



**ANNUAL
REVIEW
2010**



**ENHANCING OUR SOCIAL AND
CORPORATE PERFORMANCE**



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ENHANCING OUR SOCIAL AND CORPORATE PERFORMANCE

2010 was the year of our commitment to enhancing our social and corporate performance after we employed conservative lending approach due to challenges from effects of the global financial and economic crisis.

We fulfilled our commitment by increasing loan portfolio while strengthening quality, improving financial performance and exploring new social partners/products. We also maintained ample synergistic cooperation with our existing partners, in particular World Vision Cambodia and endeavored to ensure social performance transparency and better measurement tools.

In addition, we streamlined risk management/ internal control and invested in human resource development and initiated the upgrading of our IT/communication infrastructure.



VISION

Our vision for every child, life in all its fullness;

Our prayer for every heart,
the will to make it so.

MISSION

VisionFund Cambodia is a Christian company that provides financial services to help the poor liberate themselves from poverty.

CORE VALUES

We are Christian.

We are committed to the poor.

We value people.

We are stewards.

We are partners.

We are responsive.





ABOUT US

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ABOUT US

CORPORATE PROFILE

VisionFund Cambodia is a licensed microfinance institution with a mission to provide financial services to help the poor liberate themselves from poverty.

VisionFund Cambodia, a Christian organization, focuses its ministry on the lives of Cambodia's poorest families regardless of religious beliefs, gender or ethnic background.

The microfinance institution (MFI) evolved from a small-credit program of World Vision Cambodia in the 1990s into a separate institution in 2003 as an affiliated member of VisionFund International (VFI)'s global microfinance network, which currently operates in more than 40 countries.

VisionFund Cambodia was registered with the Ministry of Commerce as a commercial financial service provider in 2003. The MFI received a microfinance license from the National Bank of Cambodia in 2004 and a permanent license in 2007.

Acknowledging that financial services are not the only tool for economic development and

poverty alleviation, VisionFund Cambodia has forged synergistic relation and partnership with numerous socially driven organizations. This has enabled greater outreach and social impact, and has helped to shape VisionFund Cambodia's strategic approach, uniqueness and competitiveness.

Since inception, VisionFund Cambodia has been honored with awards and recognition by various international institutions including the VFI, the Microfinance Information Exchange (MIX)/the Consultative Group to Assist the Poor (CGAP) and the United National Development Program and rating agencies.

In FY2010, VisionFund Cambodia has a loan portfolio of US\$30 million with more than 108,000 clients mostly residing in suburban and remote areas of Phnom Penh capital and 17 provinces. Repayment rate stands at 99.5% as at 31 December 2010.



AN INSTITUTION OF INTERNATIONAL EXCELLENCE

Since inception in 2003, VisionFund Cambodia has been honored with numerous awards and recognition by international organizations including our parent company, VisionFund International (VFI), the Consultative Group to Assist the Poor (CGAP)/Microfinance Information Exchange (MIX), the United Nations Development Program and rating agencies for our financial, operational, institutional, social and transparent performance.

A CENTER OF EXCELLENCE

VisionFund Cambodia has continuously gained recognition as one of VFI's top performing microfinance institutions within the World Vision Partnership. VFI has a global network of microfinance institution in more than 40 countries. "VisionFund Cambodia is one of our best MFIs," VFI President & CEO Scott Brown comments.

AWARDS/RECOGNITION BY CGAP/MIX

VisionFund Cambodia was honored with a top award by CGAP on financial transparency in 2006 and a Certificate of Merit in 2005 and 2007.

During the same periods, we also received the top "Five Diamonds" rating from MIX, a leading business information provider; in recognition of excellence regarding information disclosure.

In 2009, VisionFund Cambodia was ranked 51st among 100 top microfinances in the world in the MIX Global 100 Composite Ranking, whose major criteria included outreach, efficiency and transparency.

That year we also won a silver award on Social Performance Reporting developed and launched by CGAP, the Social Performance Task Force (SPTF), the

Michael & Susan Dell Foundation, the Ford Foundation, and with microfinance information provided by MIX.

In 2010, VisionFund Cambodia was granted a gold award on Social Performance Reporting. A gold award for social performance reporting is given by MIX when an MFI completes the social performance reporting report, provides data on poverty measurement, and has a social rating that includes auditing of the poverty tool used by the MFI. The Social Performance Reporting Awards have attracted hundreds of submissions by MFIs around the world since its inception in 2009.

UNDP AWARD

VisionFund Cambodia obtained the Global Micro-entrepreneurship Award from UNDP for six of its clients in 2005. The UNDP launched the Award program to mark the International Year of Microcredit 2005, seeking samples of micro-entrepreneurship in developing countries.

MICROFINANCE RATING

In 2006, VisionFund Cambodia obtained a financial rating of alpha minus (α^-) by the Microfinance Rating International limited (M-CRIL).

In 2008, VisionFund Cambodia was rated BBB+ by Microfinanza Rating. The rating is a detailed and complete assessment of the financial and operational performance of the MFI, based on recognized international standards.

In 2009, we received "4-" rating out of the highest score "5+" in the social performance rating conducted by Planet Rating.

A NOTE FROM VISIONFUND INTERNATIONAL PRESIDENT & CEO, SCOTT BROWN



Scott Brown in Cambodia.

I am delighted to share highlights and a review of the performance made by VisionFund Cambodia over the past year. VisionFund Cambodia is an affiliated microfinance institution (MFI) of VisionFund International. VisionFund International is the microfinance subsidiary of World Vision, and provides financial resources to the entrepreneurial poor.

VisionFund Cambodia ended the fiscal year with a loan portfolio of US\$30 million in 2010, a remarkable 40.8% increase from the previous year. The institution saw its number of clients increase 9.4% from the past year to 108,047. VisionFund Cambodia is now the largest MFI within the VisionFund International network, in regards to the number of clients served. In addition, 88% of all borrowers were women. This number of women served is remarkable, when faced with the reality that women control less than 1% of the world's assets.

VisionFund International's management acknowledges VisionFund Cambodia's consistent effort to respond to the social and physical needs

of the poor, while creating innovative services and products. We congratulate VisionFund Cambodia for being named a gold award recipient in 2010 from the Microfinance Information Exchange (MIX), a leading business information provider. This award was given to VisionFund Cambodia for its integrity and transparency in reporting, measuring, and data collection of social performance.

VisionFund Cambodia has adhered to its core values of serving the poor with effective microfinance services, empowering the poor to lift themselves out of poverty. Its careful planning, teamwork, and skilled leadership are at the core of the institution's success.

2010 was a year of exceptional growth in many areas throughout the network of 40 affiliated MFIs; globally 70,000 additional loans were disbursed and nearly half a million additional children were positively impacted by our microfinance services. At the close of the fiscal year, VisionFund International's global portfolio totalled US\$341 million, while disbursing over 750,000 loans.

Building on solid foundations, the unique integrated work of our affiliated MFI VisionFund Cambodia will make a lasting change in the lives of the entrepreneurial poor throughout Cambodia. I am enthusiastically anticipating future successes for VisionFund Cambodia, while countless lives are transformed through the power of a small loan.

Sincerely,

Scott Brown

President & CEO, VisionFund International

MESSAGE FROM VISIONFUND CAMBODIA CEO & CHAIRPERSON



Esther Halim, Chairperson



Chee Chin Hoe, CEO

Coming out of the 2009 global financial crisis, Cambodia managed to record economic recovery in 2010. The economy is expected to grow approximately 5% or 6% due to the satisfactory performance of its main productive sectors—garment export, tourism and agriculture.

The growth contributed to an increase in lending in the country's banking and microfinance industry. Microfinance institutions (MFIs) here saw their loan portfolio climb by 42% to US\$426 million and its client base by 13% to 0.99 million borrowers in 2010 compared to 2009.

Meanwhile, both microfinance practitioners and regulators have also learnt valuable lessons from the height of the microfinance crisis in Andhra Pradesh, India in late 2010, and are expected to take more prudent measures to avert a similar turmoil.

2010 was the year of our commitment to enhancing our social and corporate performance after we employed conservative lending approach due to challenges from effects of the global financial and economic crisis.

We fulfilled our commitment by increasing loan

portfolio while strengthening quality, improving financial performance and exploring new social partners/products. We also maintained ample synergistic cooperation with our existing partners, in particular World Vision Cambodia and endeavored to ensure social performance transparency and better poverty measurement tools.

In addition, we streamlined risk management/ internal control and invested in human resource development and initiated the upgrading of our IT/ communications infrastructure.

