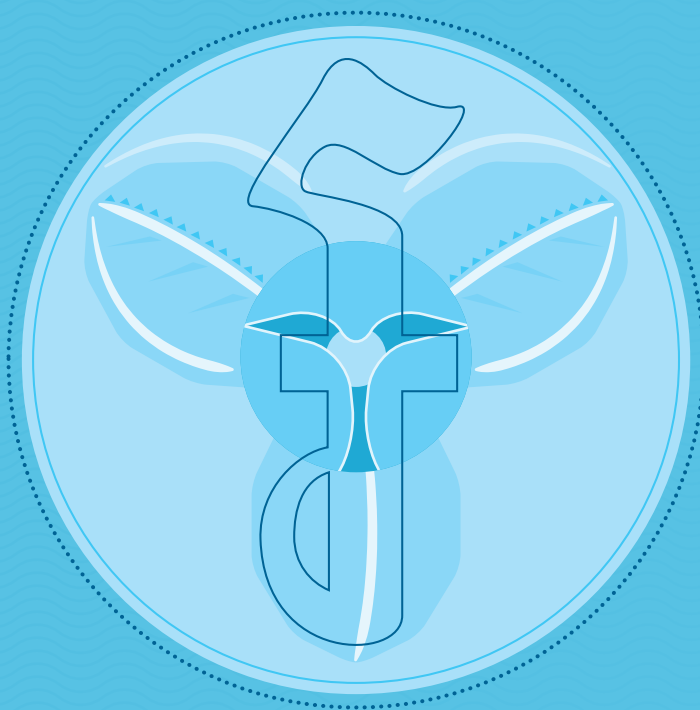


FinScope
*Consumer
Survey
Highlights*



Cambodia 2015

Partnering for a common purpose

Making Access Possible (MAP) is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro- and small- businesses. The MAP methodology and process has been developed jointly by UNCDF, FinMark Trust and Cenfri to foster inclusive financial sector growth. At country level, the core MAP partners collaborate with Government, other key stakeholders and donors to ensure an inclusive, holistic process. MAP Cambodia represents a partnership between National Bank of Cambodia, UNCDF, FinMark Trust, Cenfri and the National Institute of Statistics (NIS) for the

Development of a Strategic Framework for Financial Inclusion in Cambodia.

The FinScope survey is dynamic and the content is evaluated by a number of stakeholders including the private sector, NGOs and Government to ensure that the most relevant consumer data is collected.

This pocket guide represents some of the key market data on financial inclusion. Additional deeper dives on key thematic areas can be found on the data dashboards on gender, agriculture and clean energy.



The cover symbol

Through the MAP programme, we hope to effect real change at country level and see the impact of financial inclusion on broader national growth and development. The cover graphic features a flower synonymous to the region of Cambodia, which is the Mitrella mesnyi.

The flower symbolises growth and development while the circle represents inclusive growth. Each flower is an example of the successful growth in a unique environment. By combining the flower with the currency symbol of Cambodia we represent the characteristics of the country, linking financial inclusion with successful growth.



Introduction

Cambodia has achieved significant strides through Government policy in supporting sustainable economic growth through opening up of the market and ultimately poverty reduction.

The Government of Cambodia recognises the role played by the financial sector in facilitating economic growth through enhanced access to financial services. In order to strengthen policies that will generate sustainable and inclusive growth and development, the Government of Cambodia through the National Bank of Cambodia implemented the MAP programme to help identify and create a roadmap that ultimately secures the realisation of their vision.

Methodology

- According to the listing conducted by the NIS, the total adult population is estimated to be 9,9 million
- Nationally representative individual-based sample of the adult population aged 18 years and older at regional and urban/rural level
- Sampling frame and data weighting conducted by the NIS and weighted to the NIS estimates and validated against census data and Cambodia Intercensal Population Survey 2013
- 3 150 face-to-face interviews conducted by NIS (November 2015 – January 2016)

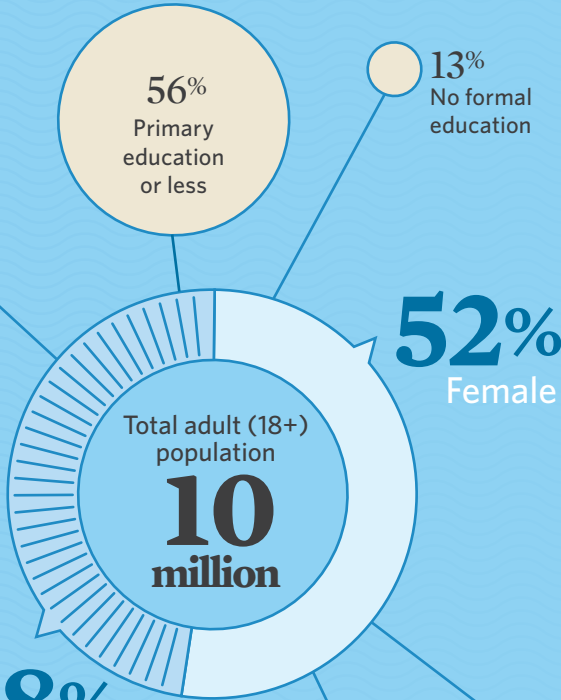
Survey objectives

The objectives of FinScope Consumer Survey Cambodia 2015 were to understand the adult population in terms of:

- Livelihoods and how they generate their income
- Their financial needs and demands
- Their financial perceptions, attitudes, and behaviours
- Their demographic and geographic distribution
- Current levels of access to, and utilisation of, financial services and products



