

# Performance Trends

Microfinance Information eXchange (MIX)

November 2007

## Cambodia Trends

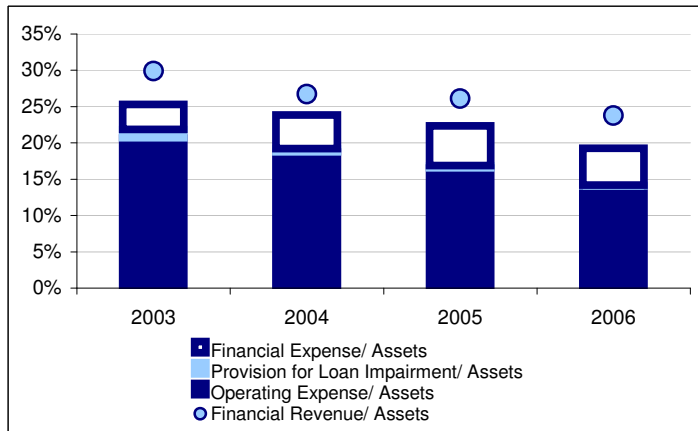
### Trends

2003

–

2007

#### Key Performance Trends



- ↑ Number of Active Borrowers
- ↑ Gross Loan Portfolio
- ↑ Debt to Equity
- Return on Assets
- ↓ Financial Revenue/ Assets
- ↓ Total Expense/ Assets
- ↓ Operating Expense/ Loan Portfolio
- ↓ Borrowers per Staff Member
- ↓ Portfolio at Risk > 30 Days



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This report provides an opportunity to view the development of the sector in Cambodia over a period of four years, using standardized, adjusted indicators. This report was developed to shed light on the nature of change and growth in the Cambodian microfinance market, as well as in individual institutions in the country. The report highlights potential strengths and weaknesses of the sector, for the ongoing use of MFI managers and practitioners. Towards this end, the report presents three sets of indicators for Cambodia:

- Indicators calculated based on aggregate values for nine of the leading MFIs in Cambodia, representing over 95% of total outreach.
- Indicators calculated based on aggregate values for the same group of leading MFIs, but with ACLEDA Bank excluded, to allow for a clearer picture of the leading non-bank providers to emerge.
- The final sets of tables present median indicators for the full group of nine institutions.

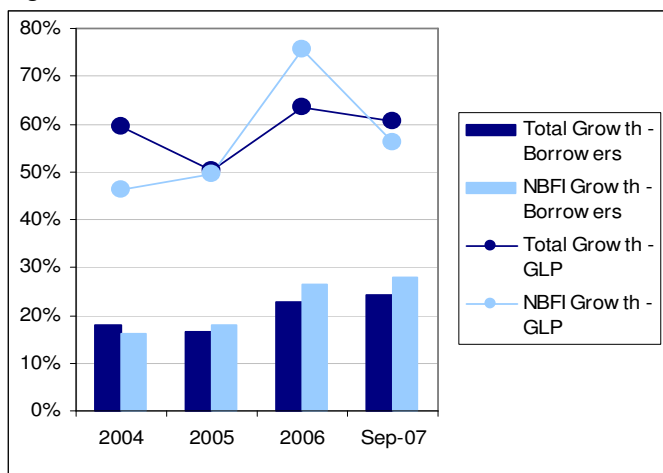
The microfinance sector in Cambodia reached over 750,000 borrowers and 300,000 savers by September 2007, although the vast majority of savings accounts were held at the only microfinance provider with a bank charter – ACLEDA Bank. The total loan portfolio reached almost 400 million USD by September 2007. At year-end 2006, the loan portfolio of 250 million USD was supported by roughly 125 million in savings, 100 million in external debt and 80 million in equity (of which some 20 million is subordinated debt from parent NGOs). Growth in outreach from 2003 – 2007 has been consistently around 20 percent per year. By September 2007, three institutions (AMRET, AMK and ACLEDA) had reached the 100,000 borrower mark, with AMRET overtaking ACLEDA as the largest institution for the first time.

Microfinance institutions in Cambodia typically reach a broad market segment, with average loan balances at most MFIs falling below GNI per capita levels. The majority of MFIs mix individual and solidarity-group lending methodologies. ACLEDA Bank offers slightly higher-balance loans. Outreach to women has been a focus of most MFIs, with the median percentage of women borrowers in excess of 80 percent for 2006.

Outstanding loan balances at Cambodian MFIs have more than doubled since 2003. Portfolio growth has been more rapid than growth in borrowers, as seen in Figure 1, and therefore loan sizes have steadily increased at most institutions. Income levels have not risen as fast as loan balances, indicating that many MFIs have begun to target higher income market segments, although these changes may have arisen through expanded product offerings as much as through a shift of the customer base.

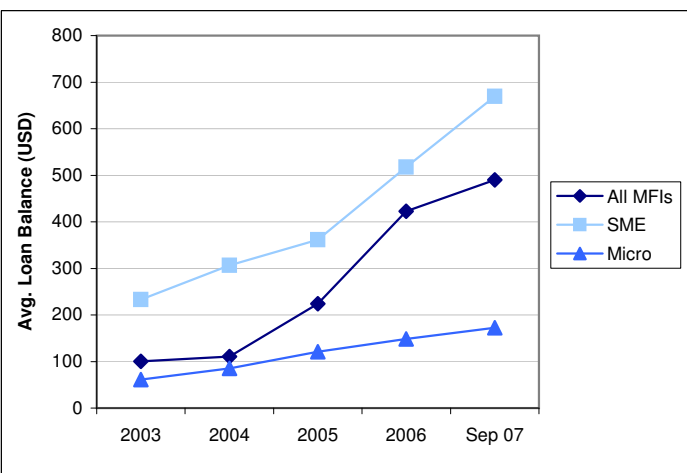
The microfinance sector in Cambodia appears to be splitting into two groups – those maintaining a focus on small-balance loans and outreach, and others working with a mixed product offering of micro- and SME-loans. Figure 2 demonstrates the increasing differences between these two groups of institutions. However, those institutions that have not increased loan balances have been able to quickly reach more borrowers, as shown in Figure 3. In an environment with funding constraints, MFIs have often had to choose between higher loan balances or increased outreach.

Figure 1: Growth at Cambodian MFIs



Source: MIX Market data 2003 - 2006, unadjusted.

Figure 2: Market split between SME and micro-loans

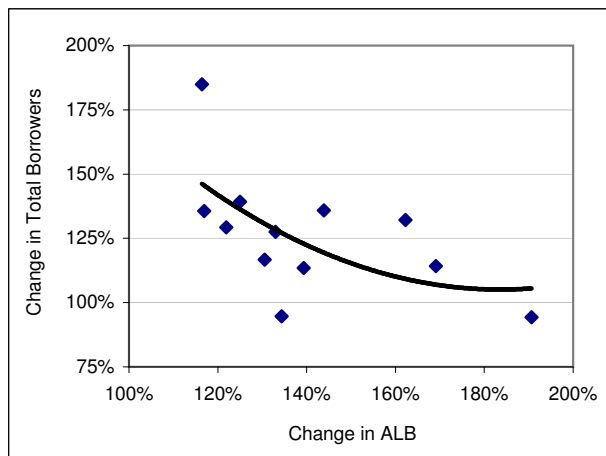


Source: MIX Market data 2003 - 2006, unadjusted.