GROWTH WITH BETTER QUALITY

Our loans increased 40.8% percent to US\$30 million in 2010 and our client base rose 9.4 % to more than 108,000 clients, while the average loan size per client was kept below US\$ 300.

Our operations reached 17 provinces with the extension to 5 new operation areas in Kompot, Odor Meanchey, Pailin, Koh Kong, and Prey Veng provinces.

We ensured that the operational growth was not at the expense of quality. Our loan portfolio at



Scholarship holder shows her prize certificate.

risk (PAR) decreased to 0.5% in 2010 from 3.42 % in 2009 in tandem with the country's overall positive economic growth, and supported by our prudent lending practices and financial education through training, and field staff to encouraging clients to well manage their household income and expense or seek new economic opportunities. We conducted 39 financial education 2-day training with more than 1,000 clients in 2010.

FINANCIAL PERFORMANCE

Our net profit grew from US\$ 68,202 to US\$ 945,194 in 2010, with the financial self sufficiency ratio of 105 % up from 90%, thanks to the loan growth with quality, and reduction in operating cost through higher productivity. The return on assets reached 2.8%.

Assets grew by US\$10 million to US\$37 million with equity amounting to US\$9 million in 2010.

NEW SOCIAL PARTNERS/PRODUCTS

VisionFund Cambodia established synergistic partnership with PATH and Hydrologic in 2010 where the former will subsidize lending to the poor in Kampong Speu province in 2011 to purchase water filters from the latter. This will promote water

and sanitation hygiene in rural communities.

A similar partnership with the International Solar Solutions (ISS) a private company will enable the poor in the remote province of Preah Vihear, where electricity access is limited, to purchase solar energy products in 2011. We hope that among other benefits, children there will be helped in their studies with electricity at night.

For social loan products, we have created Education Loan; Loan for Rice Mill Cooperatives in cooperation with our existing partner; CEDAC; and Credit with Health Education in cooperation with World Vision Cambodia. Special and flexible conditions are adapted to meet the need of targeted clients in order to promote education, local rice production and health awareness.

SOCIAL PERFORMANCE RECOGNITION/MEASUREMENT

In 2010, VisionFund Cambodia was recognised by the Microfinance Information Exchange (MIX), a leading business formation provider; for our integrity and transparency in reporting, measuring, and data collection of social performance with a gold award. Social performance reporting allows MFIs to better target the poor and design appropriate products and services.

A gold award for social performance reporting is given by MIX when an MFI completes the social performance reporting report, provides data on poverty measurement, and has a social rating that includes auditing of the poverty tool used by the MFI.

To modernize our poverty measurement tool, we piloted the Progress out of Poverty Index (PPI), which is being used by an increasing number of MFIs around the world to measure their clients' poverty level and track changes of those levels over time. PPI is expected to eventually replace our existing Poverty Scorecard in 2011.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board Risk Committee approved the Risk Management Policy in 2010 to further strengthen our risk management framework.

On monthly basis, we update our early warning

system including risk management tools or checklists to ensure legal compliance and appropriate measures taken by all departments to avoid potential risks and mitigate risks.

HR/TRAINING

Several new initiatives were launched in 2010 to promote staff development and motivation.

Training and Development Manual, and Customer Service Training Manual were developed. Staff Motorbike Loan and Staff Emergency Loan were introduced.

Scholarship was granted to 8 employees in 2010 to pursue their master or professional degrees, bringing the number of scholarship holders to 11 since the scholarship initiative started in 2008.

For training, 80 internal and external sessions were conducted involving more than 2,300 participants.

IT/COMMUNICATION ENHANCEMENT

In 2010, we developed the IT Infrastructure Assessment and Plan for New Data Center that will be adaptable to integrate new systems or updates such as deposit taking, cash management, money transfer and accounting procedures.

For loans, we managed to make automatic classification by sector/industry, geographical locations, recovery, risk and reserves, and loan trend analysis to provide convenience for managerial decision-making.

Internet access was extended to 62 offices in our remote operational areas to improve our online communication and staff exposure to various sources of information.

OUTLOOK FOR 2011

After our aggressive operational expansion in 2010, we will employ appropriate strategy to manage and consolidate growth in the year ahead. Our loans will climb modestly and our internal control and institutional capacity will be further enhanced.

Our healthy operational and financial performance has placed us in a good position to

obtain a deposit taking license from the National Bank of Cambodia. A reliable deposit-taking MFI would provide a better alternative to traditional saving methods by rural Cambodians whose banking access is limited.

ACKNOWLEDGEMENT

We are grateful to VisionFund International for lending technical and financial support for VisionFund Cambodia. Similarly, to World Vision for its continued support and cooperation in empowering us to fulfil our mission.

Sincere appreciation goes to our Board of Directors for providing guidance and direction to lead VisionFund Cambodia.

We acknowledge the hard work, commitment, dedication and loyalty demonstrated by our staff.

We extend special thanks to clients, partners, donors, lenders and government agencies, in particular the National Bank of Cambodia and local authorities for their support and patronage.

God bless you.

Chee Chin Hoe

Chief Executive Officer

Esther Halim

Chairperson

BOARD OF DIRECTORS



Ms. ESTHER HALIM
Chairperson, VisionFund
Cambodia and National Director,
World Vision Cambodia

Born in Indonesia, she joined VisionFund Cambodia and World Vision Cambodia in 2006. Ms Halim has more than 25 years of work experience in diverse domains including emergency/relief services, communications, sponsor relations, national resource development, human resource development and administration in Indonesia and the South East Asia/Pacific Region. She completed Master of Business Administration at the Institute for Management Education and Development, Indonesia in 1993 and in medicine at Atmjaja Catholic University, Indonesia in 1975.



Mr. Chee Chin Hoe
Board Member, and
Chief Executive Officer

A Malaysian citizen, Chin Hoe joined VisionFund Cambodia as CEO in Feb 2010. Prior to this, his last-held position was Head (Vice President) of Credit Support and Administration with a leading commercial bank in Malaysia.

He has over 33 years of banking experience. Having risen from the ranks during his tenure with two different commercial banks, he has extensive working experience in both credit and banking operations. He has served in various managerial and leadership roles at branch, regional as well as head office levels.

Chin Hoe has also been active in social development activities through providing various family-oriented courses to youths, pre-marital couples, married couples and parents. His experience includes training of trainers.

He is a certified Credit Professional under the Institute of Bankers Malaysia, and he has completed studies in Post-Graduate diploma in Business Administration.



Mr. JONATHAN PETER HARTLEY
BA (Hons), FCA, ACA, FAICD
Board Member and VFI Director,
director of several companies in
New Zealand

Holding British and Australian citizenship he joined VisionFund Cambodia in 2005. He has many years of experience including general management, merger and acquisition transactions, valuations, strategy and planning work, finance, business initiation and banking. He has worked in several countries. He graduated from Newcastle upon Tyne University, England, majoring in Economics and Accounting. He is currently a director of several companies in New Zealand.



Mr. ROMMEL DACILLO CARINGAL
Board Member, and VFI Regional
Director, Asia Pacific Region

Rommel has been working in various leadership roles in the microenterprise/microfinance sector for over 15 years. He has 20 years of work experience in numerous areas such as organization management, product and services development, human resource development, Management Information System, fisheries, indigenous peoples, urban poor development, and relief and emergency programming. Rommel is currently the Regional Director of VisionFund International for Asia Pacific Region and is in the board of several MFIs and non-profit NGOs in Asia.



Mr. NEIL RODRIGUES
Board Member, and Treasury Head,
ANZ Banking Group, Melbourne

Neil joined the Board of Director of VisionFund Cambodia in 2007. He brings to the Board over 20 years of broad-based finance sector skills, with emphasis on measuring and managing risk. For most of his career, Neil has been involved in domestic financial markets across a range of geographies covering the Middle East, Asia, Australia and the Pacific. Neil is based in Australia. He spent 4 years (2005 – 2009) in Cambodia. Neil sees vast scope to link VisionFund Cambodia's mandate to World Vision's mission through growth which is "both financially sustainable and aligned to VisionFund Cambodia's core values". He holds a Bachelor of Commerce Degree and is a Fellow of the Australasia Institute of Banking & Finance. Other interests include the environment, soccer, cricket and the arts.



