



ធនាគារ អេស៊ីស៊ីដា ភីអិលស៊ី

ACLEDA Bank Plc.

*The bank you can trust!*

## 1. Background of ACLEDA Bank

ACLEDA was established in 1993 as an NGO for Small and Micro Enterprise Development from the UNDP/ ILO Project for income and employment generation. It has transformed to a specialized bank in October 2000, and it obtained license as a full fledged commercial bank in December 2003. From 2010, ACLEDA Bank Plc. has become the largest bank in Cambodia, and it has become the market leader of all fronts, net profit after tax, branches and office network, loan portfolios (23.2%), savings and deposit (22.3%), paid up capital, and of course the total assets, etc. until now. ACLEDA Bank has the subsidiaries as follows:

1. ACLEDA Bank Lao Ltd.
2. ACLEDA Securities Plc.
3. ACLEDA Training Center

ACLEDA Bank has planned to expanded to Myanmar in 2013, it just received the company registration office license in September 2012, and it expected to obtain operating license as a Microfinance Institution in January 2013.



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## 2. ACLEDA Bank's Vision & Mission



### Vision

ACLEDA Bank's vision is to be Cambodia's leading commercial bank providing superior financial services to all segments of the community.

### Mission

Our mission is to provide micro, small and medium entrepreneurs with the wherewithal to manage their financial resources efficiently and by doing so to improve the quality of their lives.

By achieving these goals we will ensure a sustainable and growing benefit to our shareholders, our staff and the community at large. We will at all times observe the highest principles of ethical behavior, respect for society, the law and the environment.



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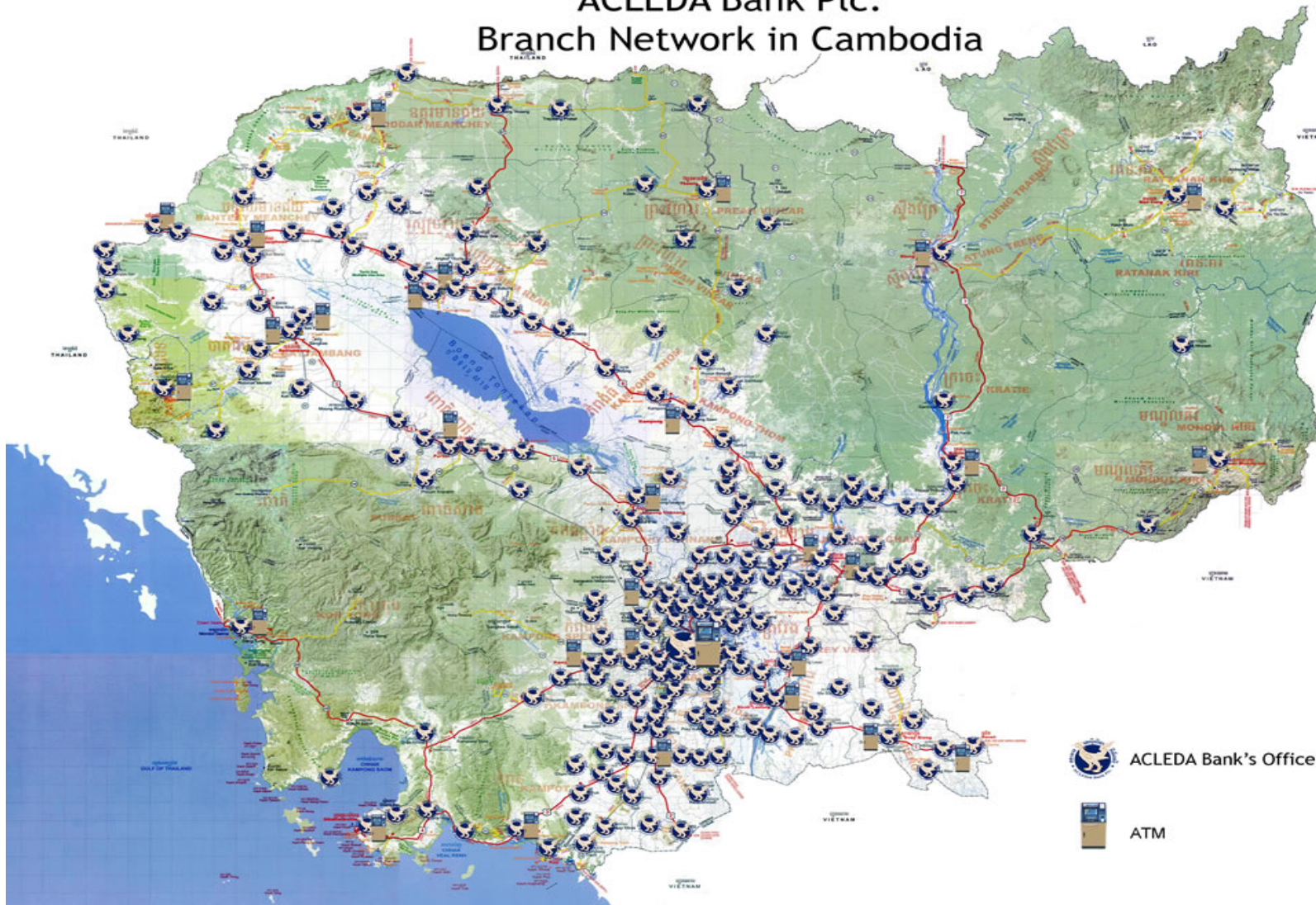
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### 3. ACLEDA Bank Today (September 30<sup>th</sup>, 2012)