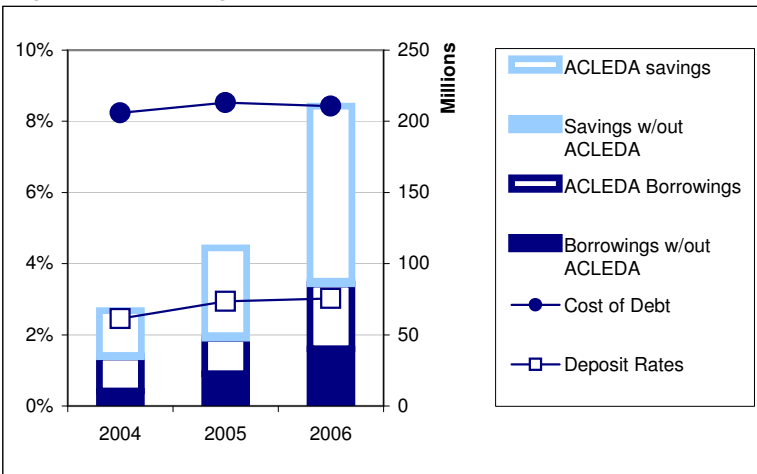
Cambodia has seen a more rapid increase in loan balances than in neighboring countries, where the majority of MFIs have remained staunchly focused on their core target populations. Average loan balances for Asia outside of Cambodia are below 20% of GNI per capita levels and have seen little to no increase over the past three years, as seen in the tables on p. 4. For NGOs in the Philippines and Indonesia, loan balances are often below 10% of GNI per capita, among the lowest levels globally.

Performance has been strong overall in Cambodia, although there have been exceptions which highlight risks within the sector. Median returns on assets in 2006 were 3%, with slow but steady increases since 2003. As efficiency has increased within the sector, financial revenues and yield levels have decreased, with median yield levels now close to 30%. Cambodian MFIs have consistently been among the strongest performers in Asia, with other sectors seeing stagnation in outreach and little reduction in expenses over time.

**Figure 3: Growth in Borrowers vs. Growth in Loan Balances**



**Figure 4: Financing and Cost of Funds at Cambodian MFIs**



Source: MIX Market 2005 - 2006, unadjusted.

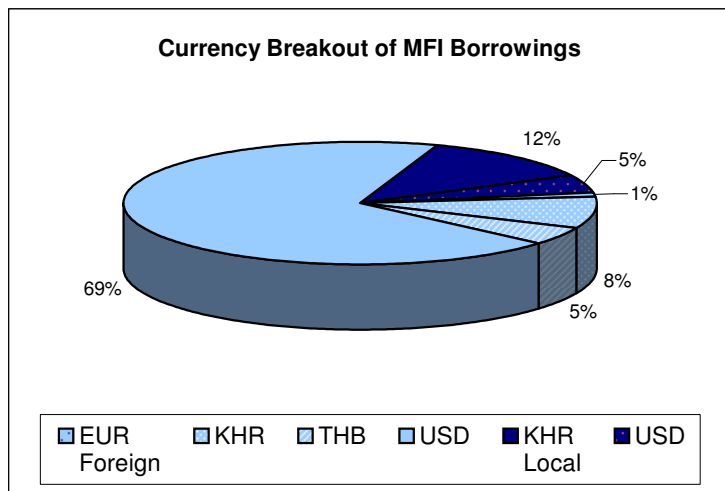
Source: MIX Market 2006.

Increasing loan balances has been one of the main drivers for increasing efficiency in the sector. Median operating expense-to-asset ratios dropped from 27% to 16% over the past four years, with current levels close to peer institutions in all of Asia or at those with similar charters. Expenses for loan impairment have decreased as well, but the original levels were low enough that the impact of this has been marginal for the sector overall. Since 2003, none of the 13 MFIs participating in the MIX Market has reported PAR levels above 6%, although write-off ratios have been higher in isolated instances of fraud.

Financial expenses have increased overall for Cambodian MFIs, as they more and more leverage their equity bases. However, the actual cost of debt has not increased substantially since 2003. Debt and savings have had notably different costs – interest rates on external debt averaged near 8%, while rates for (voluntary) savings accounts have been closer to 3% historically, as seen in Figure 4. Financial expenses in Cambodia have been somewhat lower than in neighboring countries in South and Southeast Asia, although Cambodian MFIs are generally much less leveraged than their Asian peers as well (who often benefit from substantial local financing).

Figure 4 also shows that, while ACLEDA Bank has been successful at mobilizing savings, the NBF microfinance providers in the sector have had much more limited savings outreach, with total voluntary savers outside of ACLEDA amounting to around 1 million USD in 2006 or less than 3% of the total loan portfolio. (Compulsory savings balances are at a similar level, and have been at or below 1 million USD outstanding for the past few years.) Consequently, most MFIs have chosen to rely on external financing to fund expansion. Most of this funding – some 80% - has also come from foreign sources.

**Figure 5: Sources of Funds for Cambodian MFIs**



Source: MicroBanking Bulletin funding data 2006, unadjusted.

Within Cambodia, the Rural Development Bank and the National Bank of Cambodia have extended funds to some MFIs, but beyond those institutions, local financing has been much harder to come by. Foreign microfinance investment funds (with varying degrees of 'commercial' approach) have filled this gap, providing approximately two-thirds of all funding from outside Cambodia, or 54 million USD. The remainder is made up of subsidized funds from international NGOs and development financial institutions (DFIs; e.g. IFC, ADB).

Most local funds are provided to MFIs in KHR, while foreign funds tend to be in USD, as seen in Figure 4. The cost of debt is cheapest overall in USD, although one needs to look at the source of funds to see the real differences – USD funds from Cambodian lenders are more expensive, while KHR funds from foreign sources come at a similar premium, reflecting the risk borne by the lender in each case.

Table 1: Terms and Cost of Funds for Cambodian MFIs

Origin	Currency	Balance (mill. USD)	Interest Rate	Term (months)
Foreign	USD/EUR	68	8.3%	55
	THB	5	9.5%	23
	KHR	8	10.3%	30
Local	USD/EUR	5	9.5%	24
	KHR	12	7.9%	7
<b>Grand Total</b>		97	8.6%	44

Origin	Counterparty Type	Balance (mill. USD)	Interest Rate	Term (months)
Foreign	Fund	54	9.2%	41
	DFI	19	8.4%	64
	NGO/Foundation	7	4.6%	93
Local	Central Bank	11	8.1%	6
	Public Bank	5	8.2%	23
	Commercial Bank	1	12.5%	34
<b>Grand Total</b>		97	8.55%	44

Source: MicroBanking Bulletin funding data 2006, unadjusted weighted averages.