Mr. TALMAGE MARK PAYNE
Board Member, and Chief
Executive Officer, Hagar
International

A US citizen, Talmage joined VisionFund Cambodia in 2003 as the founding Chairperson. Born in Nigeria, where he spent his youth, he moved to the USA to earn a Bachelor of Arts Degree from Wheaton College, majoring in International Development Studies. For the previous 18 years he has held a number of leadership positions in emergency relief, community development, human resource management and entrepreneurship. Talmage was National Director of World Vision Cambodia from 2002 to 2005. Talmage is currently the CEO of Hagar International and Chairperson of the Clean Business Initiative.



Ms. NOP VANTHY
Board Member, and Senior
Operations Manager, Urban Zone,
World Vision Cambodia

A Cambodian citizen, she joined VisionFund Cambodia in 2004. Ms Vanthy has 16 years of work experience in community development with child focus approach, operations and staff management, urban development, agriculture & health development, administration, human resource, program design/ monitoring & evaluation, and street children program. She had also served as Board and Executive Committee members for several NGOs. She holds a Master of Agriculture Science Degree from "Vasil Kolarov Agriculture Institute", in Bulgaria.

EXECUTIVE TEAM PROFILE



Mr. Chee Chin Hoe
Chief Executive Officer

A Malaysian citizen, Chin Hoe joined VisionFund Cambodia as CEO in Feb 2010. Prior to this, his last-held position was Head (Vice President) of Credit Support and Administration with a leading commercial bank in Malaysia.

He has over 33 years of banking experience. Having risen from the ranks during his tenure with two different commercial banks, he has extensive working experience in both credit and banking operations. He has served in various managerial and leadership roles at branch, regional as well as head office levels.

Chin Hoe has also been active in social development activities through providing various family-oriented courses to youths, pre-marital couples, married couples and parents. His experience includes training of trainers.

He is a certified Credit Professional under the Institute of Bankers Malaysia, and he has completed studies in Post-Graduate diploma in Business Administration.



Ms. TOP SOK SAMPHEA
Chief Operating Officer

She has been in the current position since 2007, after joining VisionFund Cambodia as finance and administration director in 2002. Prior to this, her last position was a senior auditor of Ernst & Young and Price Waterhouse Coopers.

Samphea, born in Phnom Penh, has over a decade of experience in finance, accounting, management, business plans and strategies, auditing, administration and communications.

She has bachelor and master degrees of Business administration from the National University of Management, Cambodia. She possesses a diploma of Accounting and Administration from Noisy Le Grand College, France.



Mr. CHANN SAVOEUNG
Chief Finance Officer

Mr. Savoeung has more than three years of experience in the MFI sector with VisionFund Cambodia as Finance Manager and then Chief Finance Officer but his most experience for more than 7 years had been in NGOs as Finance Manager, Project Manager and Capacity Building Officer for the local and international organizations and most of the NGOs he served had the micro-credit program.

Savoeung has been serving as Finance Manager and Chief Finance Manager of VisionFund Cambodia since late 2007.

Savoeung holds Master of Entrepreneurship from Lyon II University, France and Bachelor in Accounting.



Mr. PREAP PISETH
Senior Operations Manager

His career with VisionFund Cambodia started in 2008.

Piseth, born in Kandal province, has more than a decade of experience in development, customer services and sponsorship management, leadership and management, and public communication and administration.

He previously spent a large part of his occupational history at World Vision Cambodia and the Secretariat for Public Functions of the Royal Government of Cambodia.

Piseth has a Master of Business Administration Degree from Norton University, Cambodia. He also holds a Bachelor of Economics Degree in Enterprise Management and an Associate Degree in Professional Law from the Royal University of Law and Economics (RULE).



Mr. KHUON SOPHORTH
Head of Systems and Communications

Sophorth returned to VisionFund Cambodia to hold the current position in late 2008, nearly a year after he left the institution to join World Vision International as technical specialist in banking applications.

He originally joined VisionFund Cambodia as IT Manager in 2005 after spending approximately five years of employment for several commercial and social enterprises.

Sophorth is currently pursuing a Master Degree in Business Administration from Pannasastra University in Cambodia, and holds a Bachelor Degree in Computer Science and Engineering from the Royal University of Phnom Penh.

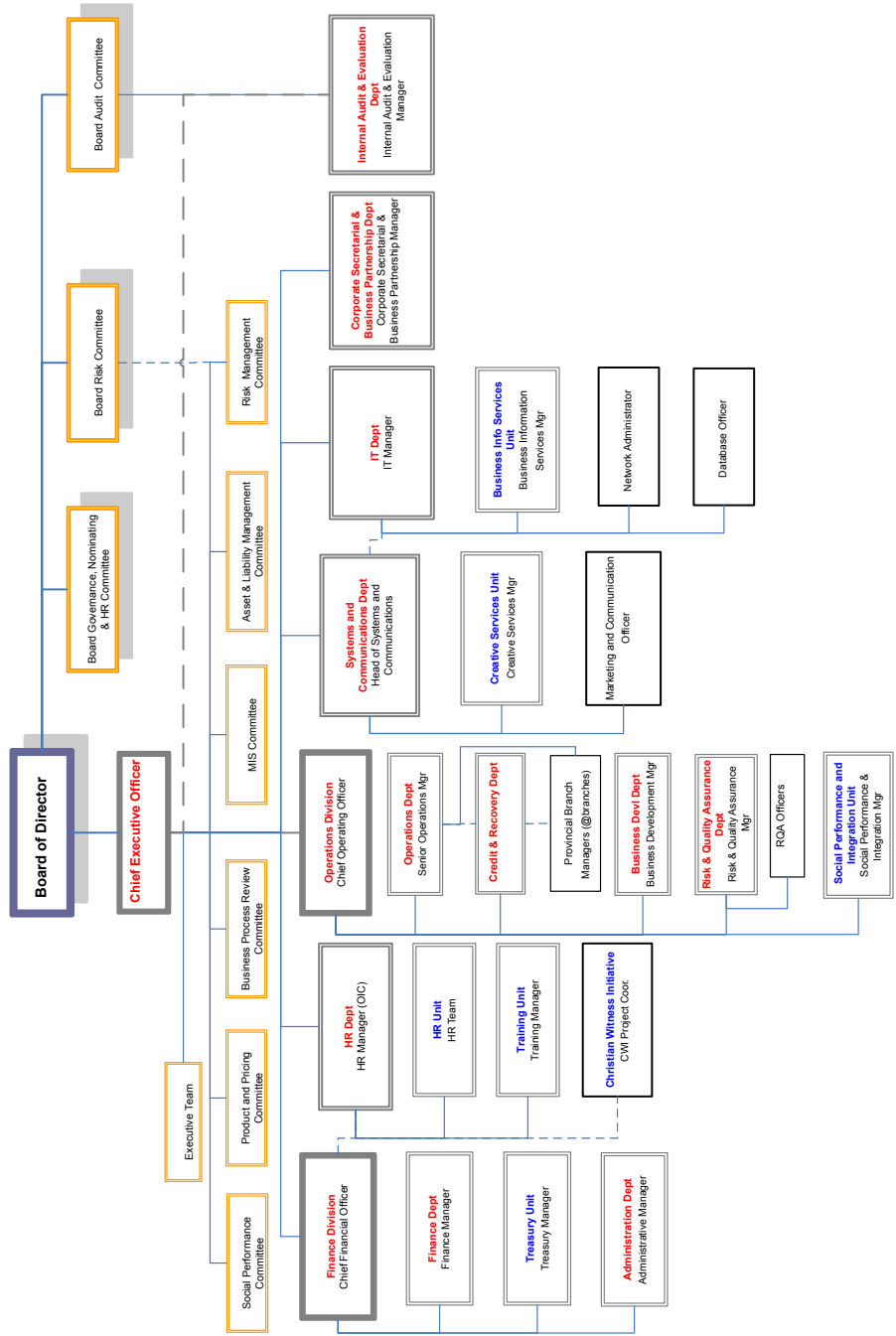
He has numerous certificates of training at home and abroad including the Global Banking System Training in Toronto, Canada and the Banking System Automation in London, England.



KEY FIGURES

	December 2010	December 2009
Number of Active borrowers	108,047	98,777
% of women borrowers	88%	87%
Number of Provinces	11	11
Number of Districts	100	91
Total Staff	627	637
Loan Portfolio	\$30,017,044	\$21,314,258
Average portfolio per borrower	\$278	\$216
Average portfolio per Client Service Officer	\$96,208	\$65,785
Portfolio at risk > 30 days	0.50%	3.42%
Total Assets	\$36,627,028	\$26,531,016
Total Equity	\$9,264,730	\$7,074,927
Operational Self-Sufficiency (OSS)	111%	94%
Financial Self-Sufficiency (FSS)	105%	90%
Return on Assets (ROA)	2.8%	-1.54%

VISIONFUND CAMBODIA ORGANIZATIONAL CHART





Ky Thoy with her two pigs

SUCCESS STORY

Ky Thoy, 37, is one of VisionFund Cambodia's 36 best clients who has successfully used small loans to engage in new income-generating activities to bring a better life to her family.