<b>Corporate Name:</b>	ACLEDA Bank Plc.
<b>Shareholders:</b>	ACLEDA NGO (32%), ASA (19%), IFC(12.25%), Jardines(12.25%), Cofibred(12.25%), Triodos Group(12.25%)
<b>Board of Director:</b>	Mr. Chea Sok, Chairman
<b>Executive Committee:</b>	Mr. In Channy, President & Chief Executive Officer
<b>Number of employees:</b>	7,473
<b>Network:</b>	237 offices
<b>Total Assets:</b>	US\$ 1.836 Billion
<b>Total Loans (net):</b>	US\$ 1,181.62 Million
<b>Total Deposits:</b>	US\$ 1.408 Billion
<b>Paid-up Capital:</b>	US\$ 113.17 Million
<b>Shareholders' equity:</b>	US\$ 238.54 Million
<b>Rating Agencies:</b>	Standard & Poor's Rating
<b>Outlook</b>	Stable

# 4. ACLEDA Bank network and Infrastructure

ACLEDA Bank Plc.  
Branch Network in Cambodia



Operation Division	1
Branch Offices	71
Sub-branch Offices	55
Service Post	110
Total offices:	237
No. of ATM:	134
No. of POS:	711

 ACLEDA Bank's Office  
 ATM

# 5- Financial Products and Services





# Bandhan

## *A Decade of Development*

**Mr. Chandra Shekhar Ghosh**  
Senior Ashoka Fellow  
Chairman & Managing Director  
Bandhan



# Backdrop

- India hosts for 1/3<sup>rd</sup> of the world's poor
- Almost half of the country unbanked
- 55 per cent of the population has deposit accounts and 9 per cent have credit accounts with banks
- India has the highest number of households (145 million) excluded from banking
- Only one bank branch per 14,000 people
- Banks inaccessible to poor due to lack of credit history
- Only a little less than 20% of the population has any kind of life insurance and 9.6% of the population has non-life insurance coverage
- Across 6 lakh villages in India there are only 33,495 rural branches of SCBs (including RRBs)
- Just 18 per cent had debit cards and less than 2 per cent had credit card



# Program Highlights

States & Union Territories	18
Districts covered	183
Under banked districts covered	130
Branches	1,683
Staff	10,420
Borrowers	39,11,680
Insurance Clients	77,89,640
New Pension System (NPS) subscribers	142,715
Cumulative loan disbursement (INR in million)	1,78,530
Loan Outstanding (INR in million)	34,666
On Time Repayment Rate	99.62%
H/H covered under development programs	4,06,320





# Financial Performance as on March 12

Ratio	Bandhan	India
<b>Profitability</b>		
Return on Equity (ROE)	26.83%	7.64%
Return on Assets (ROA)	4.40%	2.61%
<b>Sustainability</b>		
Operating Self Sufficiency (OSS)	133.41%	111.41%
Debt Equity Ratio (DER /Gearing Ratio)	4.74%	2.50%
Capital Adequacy Ratio (CAR)	22.63%	21.00%
<b>Efficiency</b>		
Cost Per Loan Amount Disbursed (Re.)	0.07	0.19
Cost Per Borrower	1,251	1,299
Case Load Per Staff	379	355
<b>Portfolio Quality</b>		
Non Performing assets (NPA)	0.13%	1.00%*
Standard Assets	99.87%	99.00%
Gross Portfolio (Rs. In Crores)	3,730	20,913