Debt from NGOs and from the leading local providers (RDB and NBC) has been the least expensive source of funding, with debt from commercial banks and microfinance funds coming in at 12% and 9% respectively. Foreign funds are offered on much longer terms – over four years, versus less than one year for local sources. As may also be expected, more concessionary funds also tend to be offered for longer terms, with NGOs and DFIs providing funds for over 5 years on average. Cambodia has largely stood alone among its peers in East Asia and the Pacific for the mobilization of international commercial finance. The outstanding external debt of MFIs in Cambodia is several times the total for all MFIs in the Philippines, Indonesia, China and Vietnam combined, as international investors have made fewer inroads to those countries.

As the microfinance sector in Cambodia matures, it can be instructive to compare Cambodia to other countries around the globe at similar stages of development. Both Bolivia and Bosnia and Herzegovina have similar microfinance sectors to Cambodia – small countries with dense, competitive sectors. Bosnia and Cambodia further share a history as post-conflict countries that benefited from substantial donor support at the early stages of the sector, have similar legal frameworks for microfinance and have seen rapid growth and increasing commercialization over time. Both also exhibit a growing split between microfinance and SME providers. Cambodian MFIs reach a slightly higher portion of the population than their regional peers, as shown in Figure 7, and while they are ahead of Bolivia in total outreach, they lag behind Bosnia (which has a much smaller low-income population overall, however).

Of these three, yield levels are the highest in Cambodia, but they have also seen the most rapid decrease (corresponding with the increase in loan balances). Financial expenses are similar at each (between 4 – 6%), and they have been increasing over time in most cases, as local and commercial financing replaces donor funds. Bolivia is by far the most leveraged of the three, although many institutions there benefit from the ability to mobilize savings. Loan balances in Cambodia are the lowest among these three sectors (in absolute and relative terms).

Bolivia boasts the largest number of institutions, while Bosnia and Cambodia have a similar number. Figure 8 shows market concentration in these sectors over time. Market concentration in Cambodia has decreased over time, especially as the leading non-bank providers have grown rapidly. Market share in the more mature sector in Bolivia has shifted little over the past three years. Market concentration has increased in Bosnia, especially during the past year as the two leading institutions merged.

Cambodia has been one of the most rapidly developing microfinance sectors in the world over the past few years. Will the future of microfinance in Cambodia also see consolidation of the sector? Will small institutions fare as well as the leading ones? Will outreach continue to grow at the current rate, or will seek other means to gain market share? Whatever direction the sector takes, the continuing financial transparency by Cambodian MFIs will help to anticipate and adjust for these changes.

#### Participant MFIs:

ACLEDA\*, AMK\*, AMRET\*, CEB\*, CHC-Limited, CREDIT\*, HKL\*, IPR, Maxima, PRASAC\*, Seilanithih, TPC\*, VFC\*.

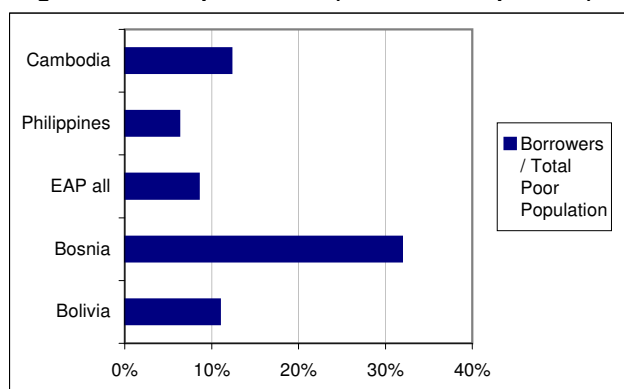
\* Included in trend and aggregate data, unless otherwise indicated. All institutions included in MIX Market and funding data, unless otherwise indicated. Data for September 07 from Cambodia Microfinance Association (CMA).

Special thanks are due to CMA, Paul Luchtenburg and IFC for commentary and data support.

Cambodia MFI Data	Number of Active Borrowers				Gross Loan Portfolio ('000s USD)			
	2004	2005	2006	Sep-07	2004	2005	2006	Sep-07
ACLEDA	122,173	140,920	159,930	167,829	65,909	99,901	158,076	254,419
AMK	20,502	36,221	67,006	110,917	1,189	2,444	5,230	9,348
AMRET	105,283	121,699	141,957	184,752	8,130	11,600	17,596	29,063
CEB	8,493	11,119	15,112	22,936	3,703	6,283	12,287	20,177
CHC-Limited	2,864	3,370	4,452	5,949	269	508	1,091	1,674
CREDIT	10,909	11,451	10,796	15,610	1,596	2,564	4,611	8,853
HKL	6,620	8,475	11,490	18,880	2,482	3,755	5,950	11,131
IPR	-	2,545	2,765	3,089	-	618	1,662	2,068
Maxima	891	1,225	1,563	1,506	212	389	661	738
PRASAC	73,002	82,545	94,264	79,618	8,841	11,459	22,108	28,684
Seilanithih	11,067	3,808	3,607	4,348	1,109	1,375	1,750	3,144
TPC	37,673	43,194	55,860	69,938	3,702	4,550	7,132	10,780
VFC	20,189	25,347	35,289	49,811	1,555	3,446	5,995	9,358
<b>Grand Total</b>	<b>419,666</b>	<b>491,917</b>	<b>604,091</b>	<b>735,183</b>	<b>98,696</b>	<b>148,893</b>	<b>244,150</b>	<b>389,437</b>

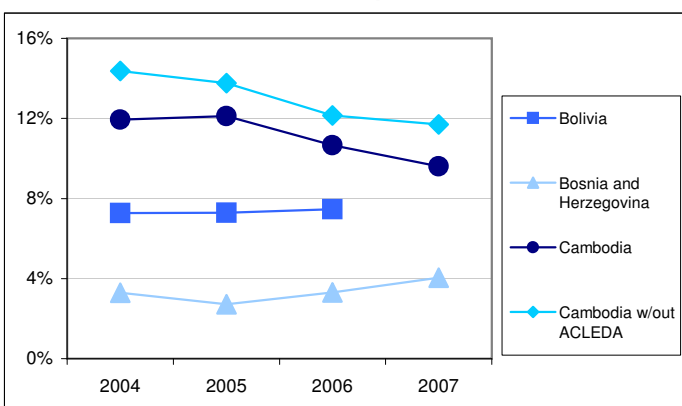
\* 2004 - 2006 data from MIX Market; Sept. 2007 data from CMA. Data may not agree with aggregate benchmarks which include only the nine largest MFIs.

Figure 7: Market penetration (Borr./ Poor Population)



Source: "How Many Borrowers and MFIs Exist?" MIX 2006, using MicroCredit Summit and World Development Indicators data.

Figure 8: Concentration of developed MFI sectors (HHI)



Source: MIX Market 2006. Market concentration levels based on normalized Herfindahl index (HHI) using total borrowers. Use of the HHI is meant solely as a guide to relative concentration and changes over time; individual levels are not meaningful. 2007 data as of 09/2007 for Cambodia and 06/2007 for Bosnia and Herzegovina.