She lives with her 13-year-old son, Korn Kan, who is studying at grade 5, and her mother in a small wooden house in the rural village of Leang Dai, Angkor Thom district, Siem Reap province. Her husband left her apparently to marry a new wife.

"My husband's departure saddened me, but I became more committed to earning income for my young son and aged mother," she recalls. "I farmed rice, made Cheal [a kind of traditional basket], raised chicken and wove mats."

Her previous income was just sufficient for the daily minimum subsistence, equivalent to that of a typical poor family in Cambodia.

Ky Thoy's household income and assets have since increased significantly, thanks to her access to VisionFund's small loans over the past two years.

In early 2009, she borrowed US\$100 from VisionFund to buy 2 piglets for husbandry purpose and raw materials [L'peak, a kind of creeper plant] to increase her basket production. In early 2010, she used her second loan of US\$100 for a similar purpose.

"Before the loan, I earned about US\$0.5 per day from selling Cheal, but now my daily income can be

“ Before the loan, I earned about US\$0.5 per day ... but now my daily income can be up to US\$5. ”

up to US\$5," Ky Thoy reveals.

"Income from my pig husbandry also plays a big part in improving my family's living conditions-better food and pocket money for my schooling son," she adds.

Ky Thoy has also used her household income to increase her paddy field from 0,5 hectare to 1 hectare and buy some wood to build a new house soon.

"In 2011, I plan to borrow US\$250 to hire carpenters to use the wood to build my new house and buy zinc panels for the roof," she expects. "Income from my pig husbandry, rice farm and Cheal handicraft will be used for repayment."

Regarding her future plan, she adds, "I will start a grocery business. I will buy Cheal from other villagers to sell for profits. And I hope that my son will be able to complete education at a high level and get a job."

Ky Thoy is making Cheal





PRODUCT PROFILES

LOANS

VisionFund Cambodia served 108,047 families with a loan portfolio of about US\$30 million as of 31 December 2010. Loans are offered using three lending methodologies.

1) Community bank

This loan provides financial services for poor micro-entrepreneurs, build civil society and strengthen community participation.

Loan Size: US\$20 to US\$ 350

Term: 3 months -12 months

2) Solidarity group

Solidarity loans are intended to meet greater customer needs, maintain high retention rates and provide portfolio growth for institutional sustainability.

Loan Size: US\$351-US\$1,000

Term: 3 months to 18 months

3) Individual lending

Individual lending focuses on small and medium scaled entrepreneurs creating assets or in need of working capital.

Loan Size: US\$1,001-US\$10,000

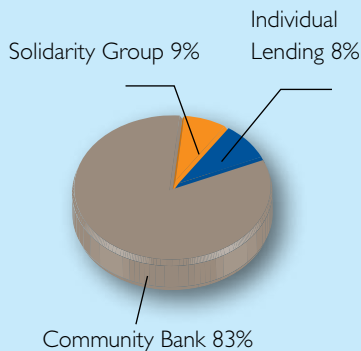
Term: 3 months-24 months

SAVINGS

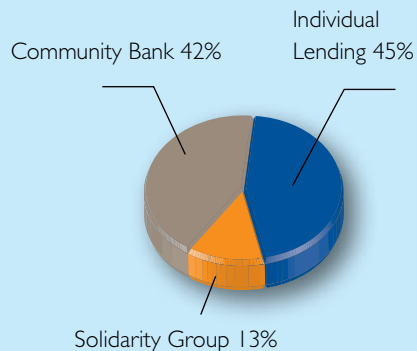
VisionFund aspires to build a solid culture of savings among Cambodians by making our clients' money work harder, which contributes to economic development and poverty reduction.

We plan to secure a savings license in 2011.

METHODOLOGIES BY CLIENT NUMBER



METHODOLOGIES BY PORTFOLIO SIZE



MOBILE MONEY TRANSFER SERVICE

VisionFund (Cambodia) incorporated mobile money transfer into its financial services in January 2009 in partnership with WING, a subsidiary of Australia and New Zealand Bank (ANZ) Group.

The money transfer service made VisionFund the first microfinance institution in Cambodia to deliver such a service, hoping to extend access to low-cost and less time consuming financial services to rural clients and other un-banked residents and stimulate their savings.

To subscribe to the mobile money transfer service, a client opens a WING account at any Wing's appointed agents. With the account, the client can send, save and receive money through their mobile phone. Transactions are cashed at WING's Cash Express agents nationwide.

As of 31 December 2010, 9,108 clients are subscribers of the mobile money transfer service through VisionFund Cambodia.

Wing logo at VisionFund head office.



OUR PARTNERS

Realizing that financial services are not the only tool for economic development and poverty alleviation, VisionFund Cambodia has forged synergistic cooperation and partnership with various development NGOs and private institutions. Such integration contributes to greater outreach and social impact, shaping VisionFund Cambodia's strategic approach, uniqueness and competitiveness.



World Vision Cambodia (WVC) is a Christian relief development and advocacy organization whose purpose is to create lasting change in the lives of children, families and communities living in poverty. VisionFund Cambodia has been working in partnership with WVC since the 1990s. VisionFund Cambodia provides financial services, while WVC's Area Development Program focuses on development interventions such as Food and Water Security, Health and Nutrition, HIV/AIDS, Peace and Justice, and Education.



Khmer HIV/AIDS NGO Alliance (Khana) specializes in working with HIV/AIDS affected people. In partnership with Khana, VisionFund Cambodia began to offer financial services to HIV/AIDS affected families in Kampong Cham province in 2007 with an aim to establish a foundation for innovative and sustainable integrated financial services to people living with HIV/AIDS (PLHIV) that would remove barriers from the typically marginalized groups from access to economic opportunities. Such clients are currently 32 women. Total loan portfolio stands at US\$ 16,473 with average loan size of US\$ 515.



Plan Cambodia is a child-centered non-government organization. VisionFund Cambodia's partnership with Plan began in 2007 in Kampong Cham province and has expanded to Siem Reap province. The partnership benefits the poor and very poor, especially women in the areas of Plan's programs who use VisionFund Cambodia's financial services to start and/or expand their businesses as well as to enhance their agricultural activities with a goal to significantly improve the lifestyle of families and their children. Such clients are currently 3,837 women. Total loan portfolio stands at US\$ 691,193 with average loan size of US\$ 180.



The International Labour Organization office in Cambodia partnered with VisionFund Cambodia through the Health Care Center For Children (HCC) in 2007 with an aim to help families whose children are or at risk of becoming labourers to keep their children in school. VisionFund Cambodia offers micro loans in Phnom Penh areas where the HCC operates. Such clients are currently 21 (15 women). Total loan portfolio stands at US\$ 630 with average loan size of US\$ 30.



Hagar is a non-government organization with a vision to meet the physical, spiritual, psychological and social needs of destitute and disadvantaged women and their children in order to provide employment opportunities in a secure environment. Hagar and VisionFund Cambodia began to integrate microfinance and development projects into Tapreach community in Kampong Thom province in March 2008 to help the disadvantaged women achieve economic sustainability. Such clients are currently 40 women. Total loan portfolio stands at US\$4,865 with average loan size of US\$122.



WING, a wholly-owned subsidiary of Australia & New Zealand Banking Group (ANZ), is a mobile payment provider that offers money transferring service to its customers within Cambodia. In partnership with WING, VisionFund launched mobile phone money transfer service in January 2009, making VisionFund the country's first MFI to deliver such a service, which extends access of financial services to rural Cambodians

allowing un-banked individuals to save money, transfer, and make payments with significant savings. VisionFund Cambodia has opened accounts for 9,108 clients.

Cambodian Center for Study and Development in Agriculture (CEDAC) is currently working with about 100,000 farming families across Cambodia to improve their living standards through enhanced agricultural productivity. Partnership between VisionFund Cambodia and CEDAC began in 2009 to provide target farmers with capital to increase their farming and agricultural process through purchase of necessary agricultural equipment or asset creation. Through the partnership, VisionFund has lent US\$ 10,000 to 246 households by 2010.