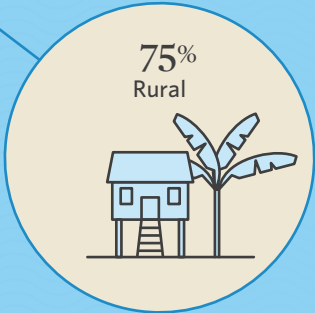
48%
Male

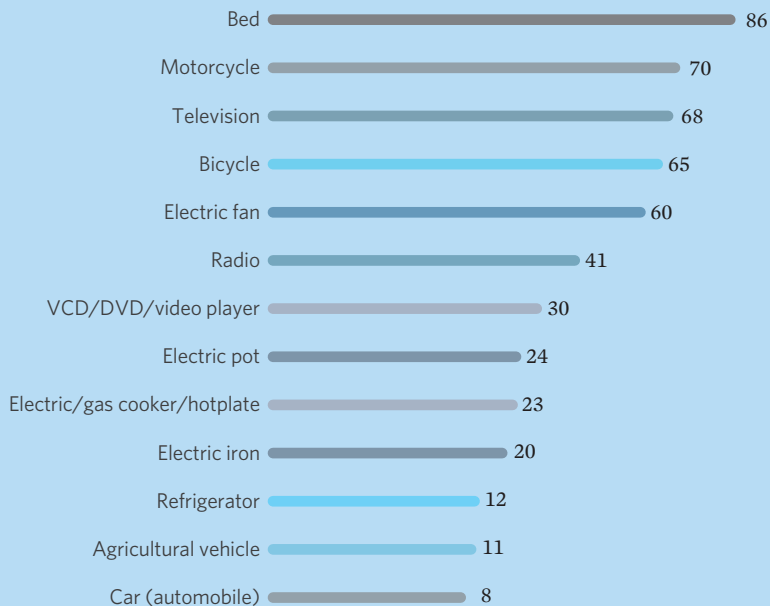
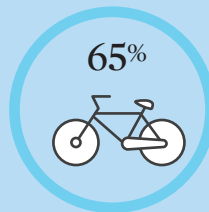
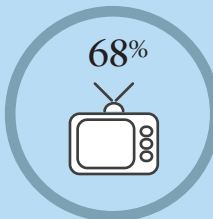
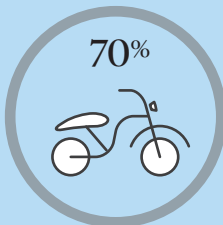
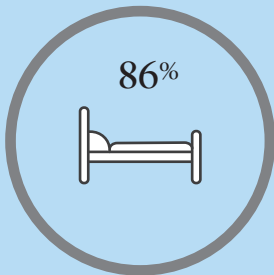


52%
Female

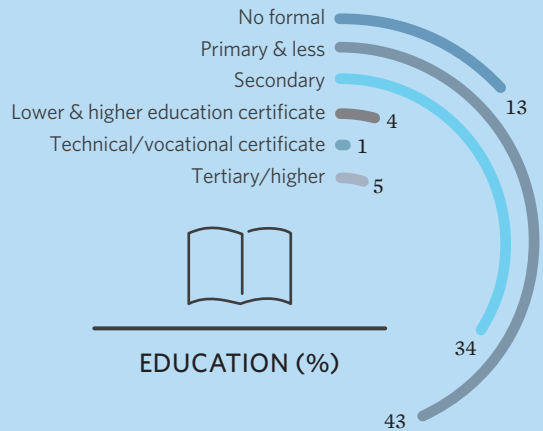
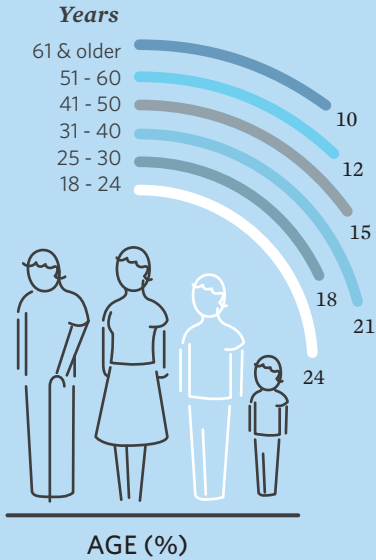


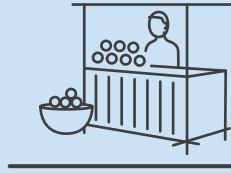
25%
Urban



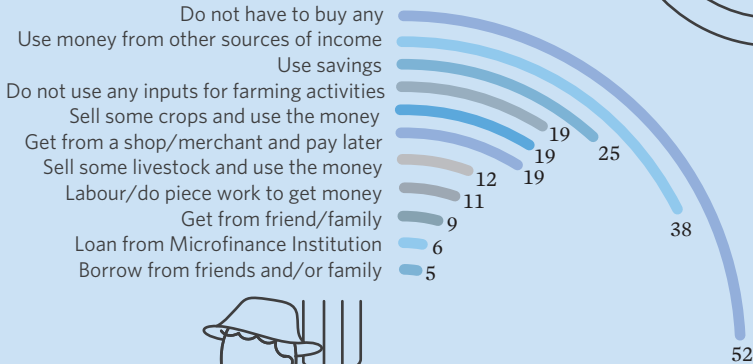
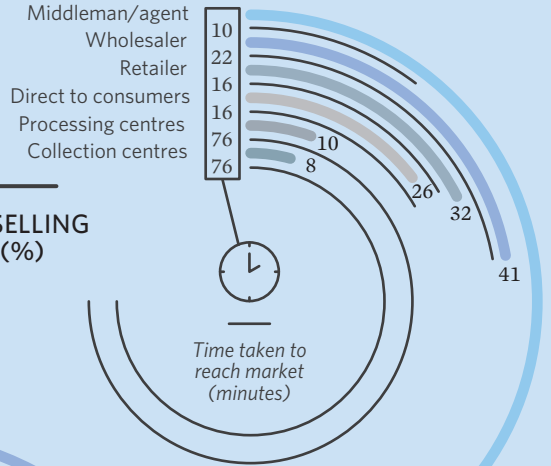


**HOUSEHOLD OWNERSHIP
OF ASSETS (%)**

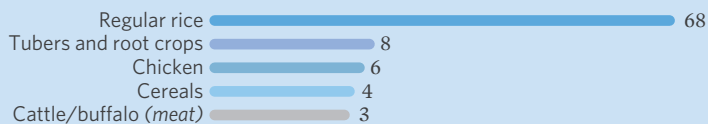
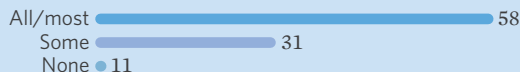




MARKET FOR THOSE SELLING CROPS/PRODUCE (%)



SOURCE OF FARMING INPUTS (%)

Main income produce (%)**Household needs met by farming (%)**

- Farming in Cambodia is important with 58% of households being involved in farming – split by region as Plain (52%), Tonle Sap (66%), Coastal (52%) and Plateau and mountainous (68%)
- 41% of farmer households are subsistence and 59% both consume and sell their produce
- Regular rice (68%) and tuber crops (8%) are the most income generating crops and buffalo or cattle (10%) as the most income generating livestock
- About 31% of farmers claim most or all of their household eating needs are met by what they farm
- Drought and natural disasters and product spoilage (60%) are the main problems for farmers
- Half of farmer households do not buy any inputs for their farming, yet 38% use money from other sources of income, only 6% use MFI credit
- 5% of farmers used their land to secure someone else's collateral with about 4 people contributing to the loan
- Closer markets are more popular amongst those farmers selling their produce



One third of the adults claim farming/farming activities as a main source of income



Formal sector i.e. public and private sector as well as formal self employment provides main income for 24% of adults



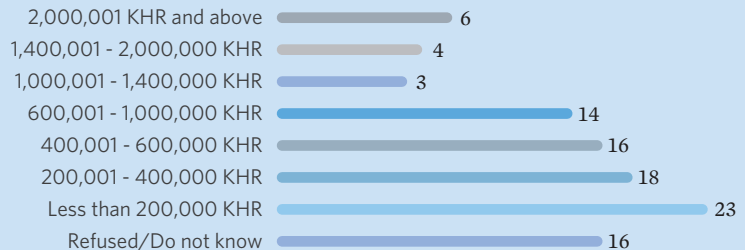
The informal economy provides the main source of income for 25% of adults and 10% are dependents relying on remittances and assistance