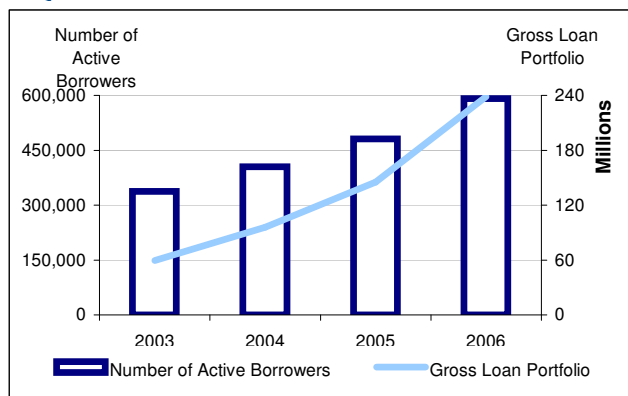
## Comparative Benchmarks

INSTITUTIONAL CHARACTERISTICS	Asia all (excl. Cambodia)		Philippines - Bank, Rural Bank and CU			Philippines - NGO/NBFI		Bosnia (NBFI)	
	2004	2005	2006	2005	2006	2005	2006	2006	2006
Year	2004	2005	2006	2005	2006	2005	2006	2006	2006
Number of MFIs	49	49	49	22	22	39	39	39	13
<b>FINANCING STRUCTURE</b>									
Capital/ Asset Ratio	21.9%	19.4%	19.7%	12.4%	14.8%	17.1%	17.2%	17.2%	27.8%
Debt to Equity	2.6	3.5	3.2	6.5	5.8	4.3	4.8	4.8	2.6
Deposits to Loans	3.2%	4.0%	3.8%	92.6%	100.2%	52.5%	56.7%	56.7%	0.0%
<b>OUTREACH INDICATORS</b>									
Number of Active Borrowers	15,245	16,989	25,478	8,033	8,030	10,571	12,006	12,006	11,611
Gross Loan Portfolio	3,474,434	4,918,201	6,388,095	3,019,833	4,047,370	2,721,546	2,841,052	2,841,052	15,900,000
Average Loan Balance per Borrower	113	117	134	439	473	201	170	170	1,583
Average Loan Balance per Borrower/ GNI per Capita	16.5%	17.4%	17.2%	37.6%	35.9%	17.1%	12.9%	12.9%	58.6%
Number of Voluntary Depositors	5,393	3,708	3,654	16,141	17,695	7,665	8,629	8,629	1
Voluntary Deposits	91,897	132,493	200,584	2,923,230	3,405,370	1,132,940	1,256,534	1,256,534	0
<b>OVERALL FINANCIAL PERFORMANCE</b>									
Return on Assets	2.0%	2.2%	2.7%	-1.8%	0.6%	-0.7%	1.0%	1.0%	3.7%
Return on Equity	11.5%	13.5%	12.0%	-5.2%	4.1%	-2.3%	5.8%	5.8%	14.9%
<b>REVENUES</b>									
Financial Revenue/ Assets	24.3%	24.4%	24.4%	23.9%	22.8%	31.6%	28.6%	28.6%	23.5%
Yield on Gross Portfolio (nominal)	34.5%	31.0%	28.8%	28.0%	32.0%	42.8%	39.0%	39.0%	27.3%
<b>EXPENSES</b>									
Financial Expense/ Assets	6.1%	6.9%	6.8%	6.2%	6.0%	5.6%	5.0%	5.0%	6.6%
Provision for Loan Impairment/ Assets	1.1%	1.6%	1.4%	5.2%	2.0%	4.2%	2.8%	2.8%	1.5%
Operating Expense/ Assets	14.7%	13.6%	13.1%	13.8%	13.4%	20.1%	20.4%	20.4%	12.5%
<b>EFFICIENCY</b>									
Operating Expense/ Loan Portfolio	22.2%	24.1%	21.2%	21.8%	21.5%	29.0%	31.4%	31.4%	14.0%
Personnel Expense/ Loan Portfolio	10.5%	11.4%	10.5%	9.0%	9.7%	14.6%	15.7%	15.7%	9.3%
Cost per Borrower	28	34	44	72	80	31	39	39	175
<b>PRODUCTIVITY</b>									
Borrowers per Loan Officer	219	223	198	149	166	187	197	197	242
<b>RISK AND LIQUIDITY</b>									
Portfolio at Risk > 30 Days	3.3%	3.0%	4.0%	7.5%	4.8%	6.5%	5.0%	5.0%	0.8%

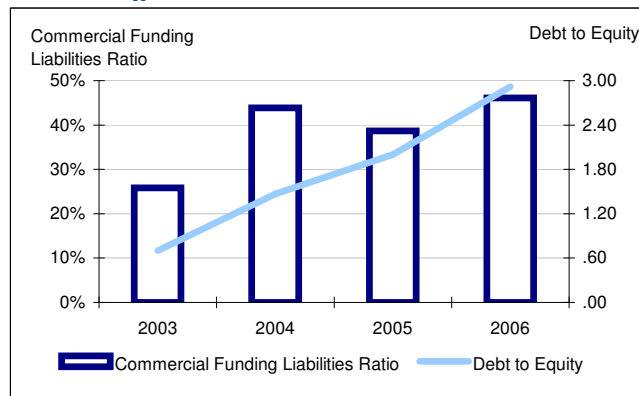
\* ratios present weighted averages for all indicators

	2006		Adjusted		
	Indicators	% Δ	2005	2004	2003
<b>INSTITUTIONAL CHARACTERISTICS</b>					
Number of MFIs	9		9	9	9
Age	11		10	9	8
Total Assets	318,609,903	62.2%	178,478,119	120,645,729	74,662,888
Offices	341	19.7%	310	240	199
Personnel	5,280	29.9%	3,864	3,480	2,408
<b>FINANCING STRUCTURE</b>					
Capital/ Asset Ratio	25.5%	-24.3%	33.3%	40.5%	58.8%
Commercial Funding Liabilities Ratio	46.1%	21.3%	38.7%	43.9%	25.8%
Debt to Equity	2.9	60.8%	2.0	1.5	0.7
Deposits to Loans	52.5%	30.8%	43.9%	34.2%	23.4%
Deposits to Total Assets	39.3%	28.3%	35.7%	27.1%	18.6%
Portfolio to Assets	74.9%	-2.0%	81.3%	79.4%	79.5%
<b>OUTREACH INDICATORS</b>					
Number of Active Borrowers	591,383	20.6%	480,864	404,777	337,201
Percent of Women Borrowers	74%	21.2%	75%	75%	41%
Number of Loans Outstanding	591,530	20.6%	481,008	404,906	337,313
Gross Loan Portfolio	238,754,346	59.0%	145,122,178	95,818,631	59,379,319
Average Loan Balance per Borrower	404	31.9%	302	237	176
Average Loan Balance per Borrower/ GNI per Capita	94%	18.2%	94%	74%	57%
Average Outstanding Balance	404	31.9%	302	237	176
Average Outstanding Balance / GNI per Capita	94%	18.2%	94%	74%	57%
Number of Voluntary Depositors	147,392	60.5%	95,497	58,260	35,666
Number of Voluntary Deposit Accounts	147,392	60.5%	95,497	58,260	35,666
Voluntary Deposits	124,283,587	110.6%	62,590,474	31,859,364	13,302,685
Average Deposit Balance per Depositor	843	31.2%	655	547	373
Average Deposit Account Balance	843	31.2%	655	547	373
<b>OVERALL FINANCIAL PERFORMANCE</b>					
Return on Assets	3.4%	-1.0%	2.5%	2.0%	3.5%
Return on Equity	12.0%	28.0%	6.9%	4.2%	5.7%
Operational Self-Sufficiency	130.2%	2.4%	127.0%	120.1%	121.1%
Financial Self-Sufficiency	123.4%	1.4%	117.0%	112.0%	118.2%

