

**Workshop on the Current Situation and Future of  
Competition Policy and Law in Cambodia,  
Organized by Economic Institute of Cambodia in  
Collaboration with the CUTS International  
through the support of SECO & DFID.  
Pannasastra University of Cambodia,  
July 26th, 2005**

**Mr. IN Channy,  
General Manager of ACLEDA Bank Plc.**

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**The Current Situation and Future of Competition  
Policy and Law in Cambodia**

**Cambodia Key Economic Indicators:**

According to the historical data from 2002 through 2005 in terms of GDP growth and the inflation from the same period, we can see that the Cambodia economy is not stable. It was 5.5%; 5.3%; 6% (estimated); and it will be 6% (forecasted). It is viewed the same for the inflation, it was at 3.3%; 0.5%; 5.6%; and 2.8% respectively from 2002 through 2005.

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### **Overview of Banks in Cambodia**

- 15 commercial banks
- 3 specialized banks
- 11 licensed Micro-finance Institutions, and
- 27 MFI NGOs registered with the National Bank of Cambodia

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### **Overview of Banks in Cambodia (Cont.)**

- No capital market
- No credit bureau
- No deposit guarantee facility, and
- No inter-bank market

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# The Current Situation and Future of Competition Policy and Law in Cambodia

## ACLEDA Bank Products and services

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

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### ACLEDA Bank Plc.

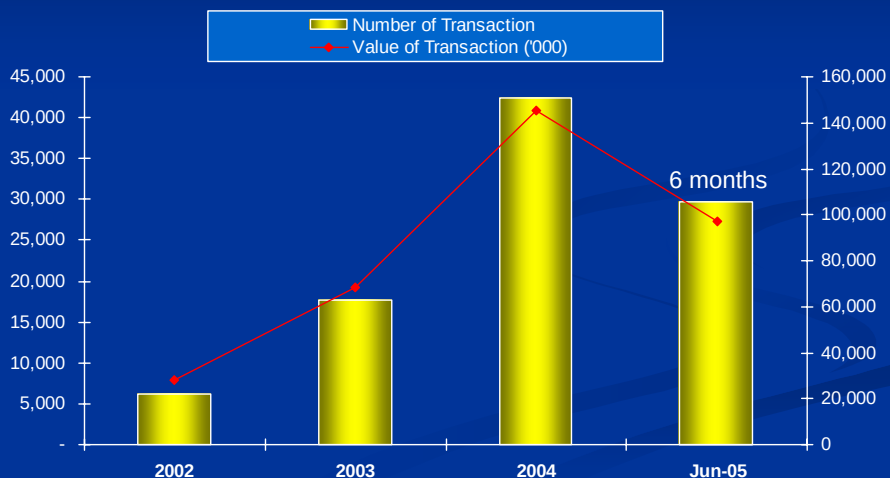
- Established as an NGO in January 1993
- Obtained license as specialized bank in October 2000
- Obtained the full commercial bank license in December 2003
- By the end of June, 2005:
  - Total assets: US\$111.43 M
  - Active loan clients 130,267; 66% of them are women
  - Total loans outstanding US\$79.64 M, portfolio at risk 0.78%
  - Operating through 136 offices in 18 provinces and 3 towns out of 24 provinces and towns in Cambodia.
  - ACLEDA Bank has total staff of 2,341 persons.
  - Number of accounts: 74,310 small depositors (which is 46% of total accounts of all banks in Cambodia) with total balance of US\$52.42 M.

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### History of Local Money Transfer