PATH is an international non-profit organization that creates sustainable, culturally relevant solutions, enabling communities worldwide to break longstanding cycles of poor health. By collaborating with diverse public and private-sector partners, PATH helps provide appropriate health technologies and vital strategies that change the way people think and act.

VisionFund Cambodia established synergic partnership with PATH in January 2010 where we will begin to lend to the poor in Kampong Speu province in 2011 to purchase water filters.

The campaign to encourage rural residents to purchase water filters is part of PATH's SafeWater Project implemented globally including Cambodia. The Project enables local commercial enterprises to provide high quality water treatment products (HWTS) and services for low-income population.

The synergic partnership between VisionFund Cambodia, PATH and Hydrologic (see below) is expected to benefit 4,000 families with water purifier loans by 31 December 2011.



In order to tackle the challenging drinking water conditions facing rural Cambodia, the Tunsai (rabbit) ceramic water purifier (CWP) was introduced to Cambodia by International Development Enterprises (IDE) in 2001.

Born to IDE's long tradition of expertise and know-how, Hydrologic today is an independent legal entity and social enterprise delivering safe drinking water to more than a half million Cambodian people through the well-known Tunsai CWP.



ISS offers a wide range of turnkey solar products, such as solar panel, electrical charge controllers, batteries and inverters from various international brands including Mitsubishi, Showa Shell (Japan), German Solar and Sun Power (USA).

VisionFund Cambodia's partnership with ISS was established in March 2010 and will enable the poor in a remote province of Preah Vihear, where electricity access is limited, to purchase solar energy products in 2011.



Adventist Development & Relief Agency (ADRA) Cambodia focuses primarily on sustainable, long term development projects with rural poor and at risk populations. ADRA assists those in need without regard to ethnic, political or religious affiliation. ADRA is working in the provinces of Pursat, Kompong Cham, Kompong Thom, Preah Vihear and Siem Reap, to implement food security, water and sanitation, health and education programs.

We have worked with ADRA since early 2010 in Pursat province. The partnership takes as long as it does (no limit) for the purpose of tapping our expertise in microfinance to work in their targeted area of Phnom Kravang district. In this regard, their target beneficiaries will have opportunities to get loans from VisionFund Cambodia.



In 2010, we designed several new loan products in cooperation with various partners to promote water hygiene, health, environment protection, education and agriculture in rural Cambodia in addition to our existing social products and services.

We strive to reach widows, people living with HIV/AIDS or disability, household of vulnerable children and other marginalized residents. We provide scholarship for clients' children and basic financial education as well as promoting employment for local residents and people with disability.





SOCIAL IMPACT
2

2 SOCIAL IMPACT



INITIATIVES TO IMPROVE SOCIAL PERFORMANCE

VisionFund Cambodia proudly serves low-income Cambodians mostly living in rural areas towards achieving our social mission of providing financial services to help the poor liberate themselves from poverty.

As of 31 December 2010, a majority (83%) of VisionFund Cambodia's 108,047 clients is engaged in one of the three lending methodologies, Community Bank, which is specifically designed for poor micro-entrepreneurs with the loan sizes ranging from US\$20 to US\$350.

VisionFund Cambodia's pro-poor approach is accompanied by other socially-oriented initiatives to improve its social performance including credit with special and flexible conditions to meet the needs of target customers:

- Loan for Water and Sanitation Promotion
- Loan for Environmental Protection
- Credit with Health Education
- Education Loan
- Loan for Rural Rice Miller Cooperatives
- Loan for Victims of Natural Disasters
- Loan for People with Disabilities
- Loan for HIV/AIDS Affected and OVC Households
- Loan to Promote Child Rights
- Child Scholarship/Best Client Program
- Financial Education and Development Messages
- Micro-Insurance
- Savings (to be launched)
- Employment for Local Residents
- Employment for People with Disabilities

INITIATIVES TO IMPROVE SOCIAL PERFORMANCE

LOAN FOR WATER AND SANITATION PROMOTION

VisionFund Cambodia established synergic partnership with PATH (Program for Appropriate Technology in Health) and Hydrologic in January 2010, in which we enable the poor particularly in Kampong Speu to access credit from VisionFund Cambodia to purchase water filters as part of promoting water and sanitation hygiene in their communities.

The loan ranges from US\$20 to US\$350 and does not require any collateral. 4,000 water purifiers will be expected to be purchased and put in use to promote water and sanitation hygiene by 31 December 2011.

LOAN FOR ENVIRONMENTAL PROTECTION

The synergic partnership signed in March 2010 by VisionFund Cambodia and the International Solar Solutions (ISS) will enable the poor in a remote province of Preah Vihear, where electricity access is limited or rather not existent, to purchase solar energy products in 2011.

We hope among other benefits including the environmental protection, children of the target clientele will harness the home-installed solar energy to do their homework and other academic assignments well at night. The loan ranges from US\$20 to US\$350 and does not require any collateral.

CREDIT WITH HEALTH EDUCATION

In partnership with World Vision Cambodia, VisionFund Cambodia launched a pilot test on Credit with Health Education in Takeo province in October 2010.

This education targets poor families in rural areas who usually have limited access to information on basic healthcare thereby paying less attention to

basic health concerns that could cause preventable diseases to be unpreventable and deadly.

VisionFund Cambodia offers credit to clients plus health training to be conducted by World Vision Cambodia. The training raises awareness of healthcare and preventive techniques related to water and sanitation hygiene, breast feeding, nutrition, diarrhoea, dengue, malaria, etc.

By 31 December 2011, the Credit with Health Education is expected to benefit scores of client households. After reviewing the pilot test, expansion will be considered.

EDUCATION LOAN

In October 2010, VisionFund Cambodia developed a special loan product to target families whose children with outstanding academic performance cannot pursue their higher education or vocational skills training due to their financial constraints. The Education Loan amounts up to US\$2,000 and is repaid in instalments for up to four years. It enables borrowers' children to complete vocational skills training, a four-year Bachelor's Degree program or a Master's Degree program.

LOAN FOR RURAL RICE MILLER COOPERATIVES

VisionFund Cambodia in cooperation with CEDAC started to grant loans to rural rice miller cooperatives in mid 2010. A rural rice miller cooperative technically assisted and managed by CEDAC consists of hundreds of cooperative members working for common economic development to improve their community food security and sustainability. It takes on an important role to prevent unscrupulous rice dealers from extorting rice pricing and to strengthen their local community in unity and solidarity. The cooperative deals in milled and unmilled rice, and sells the



Water filter Tunsai is demonstrated during client orientation.

polished rice and it's bran as the main source of their income.

As of 31 December 2010, VisionFund Cambodia lent US\$10,000 to two rice miller cooperatives, one with 246 members located in Trankok district of Takeo province.

LOAN FOR VICTIMS OF NATURAL DISASTERS

The impact in late 2009 of destructive Typhoon Ketsana on thousands of Cambodians in several northern and north-eastern provinces prompted VisionFund Cambodia to innovate a special loan for such victims and those affected by other natural disasters including floods and droughts.

The Express (Emergency) Loan is designed for the affected households to restart or start small business or agricultural activities to increase their household income in the wake of the disasters. The loan sizes range up to US\$350 and do not require any collateral.

We pay special attention and provide special support including the assistance in doing the business plan and money management for this special clientele to ensure our loan will not add further financial stress and burden for them. As of 31 December 2010, the Express loan stood at US\$333 with 4 households affected by the floods, droughts, storms as well as other natural disasters in Kampong Thom.

LOAN FOR PEOPLE WITH DISABILITIES

Cambodia records one of the highest rates of people with disabilities in the world after prolonged civil war and consequential poverty. To play a role in empowering this particular group, VisionFund Cambodia delivers loans to clients with some forms of disabilities. The financial tool instils hopes and aspirations for many Cambodians with disabilities. The number of such clientele is 259 with loans amounting to US\$ 66,809 as of 31 December 2010.

LOAN FOR HIV/AIDS AFFECTED AND OVC HOUSEHOLDS

In partnership with the Khmer HIV/AIDS NGO Alliance (KHANA), VisionFund began to offer financial services to HIV/AIDS affected and OVC households in Kampong Cham in 2007 to remove

barriers of their access to economic opportunities.

The innovative microfinance approach, the first of its kind in Cambodia, continues to today. In 2010, VisionFund Cambodia served 38 HIV/AIDS affected and OVC households in Kampong Cham and Kampong Thom provinces with a total loan portfolio of US\$ 9,493.

With microfinance, the typically marginalized group can increase their income, better adhere to antiretroviral therapy, experience less stigma and discrimination and become optimistic in their life.