Adj. Number of Borrowers and Gross Loan Portfolio

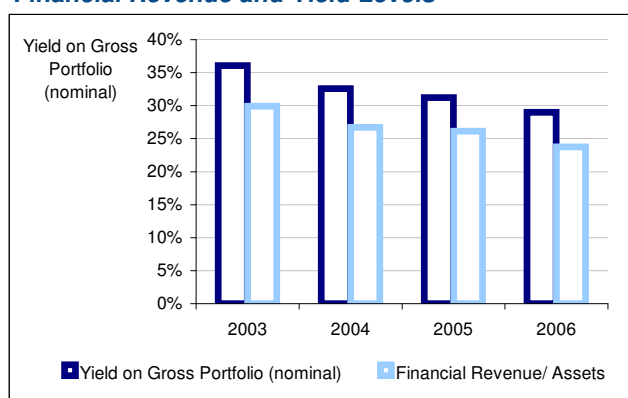
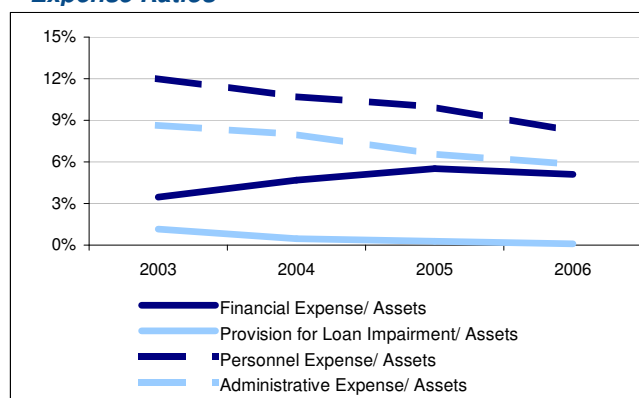


Financing and Asset Structure



\* ratios present weighted averages for all indicators

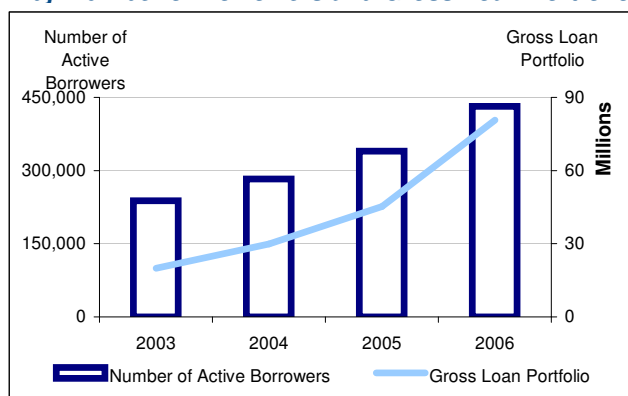
	2006		Adjusted	2004	2003
	Indicators	% Δ	2005		
<b>REVENUES</b>					
Financial Revenue/ Assets	23.8%	-7.4%	26.1%	26.7%	29.9%
Profit Margin	19.0%	7.2%	14.5%	10.7%	15.4%
Yield on Gross Portfolio (nominal)	29.0%	-7.1%	31.2%	32.6%	36.1%
Yield on Gross Portfolio (real)	27.7%	-8.1%	29.5%	31.4%	35.7%
<b>EXPENSES</b>					
Total Expense/ Assets	19.3%	-8.7%	22.3%	23.9%	25.3%
Financial Expense/ Assets	5.1%	13.8%	5.5%	4.7%	3.5%
Provision for Loan Impairment/ Assets	0.1%	-55.5%	0.3%	0.5%	1.2%
Operating Expense/ Assets	14.0%	-12.1%	16.5%	18.7%	20.7%
Personnel Expense/ Assets	8.2%	-11.9%	10.0%	10.7%	12.0%
Administrative Expense/ Assets	5.8%	-12.3%	6.6%	8.0%	8.6%
Adjustment Expense/ Assets	-1.0%	-217.4%	-1.8%	-1.6%	-0.6%
<b>EFFICIENCY</b>					
Operating Expense/ Loan Portfolio	14.6%	-12.4%	17.1%	19.1%	21.8%
Personnel Expense/ Loan Portfolio	8.6%	-12.2%	10.3%	10.9%	12.7%
Average Salary/ GNI per Capita	9.0	-4.9%	12.0	9.4	10.5
Cost per Borrower	65	16.0%	56	49	42
Cost per Loan	65	16.0%	56	49	42
<b>PRODUCTIVITY</b>					
Borrowers per Staff Member	112	-7.2%	124	116	140
Loans per Staff Member	112	-7.2%	124	116	140
Borrowers per Loan Officer	214	-4.0%	193	190	242
Loans per Loan Officer	214	-4.0%	193	190	242
Voluntary Depositors per Staff Member	28	23.5%	25	17	15
Deposit Accounts per Staff Member	28	23.5%	25	17	15
Personnel Allocation Ratio	52.4%	-3.3%	64.5%	61.1%	57.9%
<b>RISK AND LIQUIDITY</b>					
Portfolio at Risk > 30 Days	0.4%	-42.4%	0.4%	0.7%	2.2%
Portfolio at Risk > 90 Days	0.2%	-47.6%	0.2%	0.6%	1.7%
Write-off Ratio	0.5%	-28.7%	0.6%	1.6%	1.4%
Loan Loss Rate	-0.1%	-164.6%	0.1%	0.9%	0.4%
Risk Coverage Ratio	271.0%	22.1%	350.8%	256.3%	149.0%
Non-earning Liquid Assets as a % of Total	7.6%	-4.0%	6.4%	6.1%	8.6%
Current Ratio	n/a	n/a	n/a	n/a	n/a

**Financial Revenue and Yield Levels****Expense Ratios**

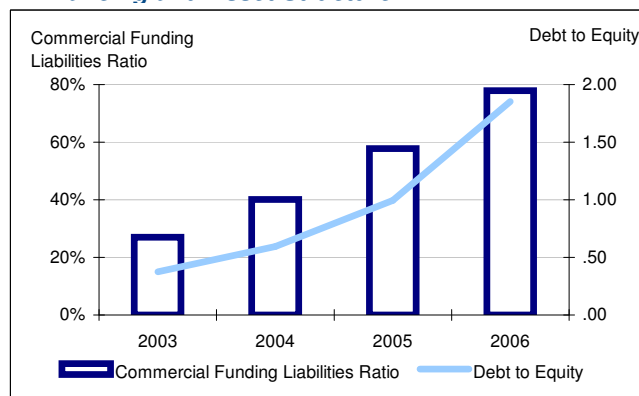
\* ratios present weighted averages for all indicators  
data for all MFIs excluding ACLEDA Bank