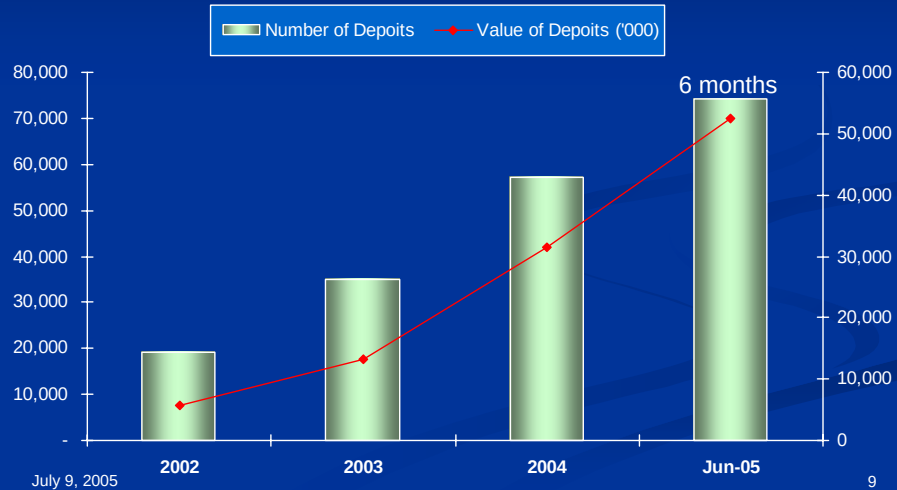


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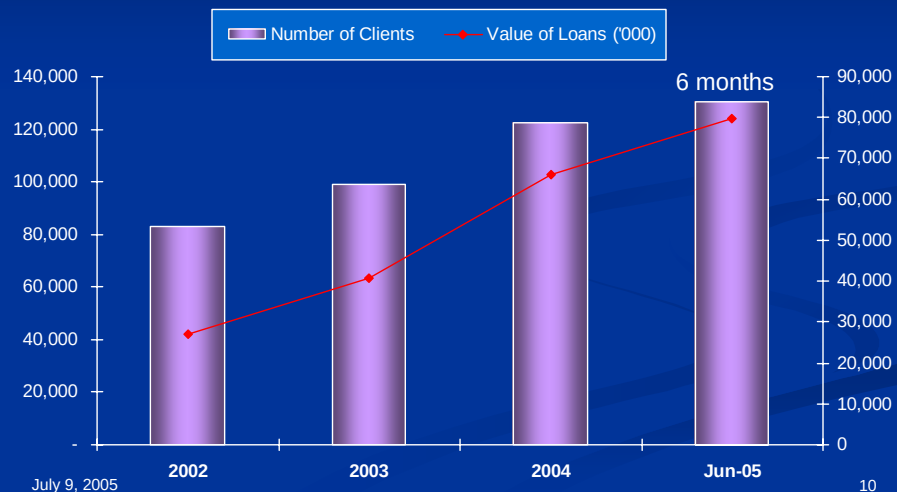
### History of Savings and Deposits



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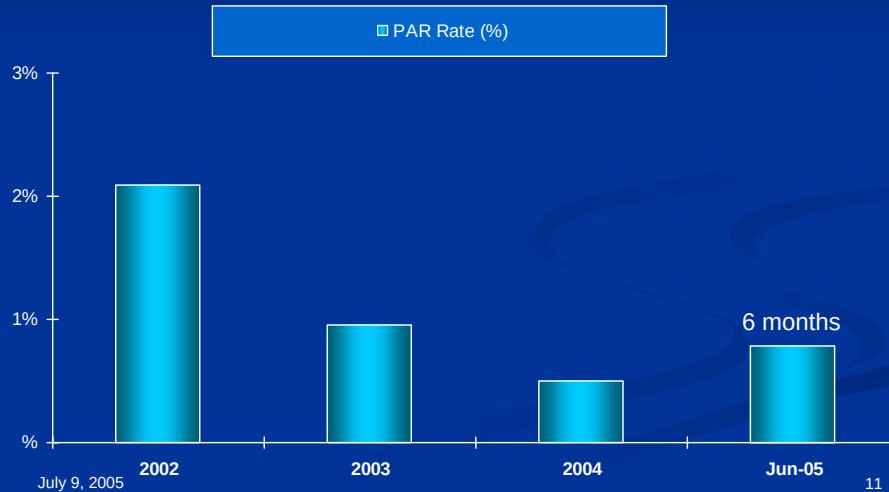
### History of Loans



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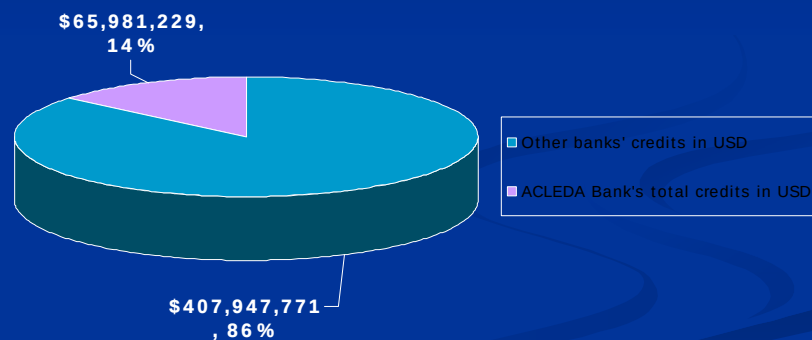
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### History of Portfolio At Risk



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### ACLEDA Bank Market Share (loans) by the end of December 2004.



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### **Note I:**

ACLEDA Bank Plc. believes that in order to be efficiency in lending, three conditions must be satisfied:

- Pricing must be competitive.
- Transaction costs must be minimized.
- The financial system must be integrated (operation of financial system such that similar loans are made on similar terms everywhere)

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### **Note II:**

Even ACLEDA Bank Plc., the only bank with:

- The largest branch and office network (136),
- The largest customer based,
- The largest numbers of business transactions (more than 10,000 trans. per month,
- The most sophisticated management information system in place, and
- the bank with the strongest liquidity back up by the strongest shareholders

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### **Note III:**

“ACLEDA Bank Plc doesn’t believe in Monopoly at all. The good banking system depends on all banks and financial institutions working together and they can compete with each other in an equal level of playing field”.

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### **Note IV:**

The equal level of playing field should be the center for the law on competition, where the equal right to information, resources, fair treatment in terms of regulatory and law enforcement.

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### **Note V:**

From those two notices we can see that the trust for Cambodia banking sector can be enhanced, the customers, and the public at large can increasingly use the banking sectors, and they can do more businesses with each other, and the benefit will be for them all.

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THANK YOU FOR YOUR ATTENTION!

[www.acledabank.com.kh](http://www.acledabank.com.kh)

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