PERSONAL MONTHLY INCOME

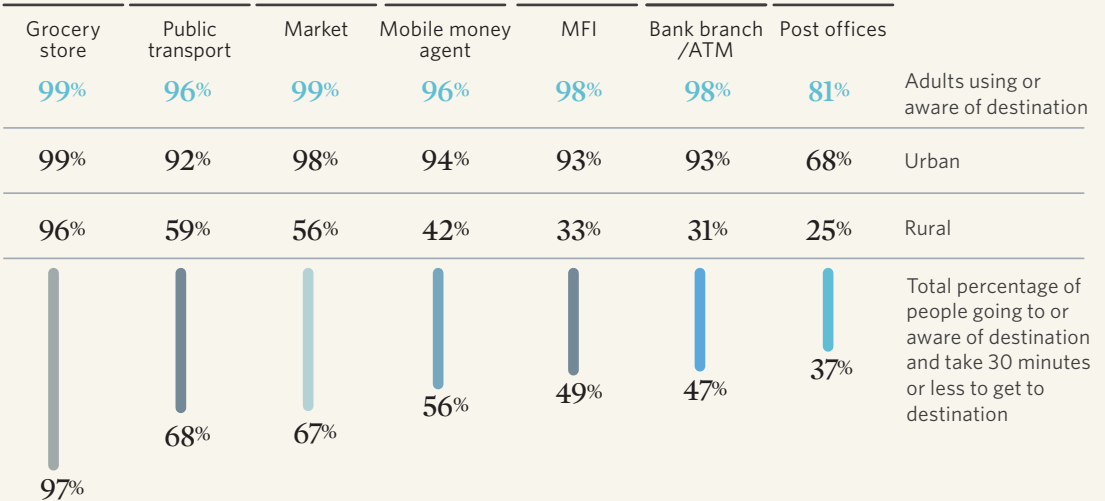
(USD 1 = 4 000KHR)

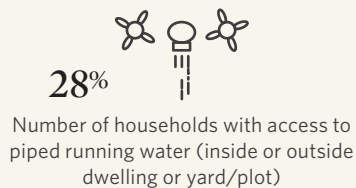
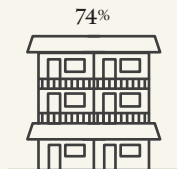
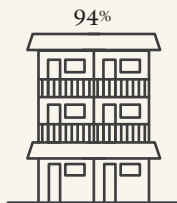
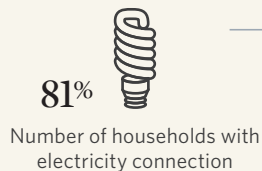
41% of adults personally earn 400,000 KHR (≈ \$100) or less per month with over half of these adults earning less than 200,000 KHR (≈ \$50) per month



Income Source Most Relied On



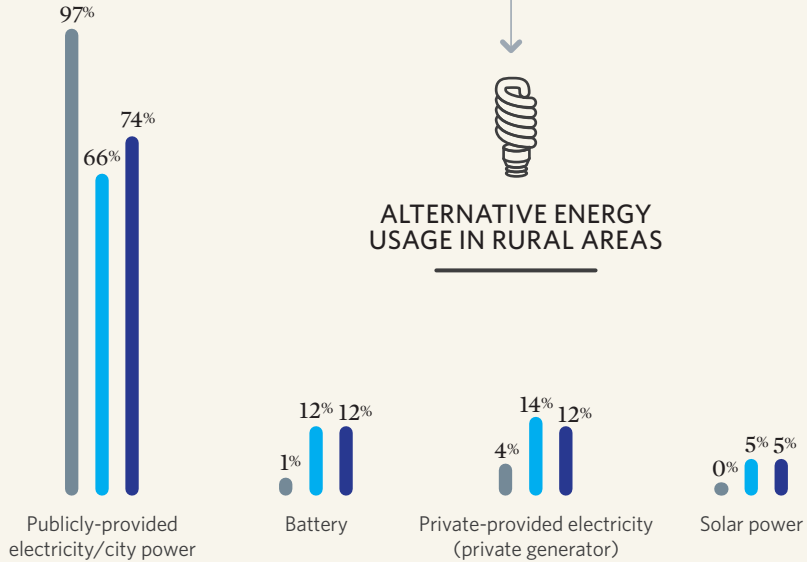




Urban

Rural

TOTAL



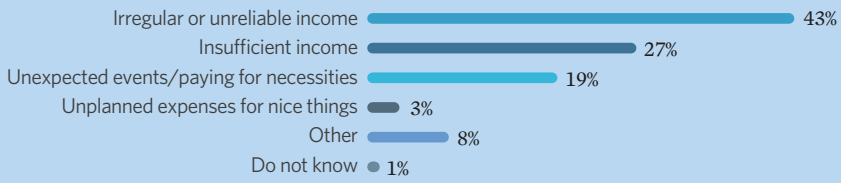
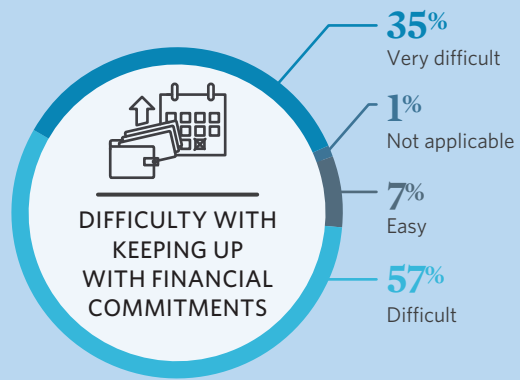
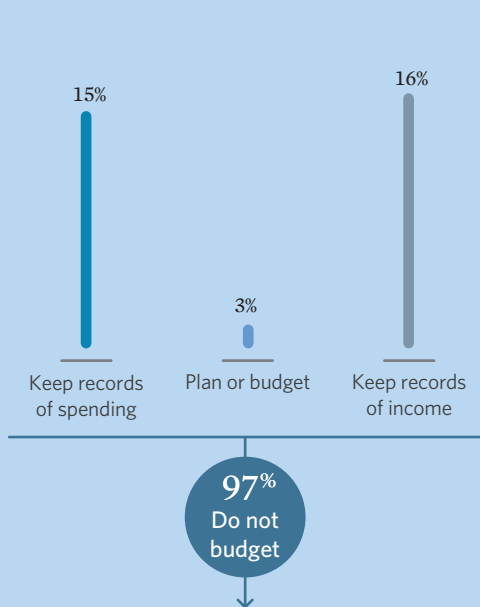
Urban