Source: Sadhan – The Bharat Microfinance Quick Report 2012



# Challenges

- Initially no one supported the concept resulting in fund crunch
- All financial activities perceived as chit funds
- Moneylenders posed lot of problems
- Skilled work force not available
- Microfinance was not a viable career option
- Retention of the staff was a big challenge
- Technology introduction and up gradation on a continuous basis
- Improvement in standard of governance
- Savings disallowed therefore impacting resource mobilization



# Overcoming challenges

- Shared our endeavors with lenders by making them visit practical field which helped them convince of our robust model
- Field visit strictly meant visiting the group / village (not just branch visit) in order to catch the pulse of the program
- Selected employees who hailed from similar backgrounds as our clients so acceptability was much easier
- Cost and time invested to develop dedicated set of people through continuous training
- Strict adherence to the operational manual



# What makes Bandhan unique?

- Value driven organization
- No mission drift – have been cautious & careful in selecting like-minded institutional investors
- Share a very close relationship with the borrowers
- Have voluntarily slashed lending rates thrice since inception in order to make sure the benefit is being passed on to the poor
- Utmost priority given on capacity building of human resource
- Good client protection system is practiced (helpline, Ombudsmen committee and others)
- Grievance redressal mechanism system in place
- Organization's policy do not permit to offer incentive to the staff at any level
- 5% of the surplus is ploughed back into sustaining credit plus interventions (actively engaged in the field of education, health, livelihood and others)

# ANNEX



# Why unbanked populace?

## Supply Side Failure: Why banks shy away from catering to poor?

High uncertainty due to volatile income streams & expenditure pattern

High risk of default due to lack of credit information

High transaction cost due to small size of loans, high frequency of transaction, illiteracy

Lack of collateral

## Demand Side Failure: Why poor avoid banks as a source of fund?

Products are not customized for their volatile income and expenditure patterns

Transaction cost of dealing with banks is very high

Time taking and cumbersome procedures for opening accounts and seeking loans

Banks demand collateral against loans which poor households cannot afford

# Microfinance Revolution!



Microfinance emerged out as the most feasible, viable, cost-effective, sustainable proposition for reaching out to the poor

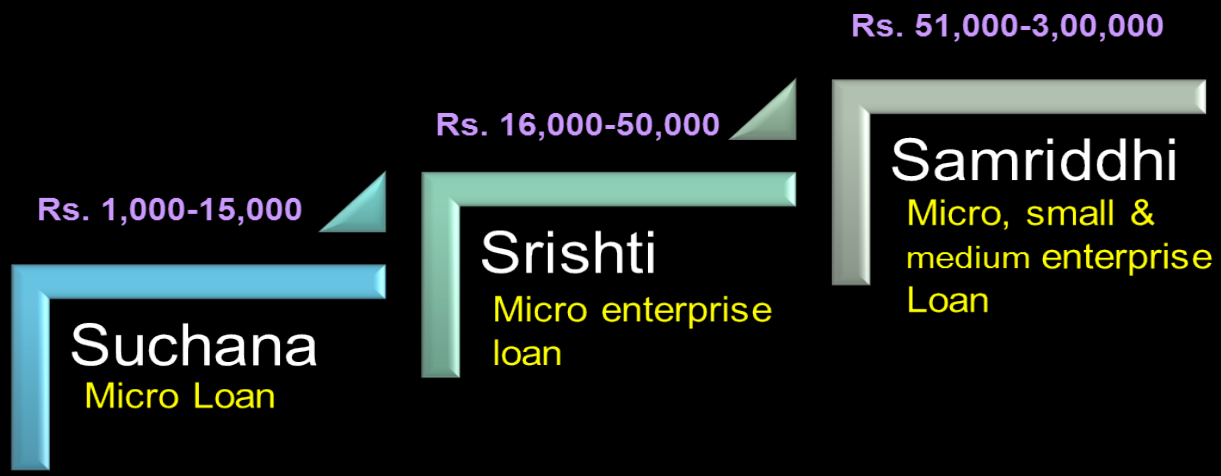


**PRODUCTS**

**&  
SERVICES**

- Pension
- Insurance
- Remittance

- Sushiksha-Education Loan      Rs 1,000-10,000
- Suraksha-Health Loan              Rs 1,000-5,000
- Fisheries Loan                         Rs 8,000-40,000