	Adjusted				
	2006		2005	2004	2003
INSTITUTIONAL CHARACTERISTICS	Indicators	% Δ	Indicators		
Number of MFIs	8		8	8	8
Age	11		10	9	8
Total Assets	95,138,913	53.3%	54,380,411	36,476,568	26,404,524
Offices	185	22.0%	171	121	102
Personnel	2,252	26.1%	1,734	1,372	1,124
FINANCING STRUCTURE					
Capital/ Asset Ratio	35.0%	-21.7%	50.2%	62.7%	72.7%
Commercial Funding Liabilities Ratio	77.9%	42.4%	57.8%	40.1%	27.0%
Debt to Equity	1.9	70.2%	1.0	0.6	0.4
Deposits to Loans	2.6%	-11.3%	4.0%	3.6%	3.7%
Deposits to Total Assets	2.2%	-7.9%	3.3%	3.0%	2.8%
Portfolio to Assets	84.8%	3.8%	83.2%	82.0%	75.7%
OUTREACH INDICATORS					
Number of Active Borrowers	431,466	21.9%	339,959	282,658	238,296
Percent of Women Borrowers	79%	36.8%	80%	80%	31%
Number of Loans Outstanding	431,613	21.9%	340,103	282,787	238,408
Gross Loan Portfolio	80,678,233	59.2%	45,222,469	29,921,446	20,000,013
Average Loan Balance per Borrower	187	30.6%	133	106	84
Average Loan Balance per Borrower/ GNI per Capita	43%	17.1%	42%	33%	27%
Average Outstanding Balance	187	30.6%	133	106	84
Average Outstanding Balance / GNI per Capita	43%	17.1%	42%	33%	27%
Number of Voluntary Depositors	6,024	114.3%	3,084	1,169	612
Number of Voluntary Deposit Accounts	6,024	114.3%	3,084	1,169	612
Voluntary Deposits	1,133,804	99.9%	689,349	219,005	142,000
Average Deposit Balance per Depositor	188	-6.7%	224	187	232
Average Deposit Account Balance	188	-6.7%	224	187	232
OVERALL FINANCIAL PERFORMANCE					
Return on Assets	4.0%	31.0%	1.8%	2.5%	1.8%
Return on Equity	9.9%	61.0%	3.3%	3.7%	2.4%
Operational Self-Sufficiency	131.7%	5.4%	128.7%	124.1%	112.6%
Financial Self-Sufficiency	122.6%	3.9%	113.8%	113.7%	109.4%

Adj. Number of Borrowers and Gross Loan Portfolio



Financing and Asset Structure





## Cambodia Trends

## Performance Trends - Aggregate NBFI - 9

\* ratios present weighted averages for all indicators

data for all MFIs excluding ACLEDA Bank

	2006		Adjusted	2004	2003
	Indicators	% Δ	2005		
<b>REVENUES</b>					
Financial Revenue/ Assets	29.8%	-2.3%	30.5%	29.9%	31.9%
Profit Margin	18.4%	29.1%	12.1%	12.0%	8.6%
Yield on Gross Portfolio (nominal)	34.4%	-4.5%	36.6%	36.8%	39.5%
Yield on Gross Portfolio (real)	32.9%	-5.6%	34.7%	35.4%	39.0%

### EXPENSES

Total Expense/ Assets	24.3%	-6.0%	26.8%	26.3%	29.2%
Financial Expense/ Assets	6.6%	24.8%	6.5%	4.6%	3.4%
Provision for Loan Impairment/ Assets	0.1%	-64.4%	0.3%	0.8%	2.7%
Operating Expense/ Assets	17.5%	-8.8%	20.0%	20.9%	23.1%
Personnel Expense/ Assets	9.6%	-10.1%	11.2%	11.9%	13.2%
Administrative Expense/ Assets	7.9%	-7.0%	8.8%	9.0%	9.8%
Adjustment Expense/ Assets	-1.7%	-225.9%	-3.1%	-2.2%	-0.8%

### EFFICIENCY

Operating Expense/ Loan Portfolio	16.2%	-14.9%	20.1%	22.0%	26.4%
Personnel Expense/ Loan Portfolio	8.9%	-16.2%	11.2%	12.5%	15.1%
Average Salary/ GNI per Capita	21.1	-2.0%	26.8	23.8	22.4
Cost per Borrower	34	12.1%	29	25	24
Cost per Loan	34	12.1%	29	25	24

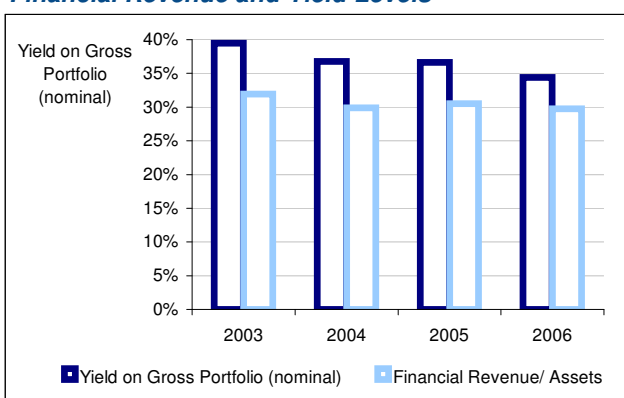
### PRODUCTIVITY

Borrowers per Staff Member	192	-3.3%	196	206	212
Loans per Staff Member	192	-3.3%	196	206	212
Borrowers per Loan Officer	387	0.4%	313	307	383
Loans per Loan Officer	387	0.4%	313	307	383
Voluntary Depositors per Staff Member	3	70.0%	2	1	1
Deposit Accounts per Staff Member	3	70.0%	2	1	1
Personnel Allocation Ratio	49.5%	-3.7%	62.6%	67.1%	55.4%

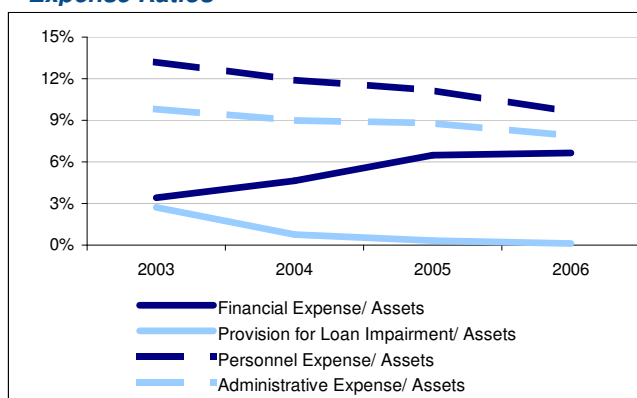
### RISK AND LIQUIDITY

Portfolio at Risk > 30 Days	0.2%	-64.0%	0.7%	1.5%	5.2%
Portfolio at Risk > 90 Days	0.1%	-67.6%	0.3%	1.1%	3.8%
Write-off Ratio	0.3%	-44.4%	1.4%	4.0%	1.8%
Loan Loss Rate	0.0%	-63.9%	1.0%	3.4%	1.1%
Risk Coverage Ratio	398.4%	49.1%	206.8%	173.3%	120.2%
Non-earning Liquid Assets as a % of Total	3.4%	-36.3%	4.8%	3.9%	13.1%
Current Ratio	n/a	n/a	n/a	n/a	n/a