Rural



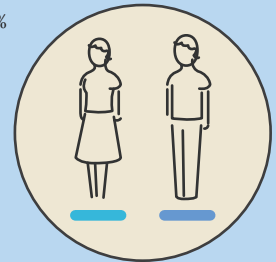
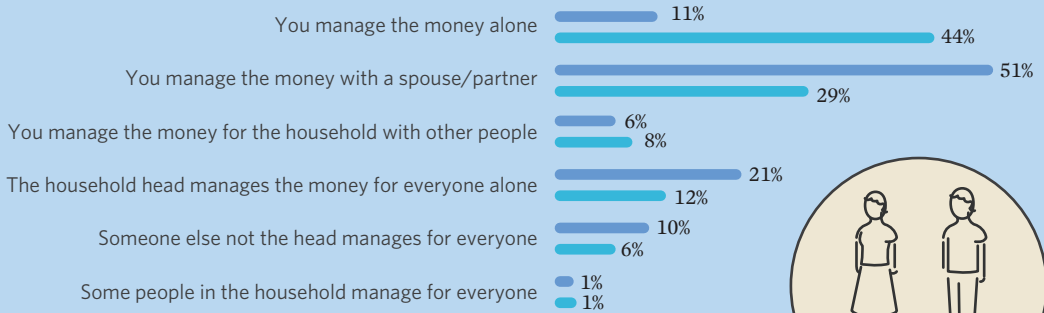
Total



PLANNING AND TRACKING



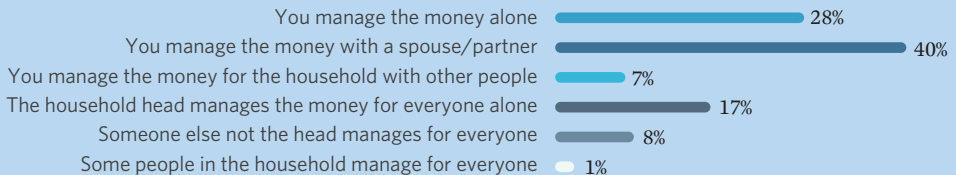
GENDER SPLIT



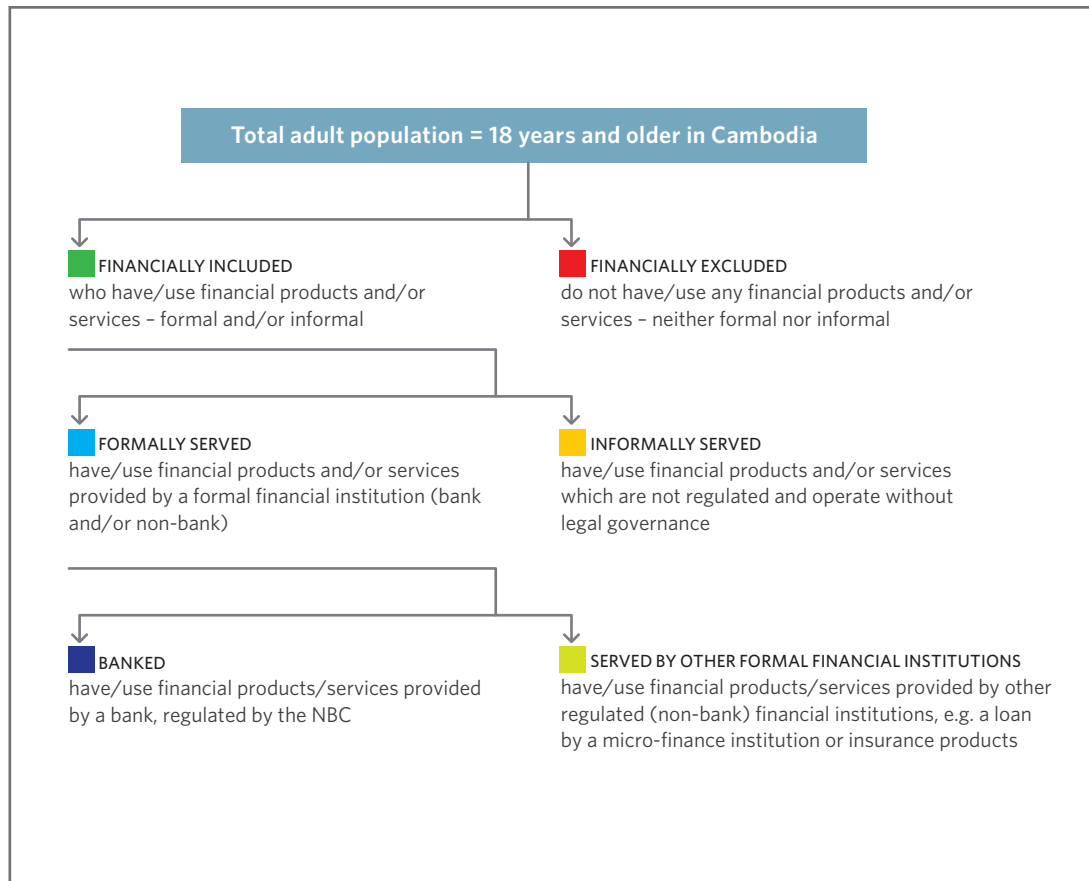
75% of adults are involved in the day-to-day money management



TOTAL

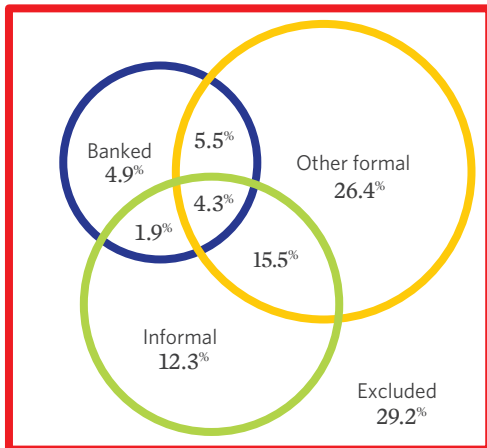


Defining financial inclusion by category



'Formal' is a category classifying products or services as regulated or supervised by a formal institution like the National Bank of Cambodia (NBC) or any other formal regulator/agency. This is also synonymous to 'other formal' or 'other formal non-bank' to differentiate it from the banked which are mostly commercial and development banks regulated by the NBC.

Hence, Savings and credit union classified as formal; Cooperative classified as formal; Postal Savings institution classified as formal; Saving in gold or jewelry classified as informal; Village Development Fund (VDF) or Village Banks are formal if provided by registered rural credit operators, otherwise informal; and Pawn shops were classified under formal.



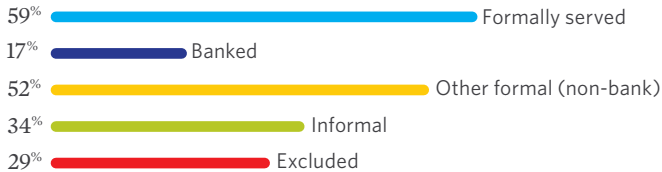
Overlaps

"Consumers generally use a combination of financial products and services to meet their financial needs"

5% of adults rely exclusively on banking services yet 26% rely exclusively on other formal mechanisms.