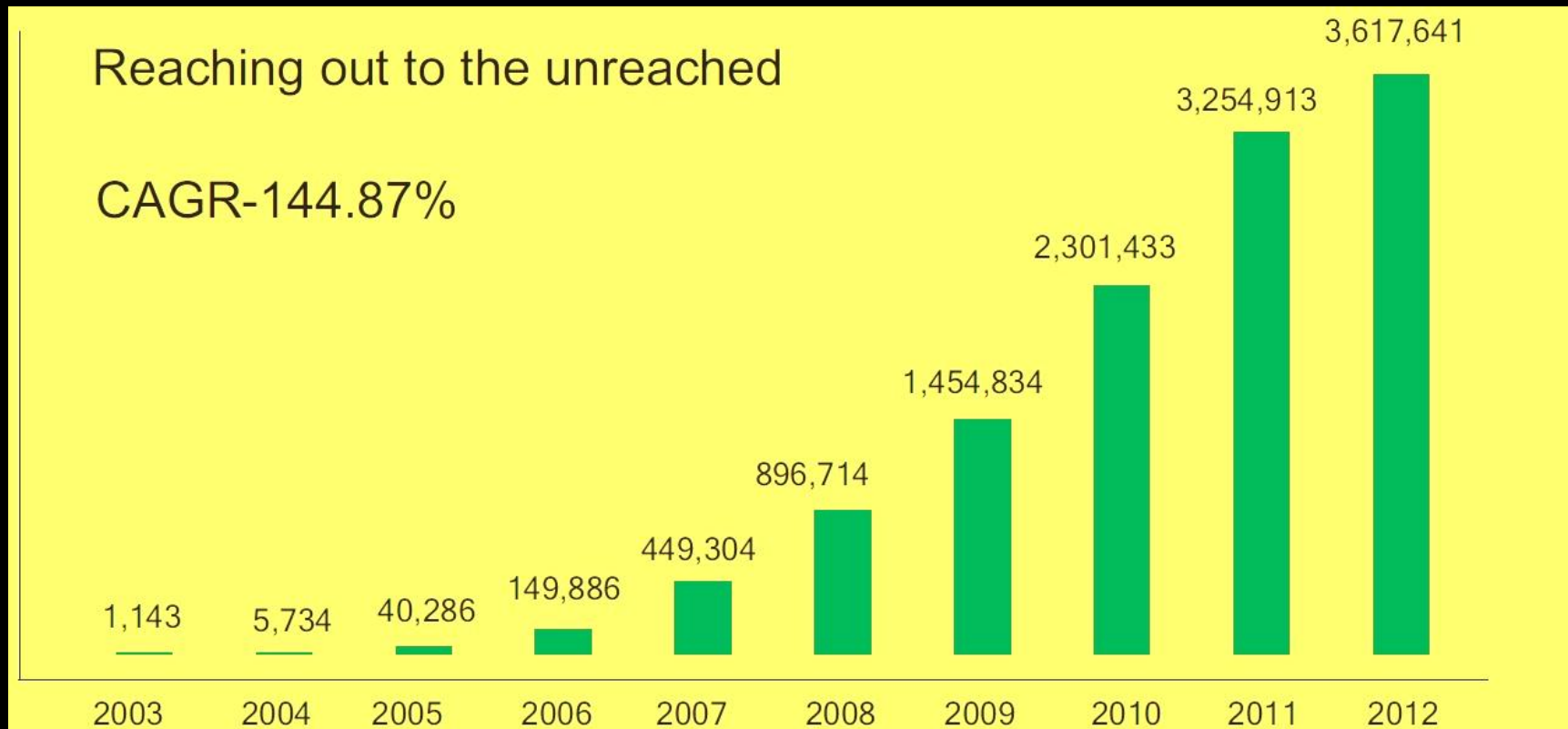


# Incredible growth story





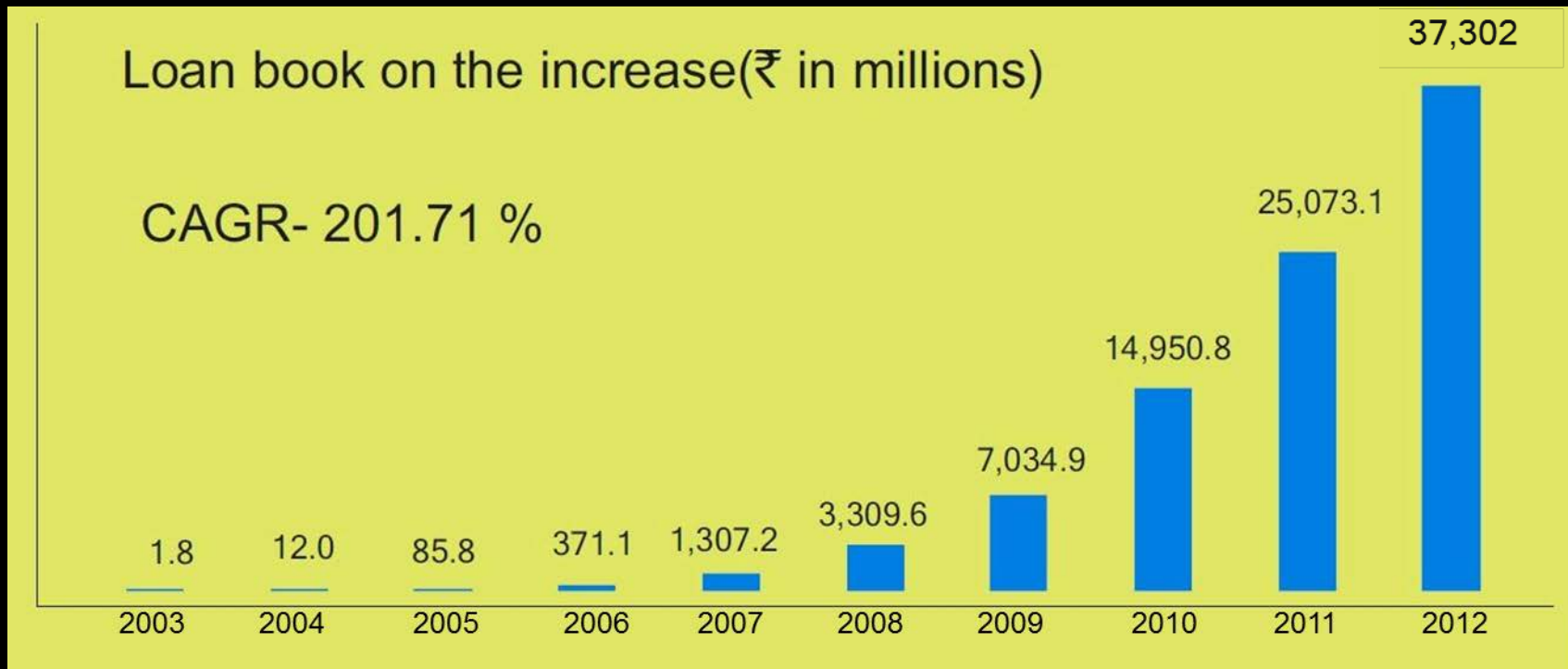
# Outreach



Growth in borrower

