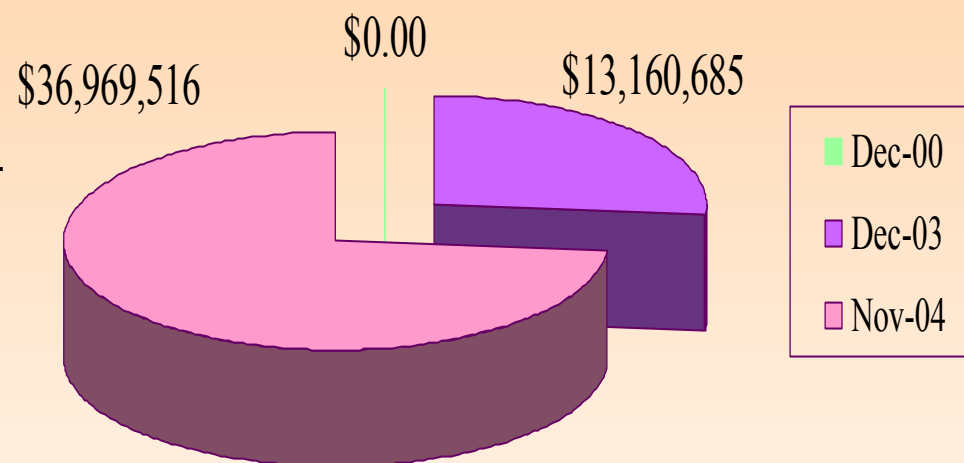


## 2. Savings and Deposits

**Number of Account**

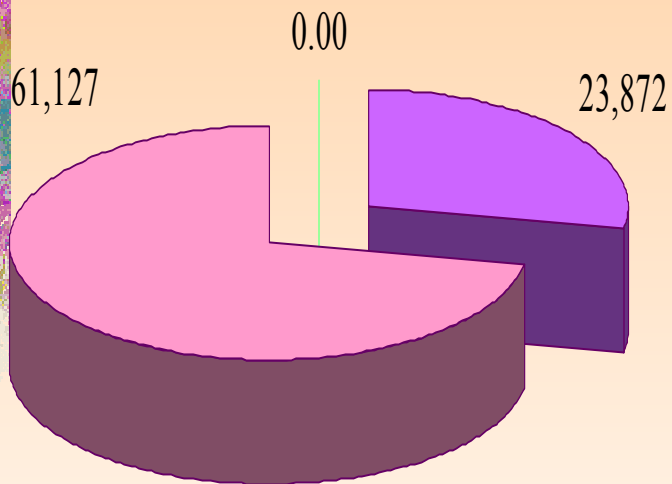


**Amount of Savings & Deposits**

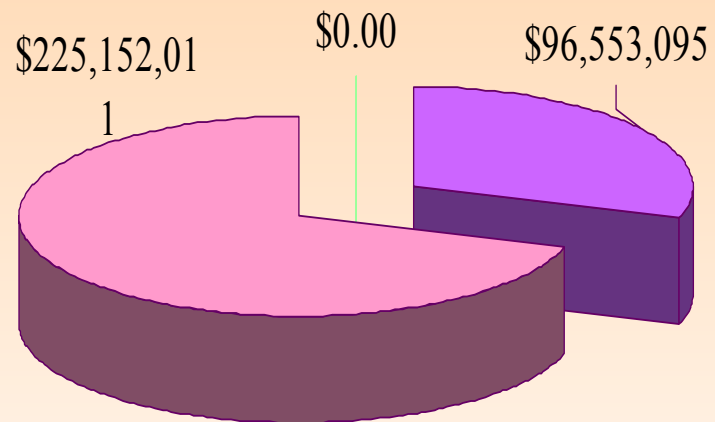


### 3. Local Transfers

**Number of Transactions**

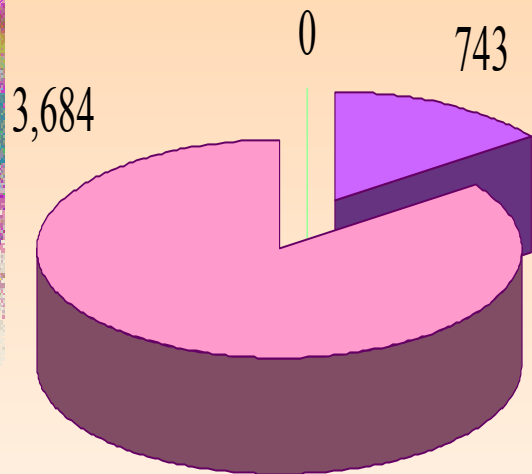