Morm Leun, 34, and her husband, Seung Pisei, 40 are living with HIV/AIDS. They have been using loans from VisionFund since 2001 to create a new business-vegetable selling and expand their farming. Income from the businesses has improved her family's living conditions.

"The loan provides us with capital to do farming and sell vegetable in the market. Over the past years we have more food such as fresh fish, and household assets like a motorbike and mobile phones. We have bought materials to build a new house," Morm Leun smiles.

"We hope that we will be able to support our three young children and encourage them to complete their education," she adds.



Thaovarith and her oldest son are working at their cassavas farm.

SUCCESS STORY

Lim Thaovarith, 51, is one of VisionFund's clients with disability. She lost her leg to a landmine in Battambang province in 1991, after which her husband left her and her young children, who are now 19 and 11 years old. She has been farming cassava to feed her children.

Since early 2008, Thaovarith has been successful in using loans from VisionFund, which initially stood at US\$75 and now at US\$270 due to farming improvement. Loan repayment methods fit her seasonal harvest.

"I am very happy because VisionFund offers loan with repayment flexibility and ignores my physical disability," Thaovarith says. "The loan has enabled me to increase my farmland from one hectare to three hectares. And my family's livelihood is better. We are now building a new house."

"I am very happy because VisionFund offers loan with repayment flexibility and ignores my physical disability."

"I will continue to expand my farming. I wish to see my eldest son learn a skill in repairing mobile phones and my youngest son to be a teacher," she expects.

Thaovarith and her sons in front of their new house.



LOAN TO PROMOTE CHILD RIGHTS

VisionFund Cambodia in collaboration with the national offices of the International Labor Organization and Plan International Cambodia through various channels provides loans for child laborer families and impoverished households to generate income with emphasis on child rights.

The partnerships are intended to enable vulnerable children to enjoy better opportunities including access to education. As of 31 December 2010, 52 children are estimated to feel positive impact from loans of US\$10,839 given to families of the targeted group in Phnom Penh and its outskirts and Kampong Cham.

CHILD SCHOLARSHIP/ BEST CLIENT PROGRAM

To help instill hope and aspiration for Cambodia's next generation, VisionFund Cambodia has offered scholarship to children of clients since 2007. To date, 31 children of our clients have received annual scholarship worth in cash at US\$ 100 in school materials while the remaining fund will be kept as child savings till the completion of their high school.

The scholarship inspires clients especially rural villagers to place importance on their children's education, a sector appearing to be less attractive in rural areas.

It is one of the benefits given to our best clients selected annually based on a number of criteria including their success in using the loan in generating far-reaching impact for their own households.

A best client serves as a role model to inspire success in using financial services effectively. Over the past three years, 36 best clients have been selected to represent the majority of VisionFund Cambodia's clients who have enjoyed better living standards thanks to our loans.

FINANCIAL EDUCATION AND DEVELOPMENT MESSAGES

VisionFund Cambodia includes financial education and development messages in our financial operations to create financial strength one client at a time.

Clients receive consultations on business and cash management including cost minimization and profit maximization. Our staff also promote social messages on domestic violence, HIV/AIDS, child rights, gender equity and other social issues.

MICRO-INSURANCE

VisionFund Cambodia's clients enjoy a safety net for financial peace of mind as they and their family members are entitled to micro-life insurance as the additional benefits packaged in cooperation with our affiliate, World Vision Cambodia.

In 2010, benefits worth US\$61,158 were given to beneficiaries of 559 deceased clients and clients' deceased spouses and children.

The benefits have been used to pay off debts and cover funeral cost, reducing the financial burden for poor VisionFund clients or their families who normally rely on their neighbors' donations, savings and asset liquidation.

As of 31 December 2010, 111,072 clients have been covered with such additional benefits.

EMPLOYMENT FOR LOCAL PEOPLE

VisionFund Cambodia maintains a socially-responsible recruitment process to bolster local job creation in various provinces as part of our social responsibility toward local community.

Following the recruitment, the institution provides those local staff with various training and self-development opportunities to ensure they can work effectively and productively in order to serve their community.

The initiative has resulted in local people improving their family's living standard, furthering their education, bettering social status and inspiring other villagers to focus more on the importance of education.

EMPLOYMENT FOR PEOPLE WITH DISABILITIES

Like pro-local employment practices, VisionFund Cambodia implements a staff hiring policy to employ people with disabilities. We believe in fostering



Scholarship holder Phon Kimsour with her sister (left) at their mother's grocery in Banteay Meanchey province.

distinctive talents of individuals, regardless of their physical appearance and movement

By adhering to our core values, we ensure a working environment free of social stigma and discrimination against people with disabilities while

placing them in positions that best utilize their full potentials.

As of 31 December 2010, VisionFund Cambodia has employed 10 people with disabilities or 1.59% of the total 627 staff.

AREAS OF OPERATION

VisionFund Cambodia currently delivers financial and non-financial services to low income residents in 17 provinces and municipality. We plan to expand nationwide by 2013



VisionFund Cambodia's robust financial performance has maintained our ranking among Cambodia's top performing microfinance institutions. Earning a net profit of US\$ 945,194 for 2010, the institution has a total asset of US\$ 36 million and equity of US\$ 9.2 million with financial self-sufficiency of 105% and operational self-sufficiency of 111%.





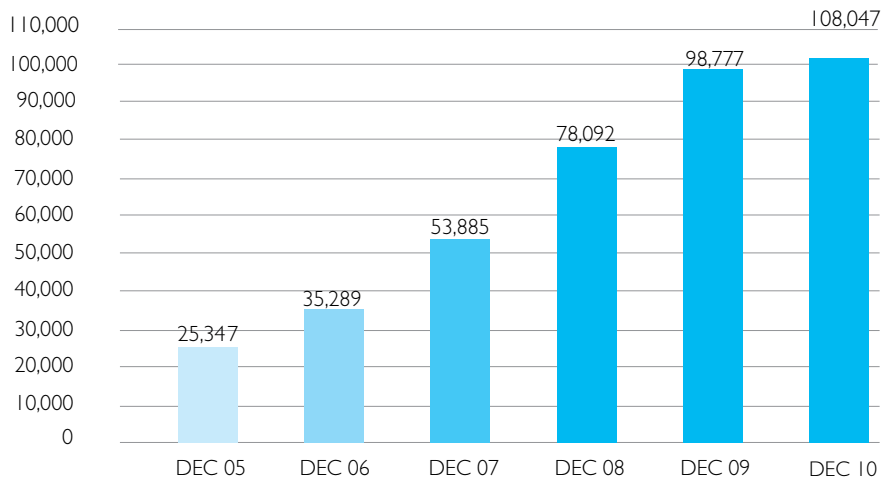
FINANCIAL
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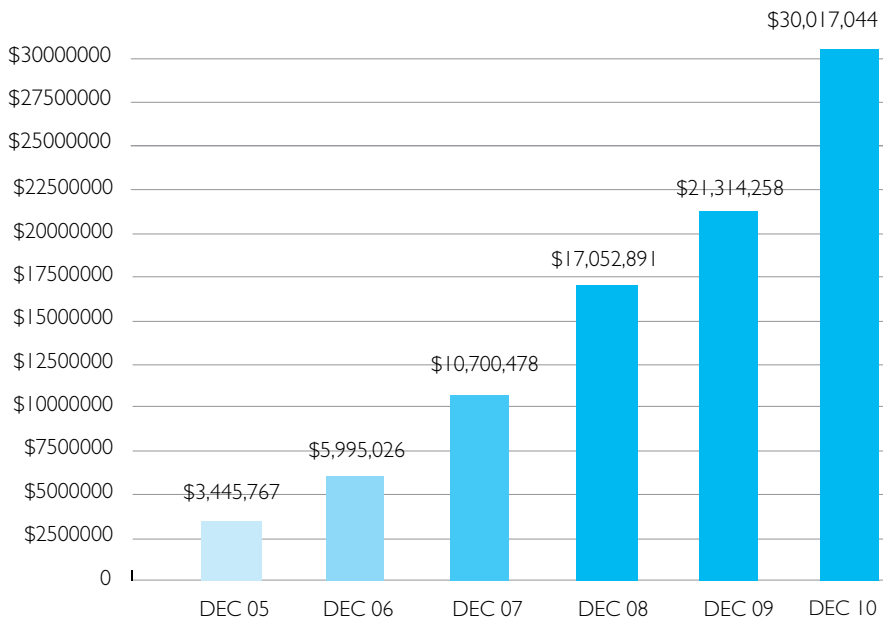
3 FINANCIAL