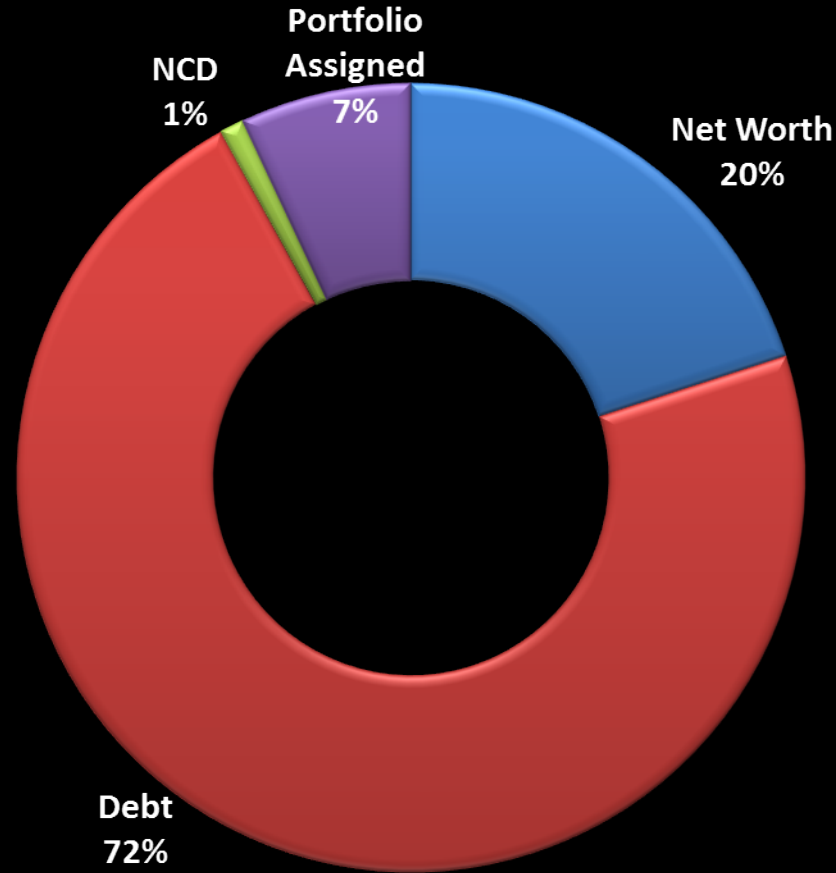


# Growing loan book



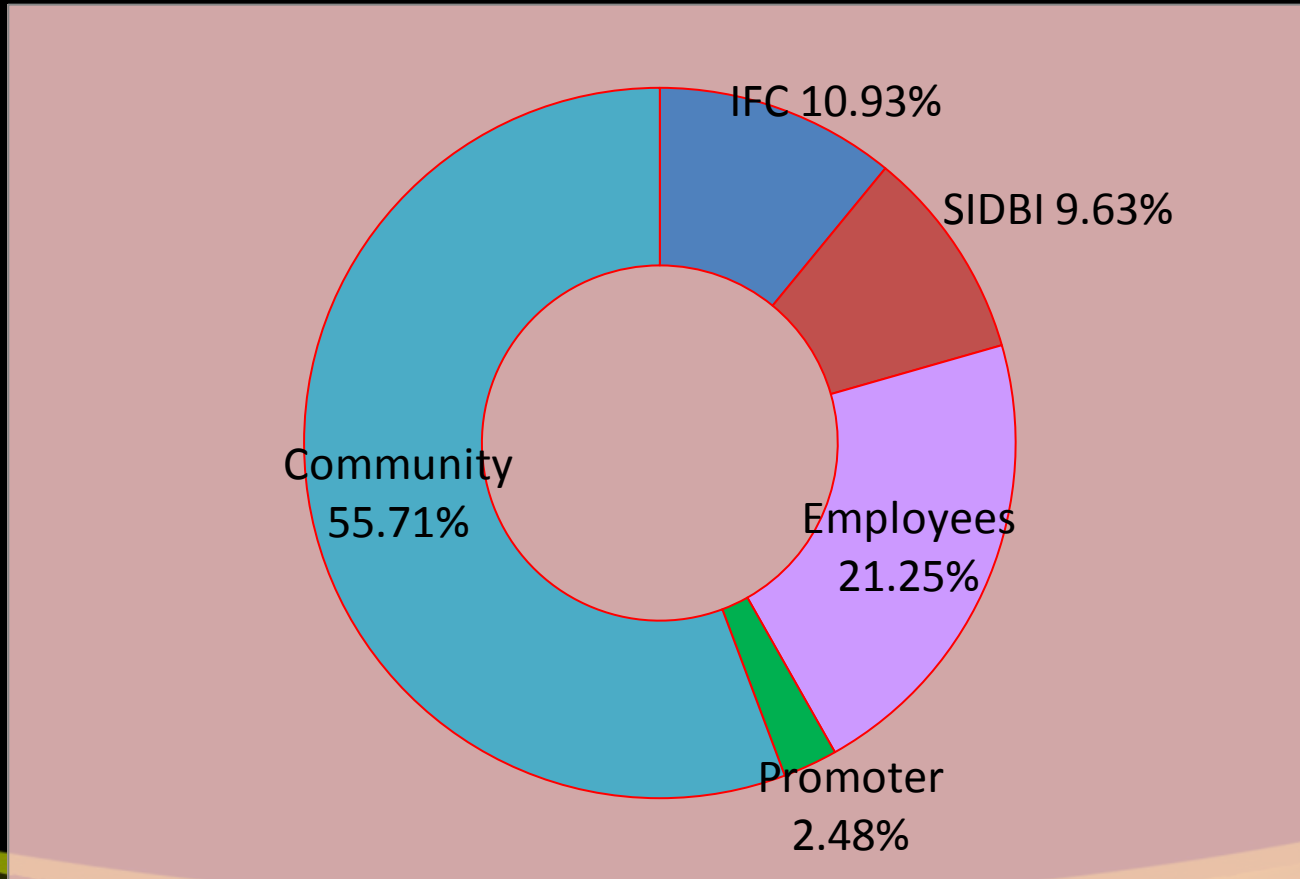


# Diversified funding sources