22% use a combination of banked, and/or other formal and/or informal mechanisms to manage their financial needs, thus indicating that their needs are not fully met by the formal sector alone.

12% of the adult population ONLY rely on informal mechanisms such as rotating savings and credit groups, solidarity systems to save or borrow money or cover risk.



- 59% of adults are formally served, including both banked and other formal non-bank products/services
- 17% of adults are banked
- 52% of adults have/use other formal non-bank products/services
- 34% of adults have/use informal mechanisms for managing their finances
- 29% of adults are financially excluded

Overall Financial Access Strand



In constructing this strand, the overlaps in financial product/services usage are removed, resulting in the following segments:

- Financially excluded adults, i.e. they do not use any financial products/services - neither formal

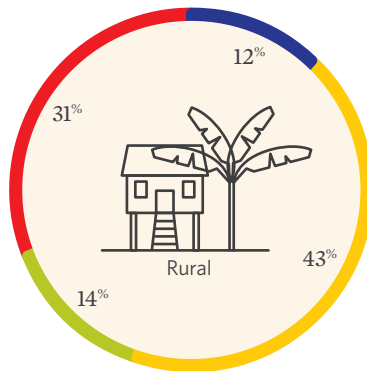
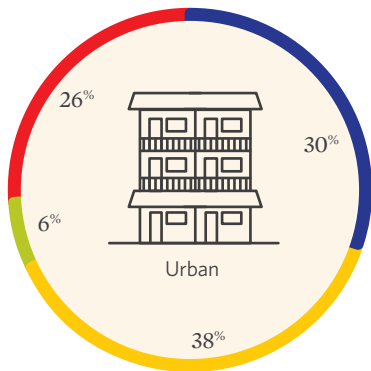
nor informal - to manage their financial lives (29%).

- Adults who have/use informal mechanisms only but *no* formal products/services (12%).
- Adults who have/use other formal non-bank products/

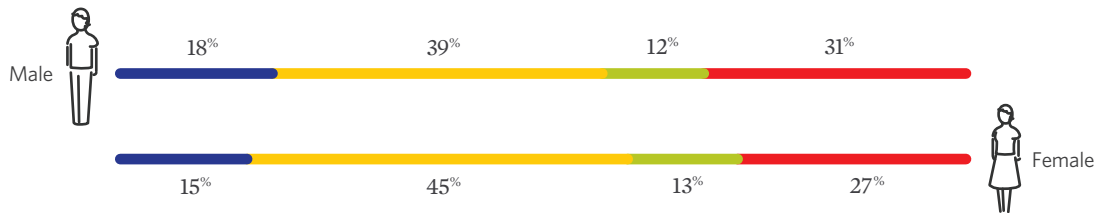
services but **NO** commercial bank products (42%) - they might also have/use informal mechanisms.

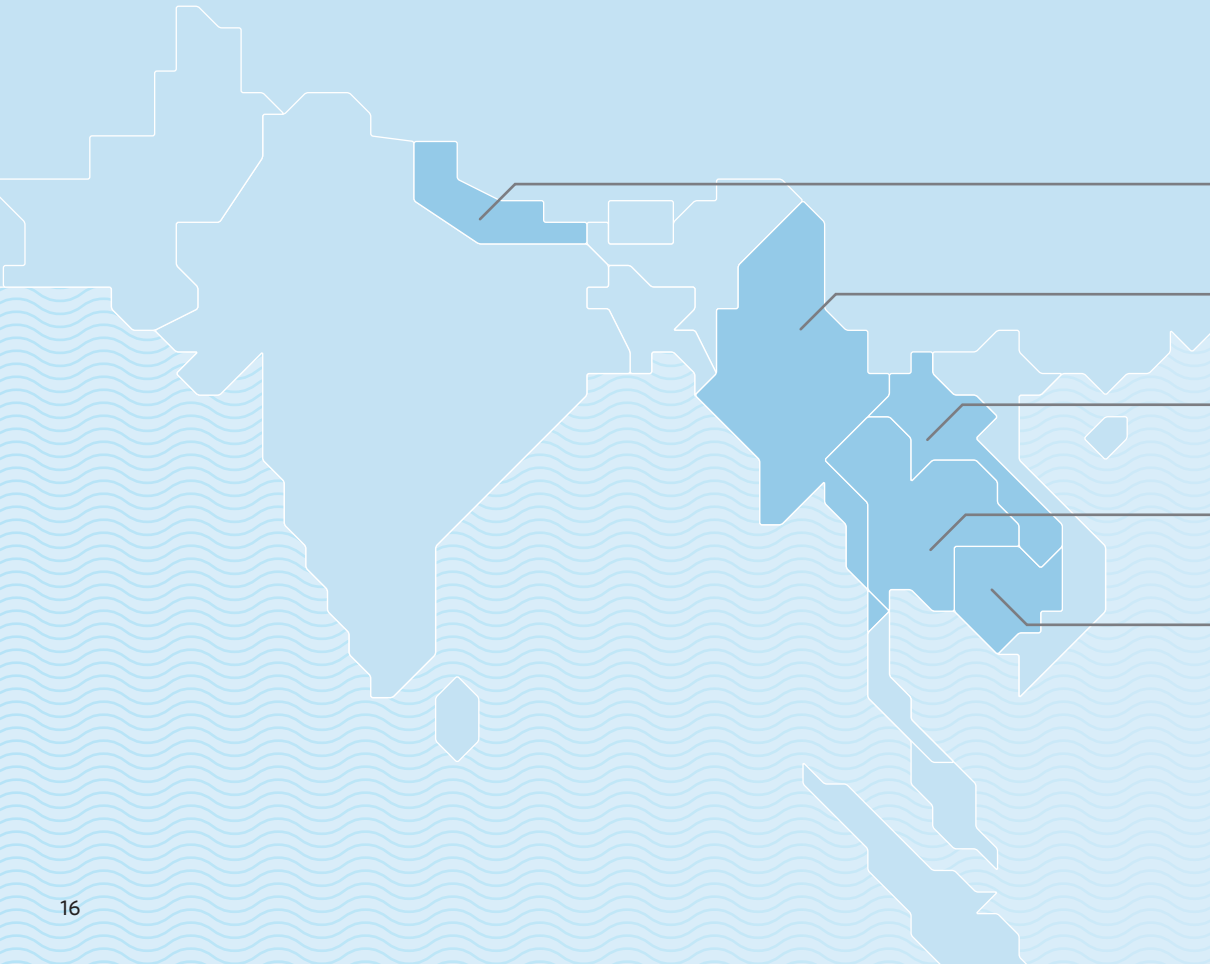
- Adults who have/use commercial bank products/services (17%) - they might also have/use other formal and/or informal mechanisms.