**Amount of Transfers**

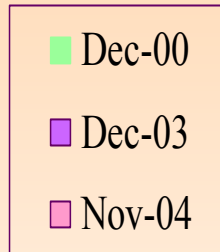
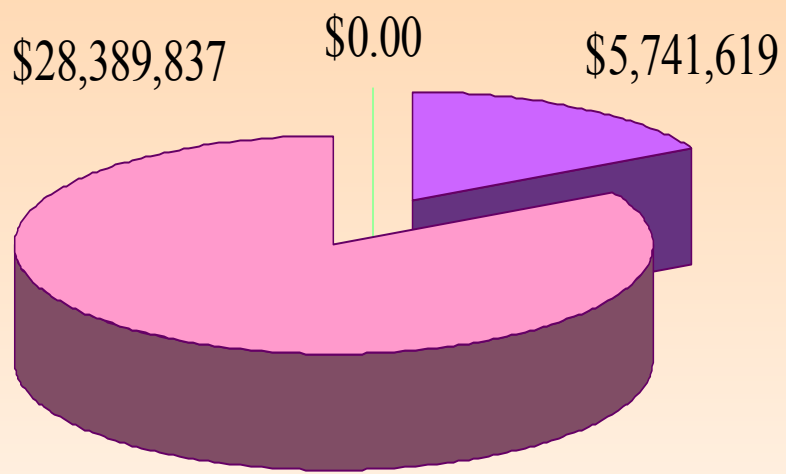


## 4. Oversea Transfers

**Number of Transactions**

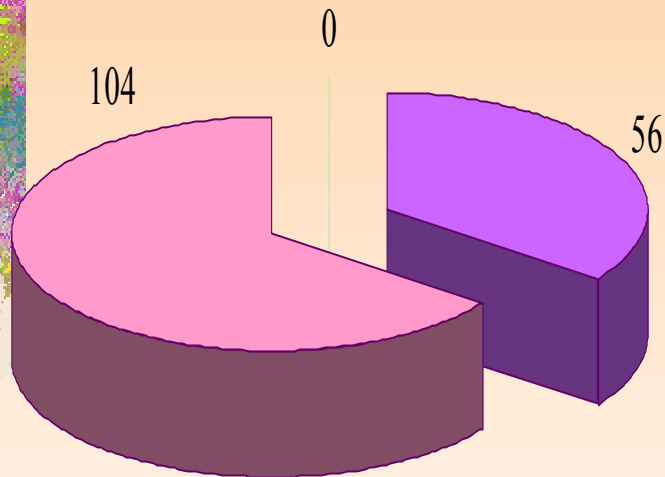


**Amount of Transfers**

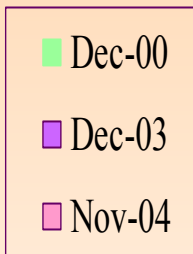
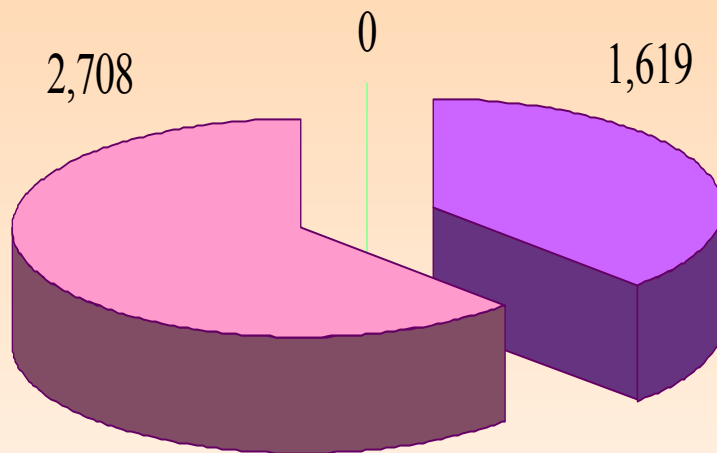