### Financial Revenue and Yield Levels

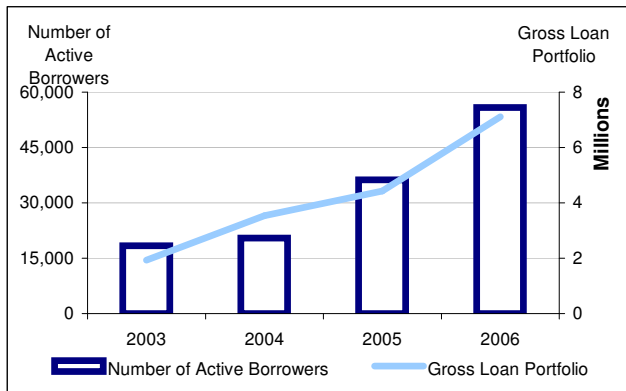


### Expense Ratios

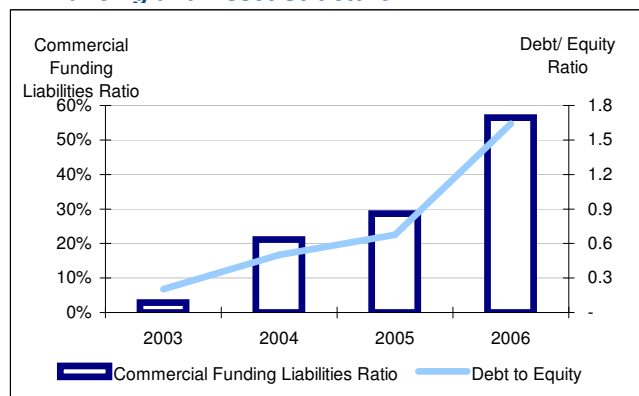


			Adjusted		
	2006		2005	2004	2003
INSTITUTIONAL CHARACTERISTICS	Indicators	% Δ	Indicators		
Number of MFIs	9		9	9	9
Age	11		10	9	8
Total Assets	7,680,480	52.9%	5,114,353	4,097,520	2,148,765
Offices	21	20.5%	15	14	12
Personnel	230	26.4%	191	140	114
<b>FINANCING STRUCTURE</b>					
Capital/ Asset Ratio	37.8%	-23.1%	59.7%	66.7%	83.1%
Commercial Funding Liabilities Ratio	56.5%	169.1%	28.7%	21.1%	2.9%
Debt to Equity	1.6	100.7%	0.7	0.5	0.2
Deposits to Loans	1.1%	n/a	0.7%	0.1%	0.0%
Deposits to Total Assets	0.9%	n/a	0.6%	0.1%	0.0%
Portfolio to Assets	84.2%	3.2%	86.5%	79.6%	76.5%
<b>OUTREACH INDICATORS</b>					
Number of Active Borrowers	55,860	44.7%	36,221	20,502	18,423
Percent of Women Borrowers	83%	2.0%	83%	85%	78%
Number of Loans Outstanding	56,007	44.9%	36,221	20,502	18,423
Gross Loan Portfolio	7,109,964	54.6%	4,426,465	3,533,294	1,925,523
Average Loan Balance per Borrower	234	29.9%	136	113	107
Average Loan Balance per Borrower/ GNI per Capita	54%	16.4%	43%	35%	34%
Average Outstanding Balance	234	50.2%	136	113	69
Average Outstanding Balance / GNI per Capita	54%	34.6%	43%	35%	22%
Number of Voluntary Depositors	431	n/a	188	172	0
Number of Voluntary Deposit Accounts	431	n/a	188	172	0
Voluntary Deposits	240,737	n/a	25,536	3,364	0
Average Deposit Balance per Depositor	216	-5.2%	232	168	254
Average Deposit Account Balance	216	45.4%	466	15	70
<b>OVERALL FINANCIAL PERFORMANCE</b>					
Return on Assets	3.4%	-424.0%	2.6%	1.8%	-0.1%
Return on Equity	13.5%	-507.2%	5.6%	2.6%	-0.2%
Operational Self-Sufficiency	129.2%	8.1%	126.1%	117.9%	102.4%
Financial Self-Sufficiency	123.9%	6.6%	115.2%	110.6%	102.2%

Adj. Number of Borrowers and Gross Loan Portfolio



Financing and Asset Structure



REVENUES	2006		Adjusted	2004	2003
	Indicators	% Δ	2005		
Financial Revenue/ Assets	28.6%	-3.4%	30.3%	28.2%	31.7%
Profit Margin	19.3%	109.5%	13.2%	9.6%	2.1%
Yield on Gross Portfolio (nominal)	32.0%	-8.4%	37.6%	39.6%	41.6%
Yield on Gross Portfolio (real)	26.1%	-13.2%	30.2%	34.4%	39.9%

**EXPENSES**

EXPENSES	2006		Adjusted	2004	2003
	Indicators	% Δ	2005		
Total Expense/ Assets	23.9%	-10.3%	26.3%	26.3%	33.1%
Financial Expense/ Assets	5.7%	23.9%	5.2%	4.1%	3.0%
Provision for Loan Impairment/ Assets	0.1%	-55.0%	0.3%	0.6%	1.1%
Operating Expense/ Assets	16.1%	-16.2%	18.6%	21.8%	27.4%
Personnel Expense/ Assets	9.7%	-17.9%	11.4%	12.4%	17.5%
Administrative Expense/ Assets	8.1%	-13.5%	8.4%	9.4%	12.5%
Adjustment Expense/ Assets	2.2%	40.1%	2.8%	2.1%	0.8%

**EFFICIENCY**

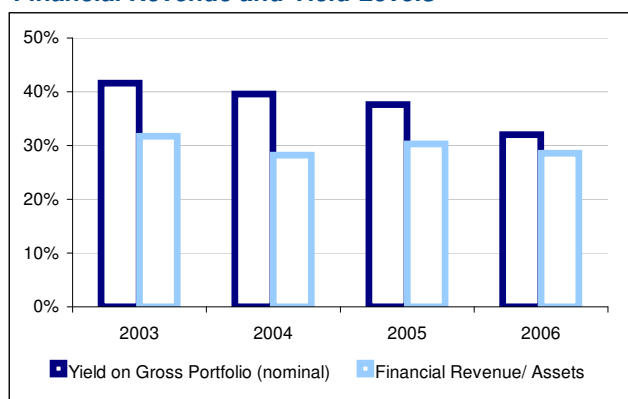
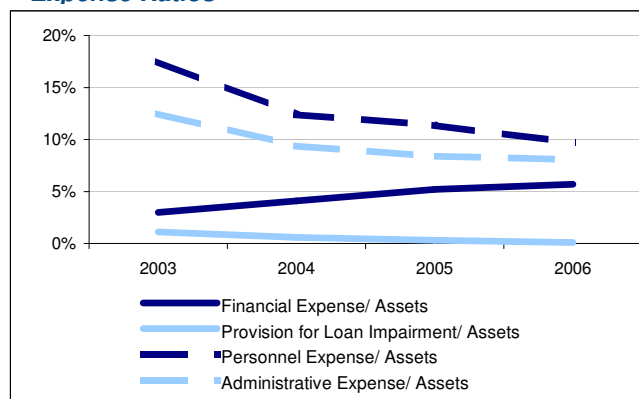
EFFICIENCY	2006		Adjusted	2004	2003
	Indicators	% Δ	2005		
Operating Expense/ Loan Portfolio	20.4%	-17.9%	22.2%	26.3%	36.8%
Personnel Expense/ Loan Portfolio	10.8%	-22.8%	13.2%	14.9%	23.5%
Average Salary/ GNI per Capita	7.8	-6.1%	9.2	9.1	9.5
Cost per Borrower	43	-5.1%	38	35	50
Cost per Loan	43	7.9%	38	42	34