Access Strand by Location

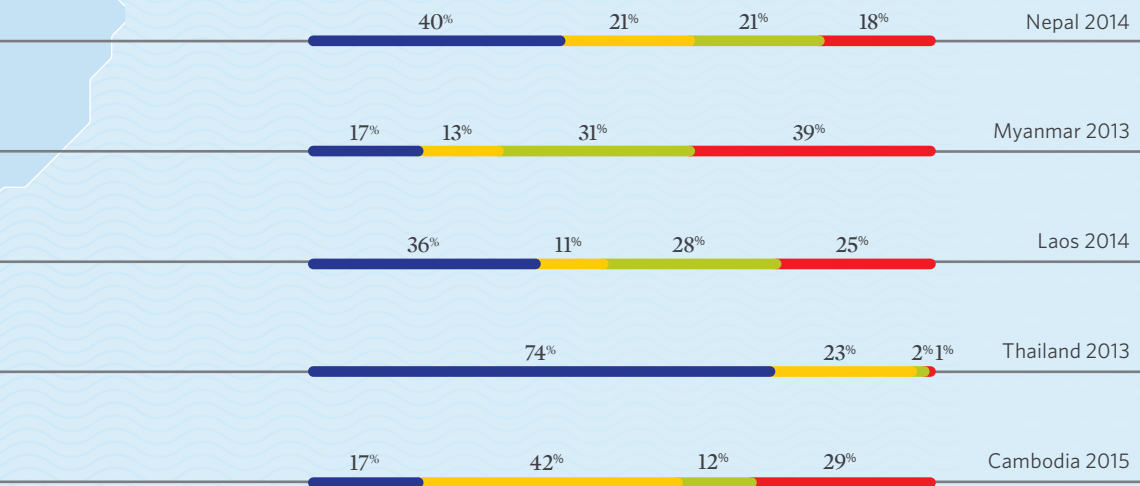


Access Strand by Gender





Country comparison of the Access Strand

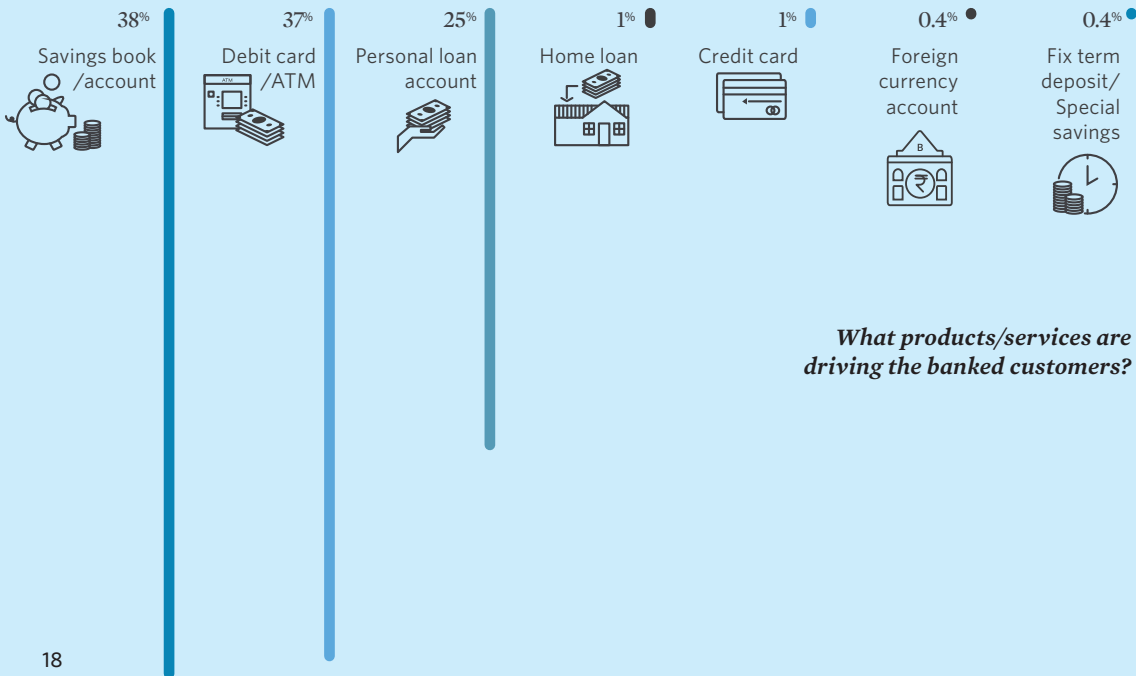


Banked

Other formal
(non-bank)Informal
only

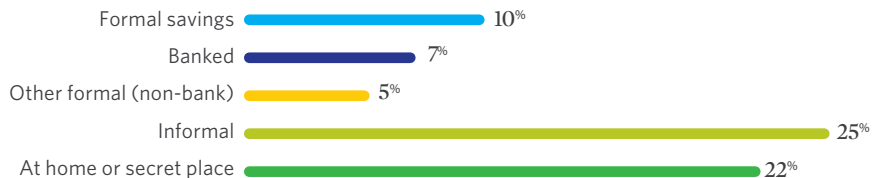
Excluded

Use of financial services from banks and MFIs



What products/services are driving the banked customers?

Savings and investments



Savings Strand



In constructing this strand, the overlaps in financial product/services usage are removed

- 56% of Cambodian were not saving at the time of the survey

- 12% keep all their savings at home, i.e. they do not have/use formal or informal savings products or mechanisms

- 21% rely on informal mechanisms such as savings groups (they might also save at home, but they do not have/use any formal savings products)

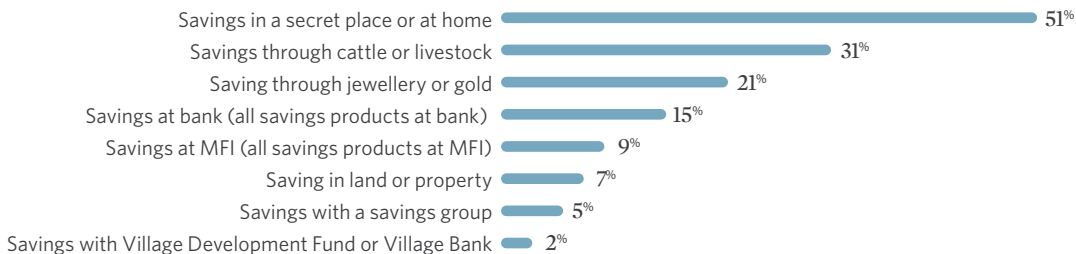
- Only 4% have/use formal non-bank savings products (they might also have/use informal savings mechanisms, but they do not have/use

savings products from a commercial bank)

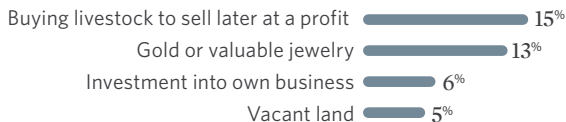
- 7% have/use savings products from a commercial bank (they might also have/use other formal and/or informal mechanisms, or save at home)