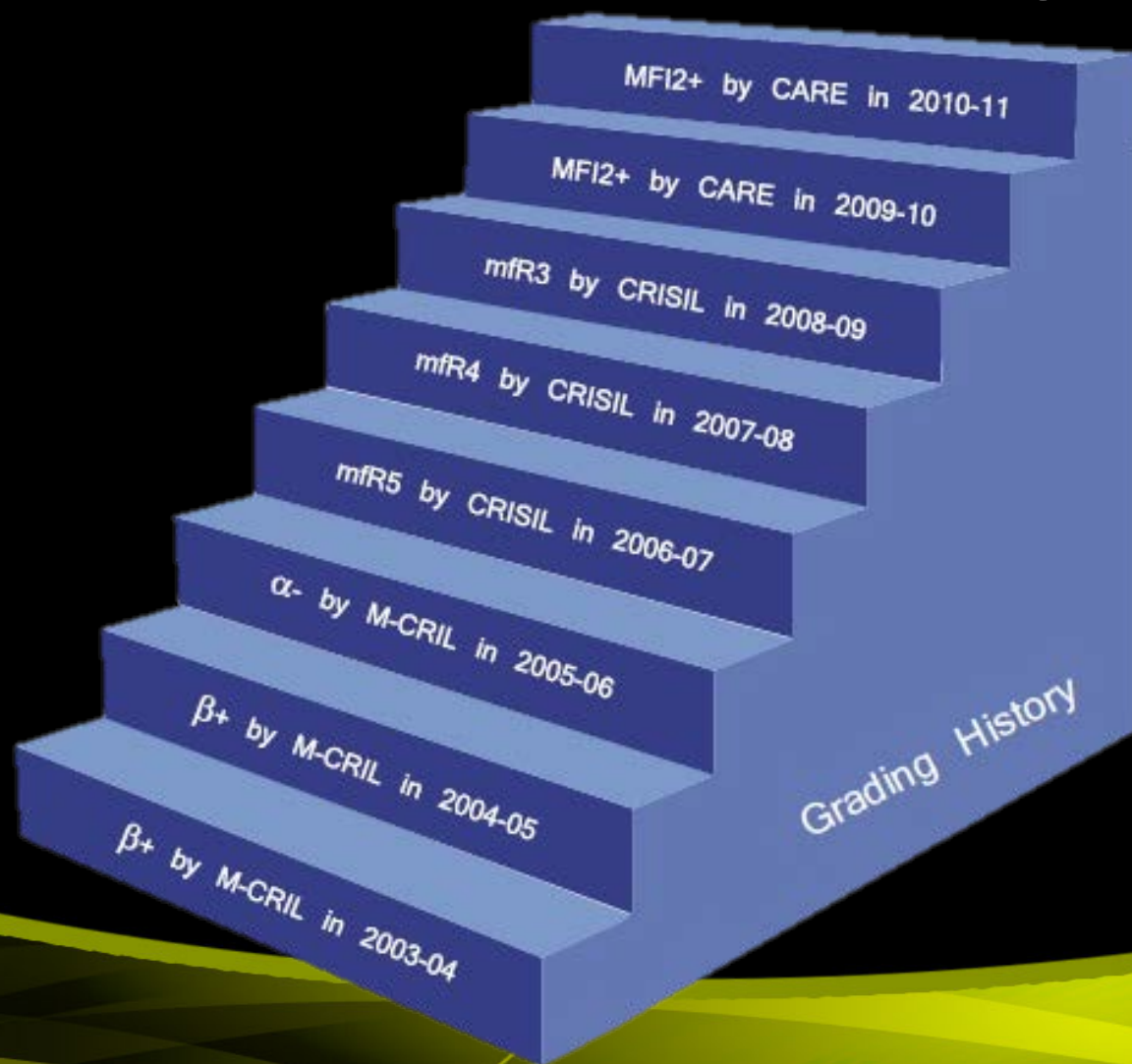


# Unique Shareholding Pattern





# External Grading





# Instrument Ratings

*Conducted by CARE*

## Non-convertible debentures

- ◆ Conducted in Nov 2010
- ◆ Revalidated in Nov 2011
- ◆ Valid till Nov 2012
- ◆ Grade assigned CARE A-