## 4. Payroll Services

**Number of Institutions**

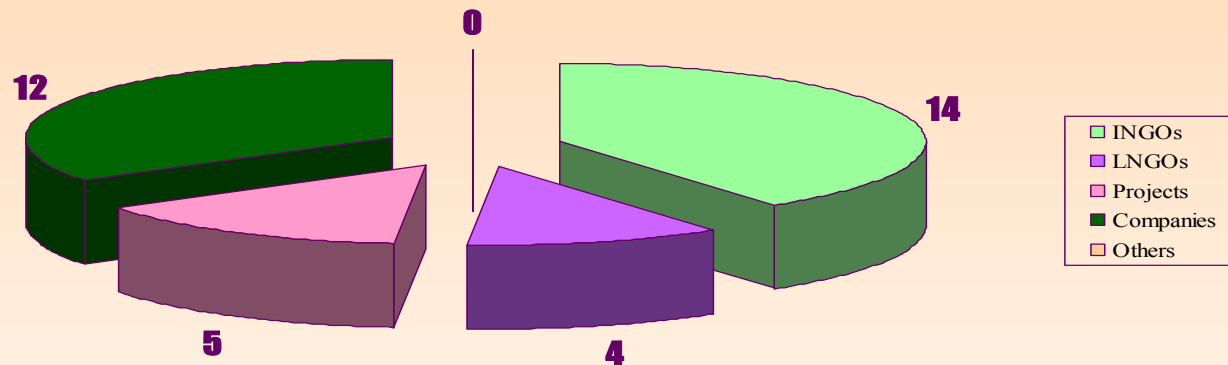


**Number of Accounts**



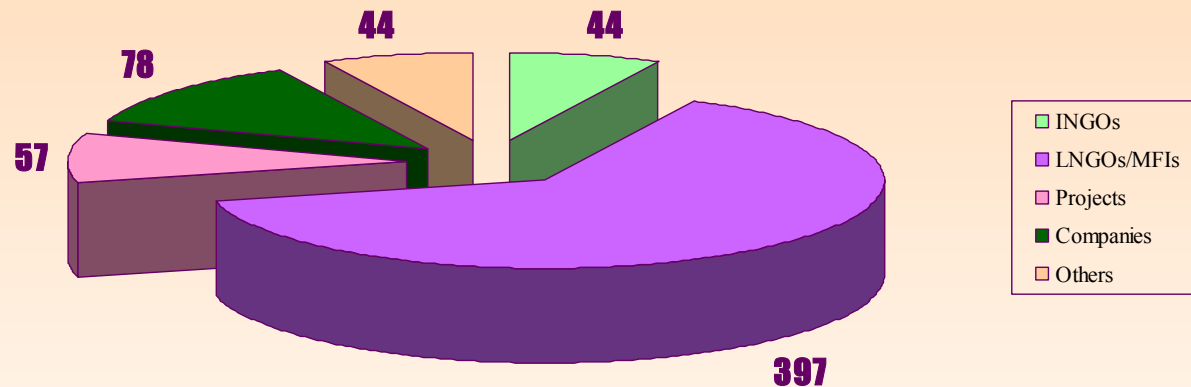
# Highlight some of ACLEDA Bank Plc.'s Services Delivery by Institutions

## 1. Payrol Services

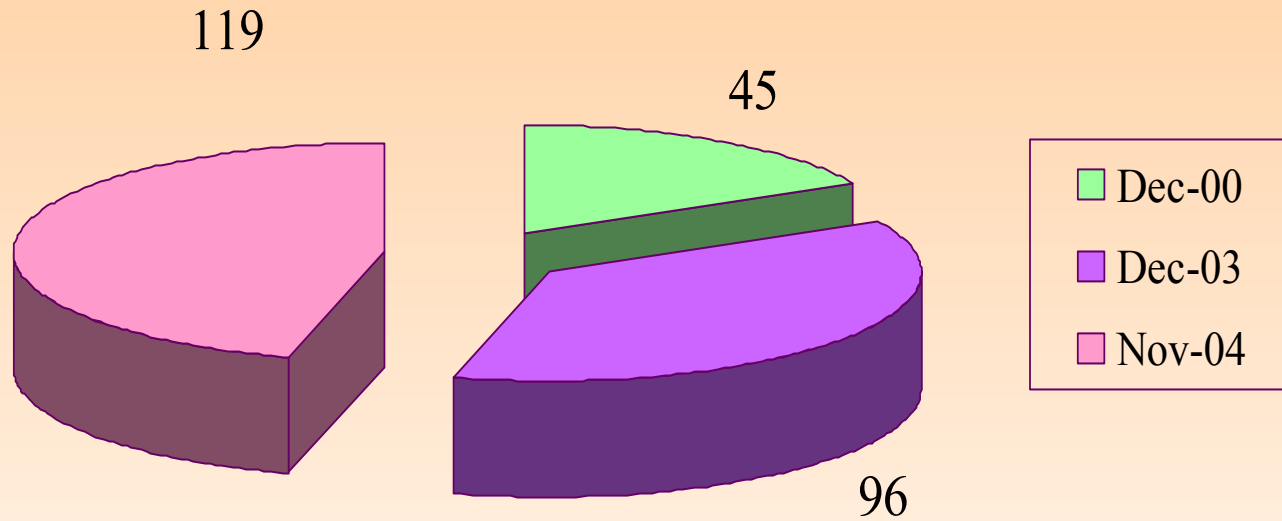


# Highlight some of ACLEDA Bank Plc.'s Services Delivery by Institutions (continued)

## 2. Transfer Services



## 6. Network Offices



# Conclusion

Commercial banks and micro-finance institutions have complemented each other in terms of products and services facilitation. Commercial banks helped some MFIs as well as other NGO, projects, and the companies, etc. for their fund management including fund transfer to their project sites. With mutually benefits, MFIs are the bridges release fund for the sub-borrowers.



**THANK YOU FOR YOUR  
ATTENTION**