GROWTH TREND

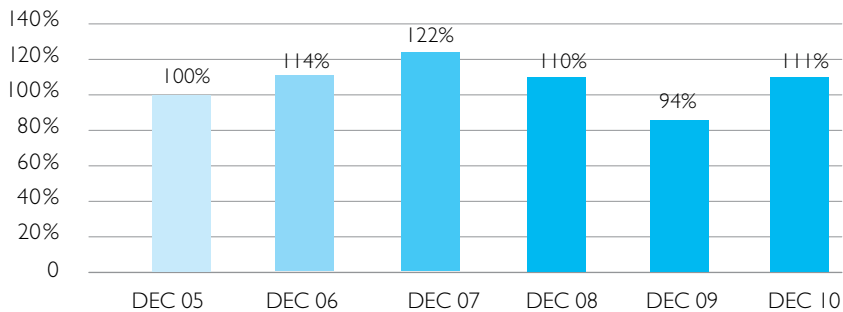
ACTIVE CLIENTS DECEMBER 2005 - DECEMBER 2010



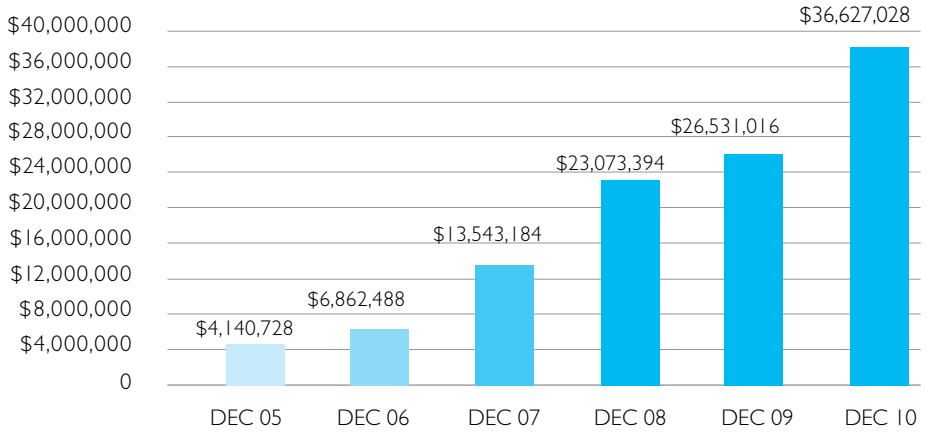
LOAN PORTFOLIO DECEMBER 2005 - DECEMBER 2010



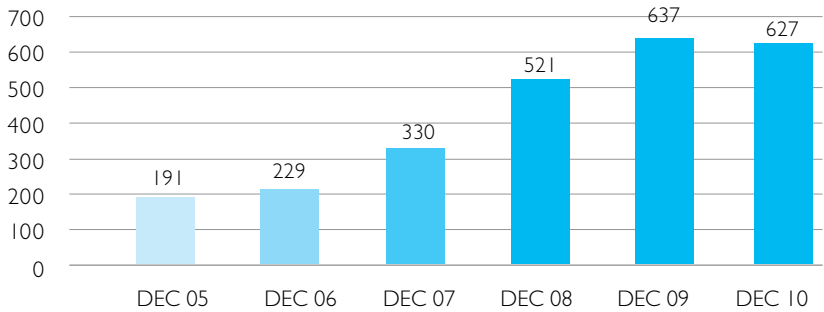
OPERATIONAL SELF-SUFFICIENCY RATIO DECEMBER 2005 - DECEMBER 2010



TOTAL ASSETS DECEMBER 2005 - DECEMBER 2010



TOTAL STAFF DECEMBER 2005 - DECEMBER 2010



FINANCIAL AND AUDITOR'S REPORT

TO THE SHAREHOLDERS VISIONFUND (CAMBODIA) LTD

We have audited the accompanying financial statements of VisionFund (Cambodia) Ltd (“the Company”), which comprise the balance sheet as at 31 December 2010, and the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information as set out on pages 7 to 50 (of the financial report). The corresponding figures presented are based on the financial statements of the Company as at and for the year ended 31 December 2009, which were audited by another firm of auditors whose report dated 23 April 2010 expressed an unqualified opinion on those financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian Accounting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend

on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of VisionFund (Cambodia) Ltd as at 31 December 2010, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian Accounting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of the financial statements.

For KPMG Cambodia Ltd



Craig McDonald
LTD
Audit Partner

Phnom Penh
21 March 2011

BALANCE SHEET AS AT 31 DEC. 2010

	31 December 2010		31 December 2009	
	US\$	KHR' 000 (At year-end exchange rate)	US\$	KHR' 000 (At year-end exchange rate)
ASSETS				
Cash on hand	59,226	240,042	63,767	265,845
Deposits with banks	5,337,157	21,631,499	4,134,390	17,236,271
Loans to customers - net	29,904,806	121,204,178	21,067,758	87,831,485
Other receivables	663,610	2,689,611	534,242	2,227,253
Amounts due from a related party	2,347	9,514	5,937	24,752
Statutory deposits	330,676	1,340,230	245,306	1,022,680
Property and equipment	301,547	1,222,170	397,679	1,657,926
Intangible assets	1,980	8,024	3,070	12,799
Deferred tax assets, net	25,679	104,076	78,867	328,795
TOTAL ASSETS	36,627,028	148,449,344	26,531,016	110,607,806
LIABILITIES AND EQUITY				
Liabilities				
Deposits from customers	109	443	50,832	211,918
Amounts due to related parties	5,089,889	20,629,320	3,486,487	14,535,164
Other accruals and payables	991,673	4,019,250	750,863	3,130,350
Provision for income tax	118,333	479,604	9,339	38,936
Borrowings	21,162,293	85,770,773	15,158,568	63,196,069
Total liabilities	27,362,297	110,899,390	19,456,089	81,112,437
Equity				
Share capital	7,569,034	31,375,700	4,813,410	19,833,800
Hybrid capital	-	-	1,511,014	6,299,417
Retained earnings	1,695,697	6,872,660	750,503	3,128,846
Translation difference	-	(698,406)	-	233,306
Total equity	9,264,731	37,549,954	7,074,927	29,495,369
TOTAL LIABILITIES AND EQUITY	36,627,028	148,449,344	26,531,016	110,607,806

INCOME STATEMENT

YEAR ENDED 31 DEC. 2010

	For the year ended 31 December 2010		For the year ended 31 December 2009	
	US\$	KHR' 000	US\$	KHR' 000
	(At year-end exchange rate)		(At year-end exchange rate)	
Interest income	7,804,648	31,632,238	6,039,578	25,179,000
Interest expense	(2,250,506)	(9,121,300)	(1,984,396)	(8,272,948)
Net interest income	5,554,142	22,510,938	4,055,182	16,906,052
Other operating income	434,962	1,762,901	145,592	606,976
Operating income	5,989,104	24,273,839	4,200,774	17,513,028
Allowance for bad and doubtful loans	(447,730)	(1,814,650)	(568,368)	(2,369,525)
Operating and other expenses	(4,407,963)	(17,865,474)	(4,036,939)	(16,829,999)
Profit/(loss) from operations	1,133,411	4,593,715	(404,533)	(1,686,496)
Grant income	58,131	235,605	507,898	2,117,425
Profit before income tax	1,191,542	4,829,320	103,365	430,929
Income tax expense	(246,348)	(998,448)	(35,163)	(146,595)
Net profit for the year	945,194	3,830,872	68,202	284,334

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DEC. 2010

	Share capital US\$	Hybrid capital US\$	Retained earnings US\$	Translation differences US\$	Total US\$
Balance as at 1 January 2009	757,916	1,937,107	1,924,357	-	4,619,380
Transfer from borrowings	2,387,345	-	-	-	2,387,345
Transfers from retained earnings and hybrid capital	1,668,149	(426,093)	(1,242,056)	-	-
Net profit for the year	-	-	68,202	-	68,202
Balance as at 31 December 2009	4,813,410	1,511,014	750,503	-	7,074,927
Transfer from borrowings	1,244,610	-	-	-	1,244,610
Transfers from hybrid capital	1,511,014	(1,511,014)	-	-	-
Net profit for the year	-	-	945,194	-	945,194
Balance as at 31 December 2010	7,569,034	-	1,695,697	-	9,264,731
(KHR'000 equivalents) (Note 4)	31,375,700	-	6,872,660	(698,406)	37,549,954