## Bank facilities

- ◆ Conducted in Nov 2010
- ◆ Revalidated in Nov 2011
- ◆ Valid till Nov 2012
- ◆ Grade assigned CARE A-

## Unsecured Subordinated Tier II Bonds

- ◆ Conducted in Dec 2010
- ◆ Revalidated in Nov 2011
- ◆ Valid till Nov 2012
- ◆ Grade assigned BBB+

Contd..



# Other Ratings

Social rating by  
M-CRIL

- ◆ Grade assigned  $\Sigma\alpha$ -
- ◆ This rating covers 1st three steps of social performance pathway: intent & values, operation & systems and portfolio analysis

Code of Conduct  
Compliance  
Assessment(COCA)

- ◆ Score of 84% obtained
- ◆ Implication: Very high level of adherence of code of conduct

Besides the above, loan portfolio audit is also conducted at regular intervals



# Development Programs

5% of the surplus of microfinance operations are diverted towards supporting the following development activities



Hard Core  
Poor Program



Employing the  
Unemployed

Health  
Program



Horticulture  
Program

Education  
Program

Ashoka fellowship of  
Mr. Ghosh



# Bandhan envisions..

To become a 'bank for the unbanked'





# Thank You!



Help us to empower the poor to work their way out of poverty!



*XacBank Inclusive Services  
Microfinance workshop, Tokyo, Japan  
11<sup>th</sup> Oct 2012*

**Bold Magvan**  
**CEO, Tenger Financial Group**

# Child and youth products

## XacBank youth product initiatives:

2012

2012 PIONEER AWARD

2011

For Mongolians with deposit

2010



2009



2009



2007

Student loan

2002



1998

Educated for customers

## Working for brighter future of Children & Youth:

❖ “Future Millionaire” – long-term children’s savings account holders - 129,466

❖ “Aspire” - Savings and financial education for girls aged 14-18 years, courses in 117 secondary schools with 8,664 girls opening the savings account out of 19,000 children since 2009.

❖ “Aflatoun” – social and financial education program for children aged 8-13 years. Reached 41 schools and 5,300 children since 2010.



Figures: June, 2012

# Eco Banking

- ❖ XacBank partnered with Micro Energy Credits, an organization that links microfinance institutions to the carbon markets to finance clean energy programs around the world.
- ❖ In 2011, XacBank came into an agreement with Citi Group for the right to sell **1.17 million (revised from 1.17 thousand according to press release)** tons of carbon offsets for next 7 years.
- ❖ The use of each energy efficient product results in a reduction of carbon emissions by the household due to the reduction in fuel use. As of 2012, XacBank reduced 35 billion MNT worth of fuel cost to the Ulaanbaatar capital city.

We offer low- and medium-income households in Mongolia the opportunity to access affordable energy efficient and environmentally-friendly products.

Since 2009, XacBank has distributed over 84,000 energy efficient products and lowering each family's monthly expenditure on fuel by up to 50% and improving the quality of air in Mongolia's capital city.



# Mobile phone banking

- ❖ AMAR, mobile phone banking service, introduced with assistance from CGAP in July 2009
- ❖ It aims to enable our customers to use their mobile phones to manage their current and savings accounts, make non-cash payments and receive other bank service information.
- ❖ 81,132 customers
- ❖ 284 Agents / working countrywide



Mobile services for banked or unbanked clients

## Cash withdrawal & deposit

**Cash Deposit**  
at an agent

**Cash Withdrawal**  
at an agent

## Remittances

**Person-to-person cash transfer**

**Account-to-account transfer**

## Payments

**Utility bill payment**  
(water, electricity...)

**Payment of goods at a merchant's**

**Mobile phone top-up**

## Account management

**Balance check and statements**

**Loan application and disbursement**

**Transfer to a savings account**