**PRODUCTIVITY**

PRODUCTIVITY	2006		Adjusted	2004	2003
	Indicators	% Δ	2005		
Borrowers per Staff Member	154	4.2%	133	148	136
Loans per Staff Member	154	-7.7%	133	148	196
Borrowers per Loan Officer	288	24.9%	209	260	148
Loans per Loan Officer	288	0.9%	209	261	280
Voluntary Depositors per Staff Member	3	n/a	2	1	0
Deposit Accounts per Staff Member	3	n/a	4	1	0
Personnel Allocation Ratio	50.0%	-2.9%	63.4%	58.9%	54.6%

**RISK AND LIQUIDITY**

RISK AND LIQUIDITY	2006		Adjusted	2004	2003
	Indicators	% Δ	2005		
Portfolio at Risk > 30 Days	0.3%	-41.5%	0.6%	0.7%	1.5%
Portfolio at Risk > 90 Days	0.2%	-48.9%	0.2%	0.5%	1.5%
Write-off Ratio	0.3%	-37.0%	0.5%	1.2%	1.2%
Loan Loss Rate	0.0%	-100.0%	0.2%	0.0%	0.2%
Risk Coverage Ratio	330.9%	41.5%	394.0%	162.8%	116.8%
Non-earning Liquid Assets as a % of Total	1.3%	-54.7%	4.1%	4.1%	14.0%
Current Ratio	666.0%	-5.7%	1123.2%	239.2%	793.3%

**Financial Revenue and Yield Levels****Expense Ratios**

## 12 - Aggregate Adjusted Financial Statement

Cambodia Trends

Year: 2006 Currency Conversion Factor 1  
 Currency: United States Dollar Units 1

	Unadjusted Accounts	Adjusted Accounts		Adjusted Accounts
<b>BALANCE SHEET</b>			<b>INCOME STATEMENT</b>	
Cash and Due from Banks	24,317,045	24,317,045	<b>Financial Revenue</b>	<b>59,071,558</b>
Reserves from Central Bank	21,125,222	21,125,222	Financial Revenue from Loan	55,608,562
Trade Investments	16,800,770	16,800,770	<i>Interest on Loan Portfolio</i>	53,931,781
Net Loan Portfolio	236,076,391	236,076,391	<i>Fees and Commissions on Loan Portfolio</i>	1,676,781
<i>Gross Loan Portfolio</i>	238,826,147	238,754,346	Financial Revenue from Investments	557,117
<i>(Impairment Loss Allowance)</i>	2,749,756	2,677,955	Other Operating Revenue	2,905,879
Interest Receivable	3,535,487	3,535,487	<b>Financial Expense</b>	<b>10,213,659</b>
Accounts Receivable and Other Assets	4,808,125	4,808,125	Financial Expense on Funding Liabilities	9,140,121
Other Investments	0	0	<i>Interest and Fee Expense on Deposits</i>	2,867,398
Net Fixed Assets	11,621,461	11,946,863	<i>Interest and Fee Expense on Borrowings</i>	6,272,723
<b>Total Assets</b>	<b>318,284,501</b>	<b>318,609,903</b>	Net Adjustment for Inflation	0
Demand Deposits	87,522,583	87,522,583	<i>Inflation Adjustment to Equity</i>	0
<i>Voluntary Deposits</i>	86,548,235	86,548,235	<i>Inflation Adjustment to Fixed Assets</i>	0
<i>Compulsory Deposits</i>	974,348	974,348	Adjustment for Subsidized Cost of Funds	0
Time Deposits	37,735,352	37,735,352	Other Financial Expense	1,073,538
Borrowings	97,822,765	97,822,765	<b>Net Financial Income</b>	<b>48,857,899</b>
<i>Borrowings at concessional interest rates</i>	9,282,143	9,282,143	<b>Impairment Losses on Loans</b>	<b>254,486</b>
<i>Borrowings at commercial interest rates</i>	88,540,622	88,540,622	Provision for Loan Impairment	818,183
Interest Payable	1,722,995	1,722,995	Value of Loans Recovered	563,697
Accounts Payable and Other Liabilities	12,274,848	12,274,848	<b>Operating Expense</b>	<b>34,918,098</b>
<b>Total Liabilities</b>	<b>237,078,543</b>	<b>237,078,543</b>	Personnel Expense	20,432,980
Paid-in Capital	37,854,400	37,854,400	Administrative Expense	14,485,118
Donated Equity	12,356,078	12,356,078	<i>Rent and Utilities</i>	4,018,309
<i>Prior Years</i>	11,760,498	11,760,498	<i>Transportation</i>	1,450,479
<i>Current Year</i>	595,580	595,580	<i>Office Supplies</i>	1,368,221
Retained Earnings	16,222,007	13,462,502	<i>Depreciation and Amortization</i>	2,027,203
<i>Prior Years</i>	5,284,899	5,284,899	<i>Other Administrative Expense</i>	5,620,906
<i>Current Year</i>	10,937,108	8,177,603	<b>Net Operating Income</b>	<b>13,685,315</b>
Adjustments to Equity	0	2,814,181	<b>Net Non-Operating Income</b>	<b>60,771</b>
<i>Inflation Adjustment</i>	0	2,788,575	Non-Operating Revenue	61,963
<i>Subsidized Costs of Funds Adjustment</i>	0	25,606	Non-Operating Expense	1,192
<i>In-Kind Subsidy Adjustment</i>	0	0	<b>Net Income (Before Taxes and Donations)</b>	<b>13,746,086</b>
Reserves	6,872,007	6,872,007	Taxes	2,808,978
Other Equity Accounts	7,901,466	7,901,466	<b>Net Income (After Taxes and Before Donations)</b>	<b>10,937,108</b>
<b>Total Equity</b>	<b>81,205,958</b>	<b>81,260,634</b>	Donations	595,580
<b>Total Liabilities and Equity</b>	<b>318,284,501</b>	<b>318,339,177</b>	<b>Net Income (After Taxes and Donations)</b>	<b>9,043,909</b>