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DEC. 2010

	31 December 2010		1 December 2009	
	US\$	Riel' 000	US\$	Riel' 000
	(At year-end exchange rate)		(At year-end exchange rate)	
Cash flows from operating activities				
Net cash used in				
operating activities	(8,049,772)	(32,625,725)	(4,591,251)	(19,140,925)
Cash flows from investing activities				
Acquisition of property and equipment	(24,225)	(98,184)	(328,842)	(1,370,942)
Acquisition of intangible assets	(729)	(2,955)	(1,726)	(7,196)
Proceeds from disposals of property and equipment	-		10,500	43,774
Net cash used in investing activities	(24,954)	(101,139)	(320,068)	(1,334,364)
Cash flows from financing activities				
Proceeds from related parties	4,211,770	17,070,304	1,317,561	5,492,912
Repayments of term loan to related party	(1,392,162)	(5,642,433)	(50,000)	(208,450)
Proceeds from borrowings	9,593,774	38,883,566	8,242,990	34,365,025
Repayments of borrowings	(3,690,430)	(14,957,313)	(5,728,933)	(23,883,922)
Net cash generated from financing activities	8,722,952	35,354,124	3,781,618	15,765,565
Net increase/(decrease) in cash and cash equivalents	648,226	2,627,260	(1,129,701)	(4,709,724)
Cash and cash equivalents at the beginning of the year	4,048,157	16,876,766	5,177,858	21,130,839
Translation difference	-	(469,585)	-	455,651
Cash and cash equivalents at the end of the year	4,696,383	19,034,441	4,048,157	16,876,766

VISIONFUND GLOBAL



FY10 Statistics (Oct 2009 - Sept 2010)

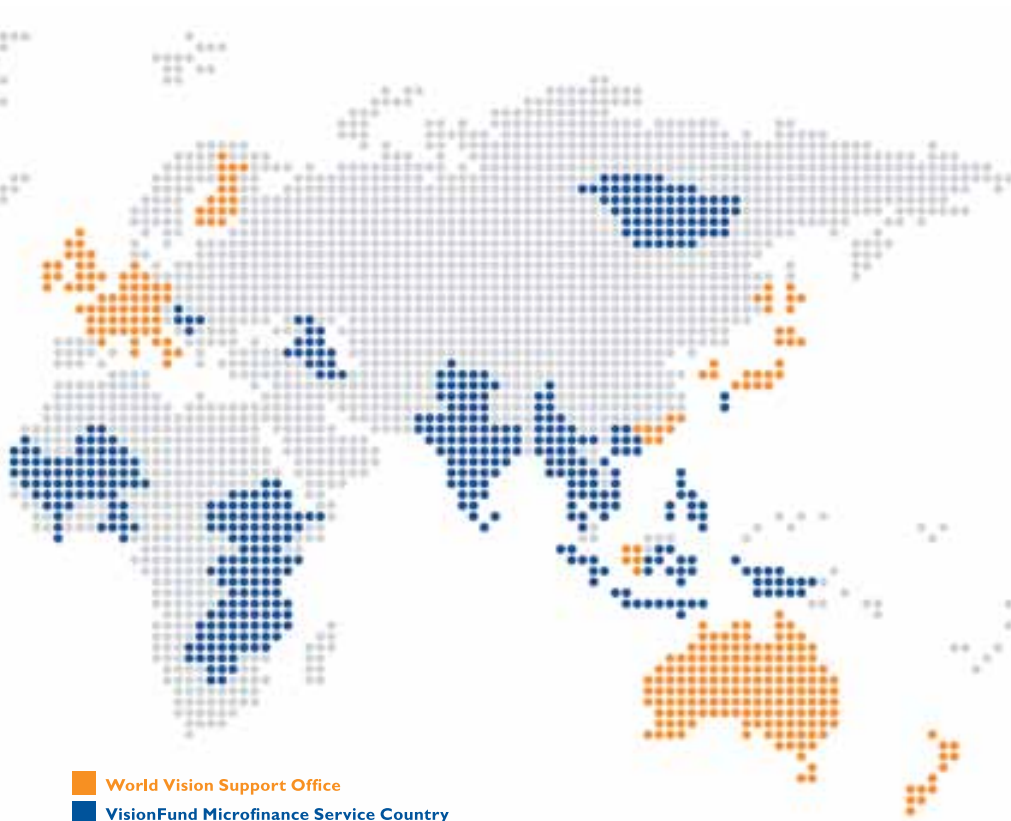
Children Impacted:	2,664,000
Jobs Impacted:	1,366,000
Loans Disbursed:	754,000
Active Borrowers:	638,000
Client Savings:	\$13.9 million
Female Clients:	68%
Clients in ADPs:	74%
Portfolio Growth Rate:	-10.4%
Loan Portfolio:	\$341 million
Current need met for microfinance in ADPs:	22.7%
Portfolio Repayment Rate:	93.4%

Latin America & the Caribbean

Country	Outstanding Portfolio	# Active Borrowers	Average Loan Size
Bolivia (FUBODE)	8,457,395	16,168	503
Brazil (ANDE)	5,018,224	18,478	1,018
Colombia (PRODUCIR)	544,168	718	1,323
Dominican Republic (FIME)	1,442,350	2,674	769
Ecuador (FODEMI)	15,313,022	30,718	703
El Salvador (FUNSALDE)	1,337,441	2,425	584
Guatemala (AGUDESA)	1,690,403	4,357	422
Honduras (FUNED)	6,718,119	13,601	410
Mexico (FRAC)	7,490,831	19,249	616
Nicaragua (4I-2000)	1,592,005	4,429	345
Peru (CREDIVISION)	9,302,090	11,766	766
Total	58,906,048	124,583	638

Africa

Country	Outstanding Portfolio	# Active Borrowers	Average Loan Size
Burundi (KAZOZA)	81,528	1,578	225
Ethiopia (WISDOM)	5,575,289	48,020	165
Ghana (APED)	1,043,689	8,258	298
Kenya (KADET)	6,822,937	17,559	569
Malawi (FITSE)	275,199	2,923	183
Mali (RMCR)	2,731,643	17,225	181
Rwanda (VISION FINANCE)	3,520,040	14,268	413
Senegal (SEMFIN)	1,097,945	6,131	197
Tanzania (SEDA)	2,510,614	13,010	302
Uganda (MEDNET)	2,417,601	9,893	378
Zambia (HARMOS)	1,566,057	10,512	209
Zimbabwe (PUNDUTSO)	183,274	4,108	80
Total	27,825,816	153,485	266



World Vision Support Office

VisionFund Microfinance Service Country

Middle East & Eastern Europe

Country	Outstanding Portfolio	# Active Borrowers	Average Loan Size
Albania (VF ALBANIA)	2,158,837	2,427	1,308
Armenia (SEF)	6,637,978	6,207	931
Azerbaijan (AZERCREDIT)	24,359,932	33,825	1,090
Bosnia and Herzegovina (EKI)	80,866,453	43,591	2,172
Georgia (VF CREDO)	28,348,969	35,882	943
Kosovo (KOSINVEST)	4,291,383	2,475	2,401
Serbia (AGROINVEST)	15,839,228	15,600	1,670
Montenegro (AGROINVEST)	43,819,016	19,684	2,664
Total	206,321,796	159,691	1,333

Asia Pacific

Country	Outstanding Portfolio	# Active Borrowers	Average Loan Size
Cambodia (VF CAMBODIA)*	28,861,294	108,013	324
India (IMPACT)	1,163,764	7,701	311
Indonesia (MMS)	408,414	4,058	132
Mongolia (VF MONGOLIA)	3,045,494	4,307	931
Myanmar (WV)	850,324	4,919	199
Philippines (CEV)	4,277,410	32,779	198
Sri Lanka (VF LANKA)	2,985,441	10,245	388
Thailand (WV)	5,898,677	23,886	224
Vietnam (WV)	602,585	4,477	248
Total	48,093,403	200,385	288

* Figures are based on VFI computation as at 30 Sept 2010.

**We belong to a strong network
of microfinance institutions
which serve the poor in more
than 40 countries.**





This annual review can be accessed in soft copy through our website: www.visionfund.com.kh or in hard copy via our Head of Systems and Communications,

Mr. Khuon Sophorth, Email: sophorth_khuon@wvi.org
#20, St. 71, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Cambodia. P.O. box 47
Tel: (855)-12 222 024, (855)-23 216 052 Ext. 012



វីស៊ីនហ្វោន់

វិស៊ីនហ្វោន់ កម្ពុជា