Savings and investments

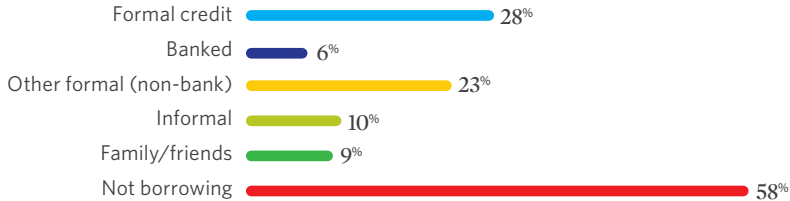
Saving mechanisms



Investing mechanisms



Borrowing and credit

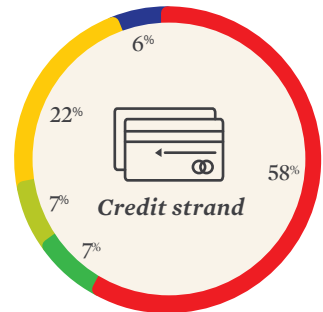


In constructing this strand, the overlaps in financial product/services usage are removed

- 58% claimed not to borrow at the time of the survey, neither from friends/family nor from formal/informal financial services providers
- 7% borrow only from friends and family, i.e. these individuals do not have/use formal or informal credit/loan products or mechanisms
- 7% rely on informal mechanisms such as informal

money-lenders (they do not have any formal financial credit/loan products, but they might also borrow from friends and family)

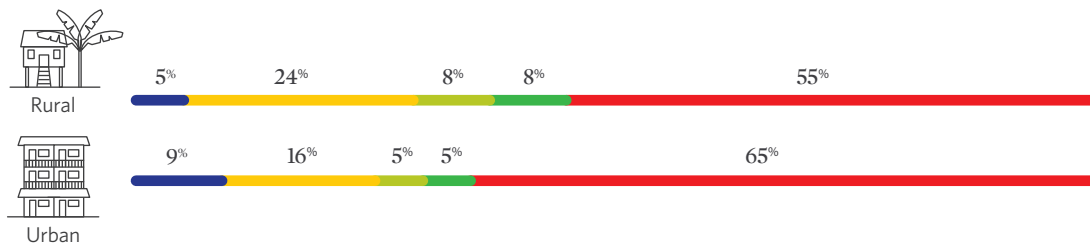
- 22% have/use credit/loan products from other formal (non-bank) institutions, but do not have credit/loan products from a bank (they could also use informal credit/loan products and/or borrow from friends and family)
- 6% of adults have/use credit/loan products from a commercial bank (however, they could also have other credit/loan products and/or borrow from friends



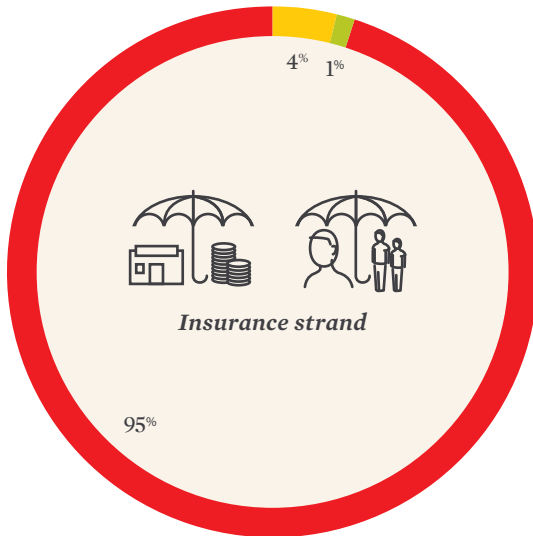
and family but the defining characteristics are that they borrow from a bank)

Borrowing and credit

Borrowing mechanism	Total %	Population (approximation)	Urban %	Rural %
Borrow from MFI	54	2 250 000	47	55
Borrow from friends/family	22	915 000	17	23
Borrow from money lender	14	592 000	13	15
Borrow from bank (all credit products from bank)	14	563 000	26	10
Got goods in advance from shop/store	4	180 000	-	5
Borrowing from Village Development Fund or Poverty Reduction Fund or Women's Union Fund or Village bank	2	92 000	1	3
Borrow from savings group	1	46 000	-	1
Borrow from Savings and Credit Union	1	35 000	1	1
Borrow for government scheme or institution	1	29 000	-	1
Borrow from other mechanisms	2	84 000	2	2



Insurance and risk management



- Only 5% of adult Cambodians have insurance
- Of those insured, the uptake of a funeral fund (32%), solidarity system (27%) and medical aid/health fund (26%) are the popular products driving insurance.
- The main barrier to insurance uptake despite a majority of adults stating that they face risk is awareness and literacy of the benefits or even knowledge of insurance



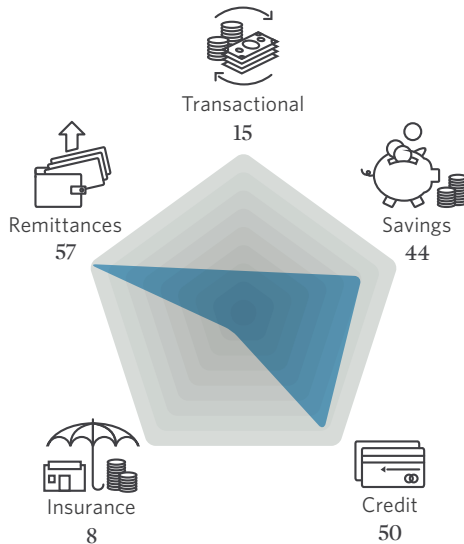
Remittances



- 33% of adults received money and 22% sent money in the last 12 months
- More females receiving money (36%) than males (31%)
- 36% of adults use mobile money yet only 3% claimed to be registered suggesting usage is weakly linked to ownership
- Of those who use mobile money services (3,6 million):
 - 98% use it to remit
 - Only 4% transact through mobile money (pay utility bills, buy airtime, etc.)

Remittances strand





Landscape of Access

The Landscape of Access is used to illustrate the extent to which financially included individuals have/use financial products/services (excluding those borrowing from family/friends and those who save at home/hiding in secret place)

Thailand

Lao PDR

Vietnam

Otdar Meanchey

Banteay Meanchey

Siem Reap

Preah Vihear

Stung Treng

Ratanak Kiri

Battambang

Pailin

Kampong Thom

Kratie

Mondul Kiri

Pursat

Kampong Chhnang

Kampong Cham

Koh Kong

Phnom Penh

Prey Veng

Kampong Speu

Kandal

Takeo

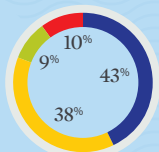
Svay Rieng

Preah Sihanouk

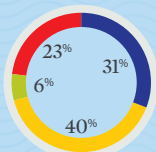
Kampot

Kep

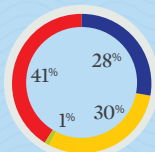
Access Strand by region



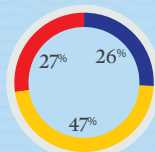
Kratie



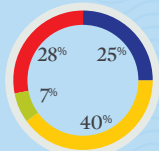
Mondul Kiri



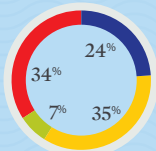
Preah Sihanouk



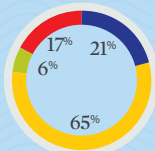
Takeo



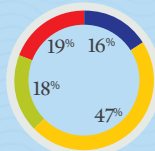
Kandal



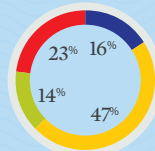
Kampong Cham



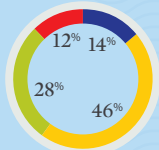
Prey Veng



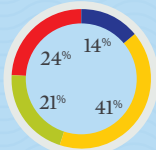
Phnom Penh



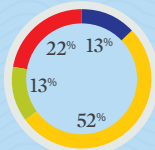
Battambang



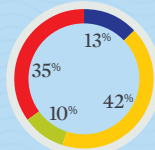
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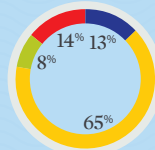
Ratanak Kiri



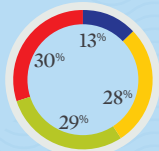
Siem Reap



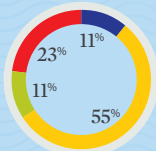
Preah Vihear



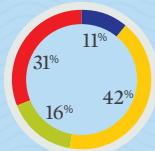
Kampong Thom



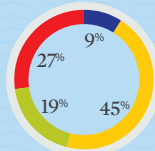
Kampong Chhnang



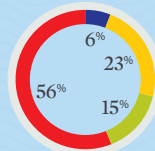
Oddar Meanchey



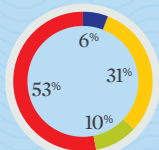
Banteay Meanchey



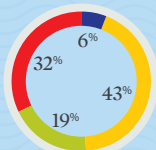
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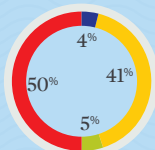
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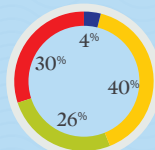
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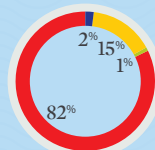
Kampot



Kep

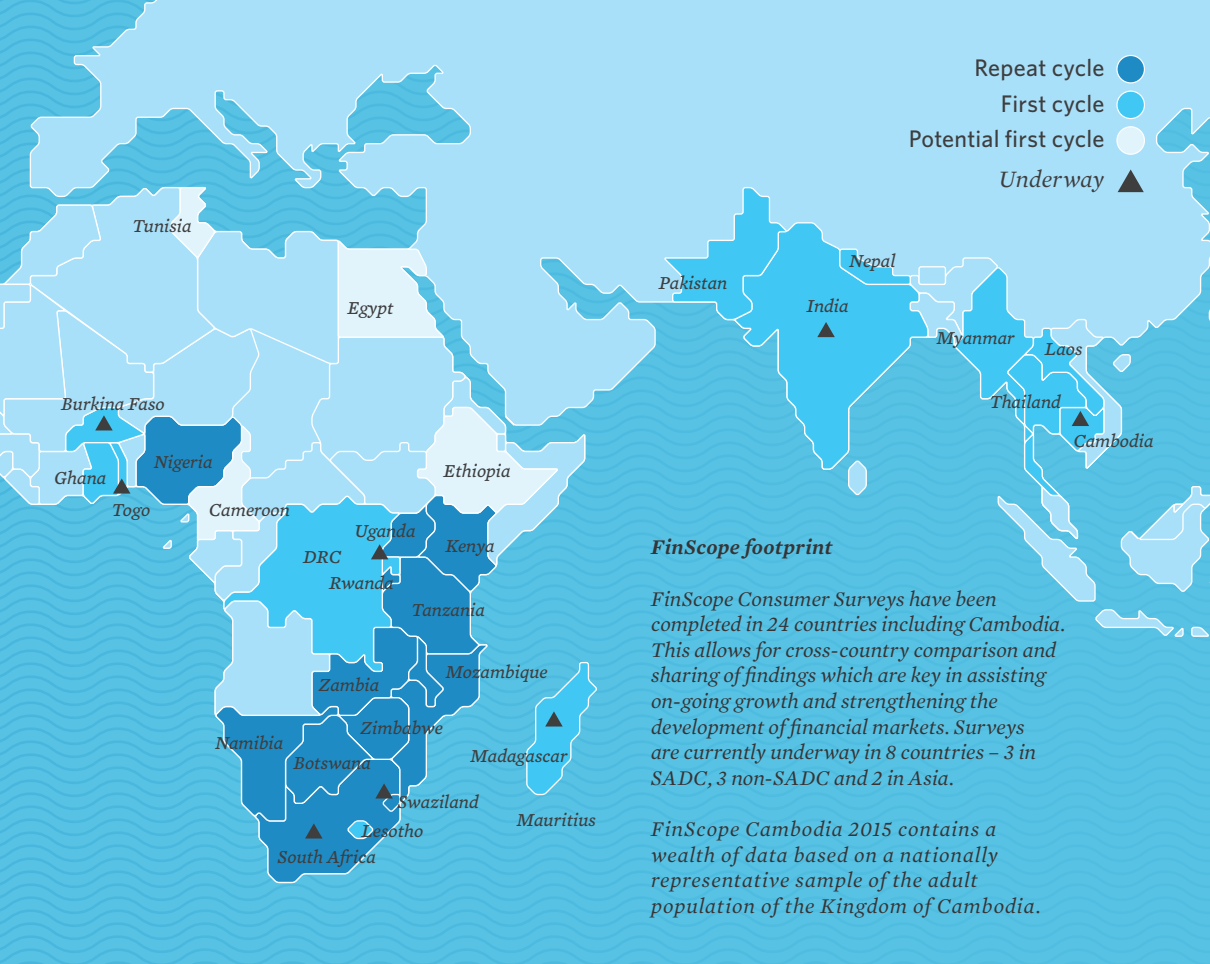


Kampong Speu



Pursat





- Repeat cycle ●
- First cycle ●
- Potential first cycle ●
- Underway ▲

FinScope footprint

FinScope Consumer Surveys have been completed in 24 countries including Cambodia. This allows for cross-country comparison and sharing of findings which are key in assisting on-going growth and strengthening the development of financial markets. Surveys are currently underway in 8 countries – 3 in SADC, 3 non-SADC and 2 in Asia.

FinScope Cambodia 2015 contains a wealth of data based on a nationally representative sample of the adult population of the Kingdom of Cambodia.

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