

Cambodian Community Savings Federation, Cambodia

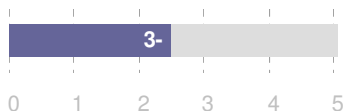
Initiated through CARE International, the Cambodian Community Savings Federation (CCSF) began as a small economic activity development project in 1998 before transforming into an NGO and rural credit operator in 2002. As a federation of Community Based Microfinance Organizations (CBMIFOs), CCSF aims to provide affordable financial services, and create a savings culture among low-income families, in order to improve their living standards. In order to do so, CCSF provides capital to CBMIFOs' to fund their retail lending activities as well as human resources to meet their technical assistance needs. With a staff of 57 and a loan portfolio of 2.5M USD, CCSF nurtured 33 CBMIFOs with a total outreach of 32,044 individual members and served 1,034 SME members (as of Feb 2010).

Social Performance Rating

March 2010

Overall, CCSF's Social Performance is rated "3"

Social Performance Management 3-	Financial Inclusion 3-	Client Protection & Ethical Finance 3-	Human Resources Policy 3-	Social Change ***
--------------------------------------------	----------------------------------	------------------------------------------------------	-------------------------------------	-----------------------------

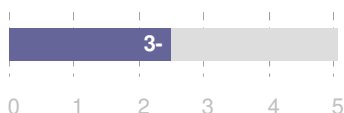


Indicators

Intent to have an impact	Convincing
Risk of Mission Drift	Limited

Social performance management

- With a strong intent to achieve a social impact, CCSF follows a clear social mission detailed into general goals, shared among decision-makers, and taken into account in the decision making and planning processes. Nevertheless, CCSF has yet to define its social goals into clearly defined and measurable objectives that could be tracked over the years.

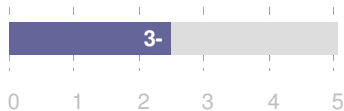


Indicators

Indicators	Feb. 2010
% of clients in provinces <5 MFIs	6.0%
% Female clients	66%
% Rural clients	n/a
% Clients with social collaterals	100%
% Penetration of households	n/a
% Retention	n/a

Financial inclusion

- While, most of CCSF's clients (73.8%) are located in provinces where the majority of other MFIs (10+) operate, the type of microfinance products that CCSF offers through its community based organizations plays an indirect role of targeting "economically active poor".
- The range of products offered by CCSF is diversified (loans, savings, insurance), but the institution's product development efforts could be stronger in order to fully adapt to CBMIFOs' members financial needs.
- The cost of services supported by CCSF's members is reasonable, thanks to competitive pricing and low transaction costs. As of December 2009, CCSF's wholesale activities' effective interest rate stood at 25.4%.

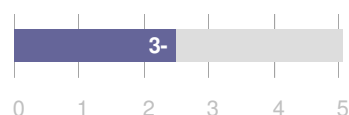


Indicators

Indicators	Dec. 2009
% Loans checked /credit bureau	0%
% Loans checked /other MFIs	0%
% Clients with micro-insurance	100%
% Clients bearing FX risk	0%
Effective Interest Rate (EIR)	24-26%
Portfolio Yield	25.4%
% Clients visited by non-op staff	15%

Client protection & ethical finance

- CCSF is making efforts to prevent its client's over-indebtedness by applying a conservative policy on loan disbursements in case of detected cross-indebtedness. Yet, despite the absence of a credit bureau, CCSF does not encourage its CBMIFOs to share data on delinquent clients with competitors.
- CCSF follows strict rules of transparency, and provides systematic orientation on loan conditions to CBMIFOs' staff. Each loan disbursement happens through the provision of a written detailed loan contract and a repayment schedule. While monthly flat interest rates are mentioned, for an optimal transparency, the annual effective interest rate (EIR) should also be disclosed.
- In a context of rising credit risk in Cambodia, CCSF has taken good steps to foster ethical staff behavior and appropriate loan collection, as well as to create vehicles for CBMIFOs to voice their complaints. While aware of the issue, CCSF has yet to design a comprehensive Anti-Money Laundering policy.



Indicators	Dec.2009
Staff Turnover	10.7%
Traffic accidents per LO	n/a
Yearly salary increase/inflation	1,7
% Staff receiving >2 training days	44.6%

Human resources policy

- With a professional HR management, CCSF projects fair and equal HR practices in terms of hiring and trainings, even though it has yet to specify a policy on cash management for its staff. While CCSF does not conduct staff satisfaction surveys, staff benefit from open lines of communication within the organization.
- Staff enjoys a relatively fair remuneration level when compared to national (government) standards and to the cost of living. Furthermore, salary increases in the recent past have managed to keep pace with inflation.
- Women are well represented since as of December 2009, female staff made up of 48% of all CCSF human resources.

Education, Health, Basic Services	*****
Gender Equality and Women Empowerment	*****
Fight vs. Unemployment	*****
Democracy & Human Rights	*****
End Poverty	*****
Environment Sustainability	*****

Social change

- As a hybrid institution providing funding and technical assistance to its community based microfinance organizations, CCSF carries numerous capacity building activities to CBMIFOs staff and promotes female staff empowerment by encouraging female recruitment in CBMIFOs.
- While CCSF has not taken any specific initiatives related to job creation, even though, through the set up of CBMIFOs CCSF indirectly contributed to the creation of 204 jobs so far.

CCSF Profile

Financial Services

- ✓ Credit Services: 7,865 borrowers
 - Wholesale lending (87.6%), Retail individual lending (12.4%)
 - Average outst. loan size per CBMIFO: 69,311USD
 - Average outst. loan size per SME client: 1,111 USD
 - Average Effective Interest Rate for CBMIFOs loan: 24.3%
 - Average Effective Interest Rate for SME loan: 24-26%
- ✓ Savings Services: 32,044 savers
 - Capital Build Up (interest of 7% per annum)
 - Compulsory Savings (interests of 6-8% per annum)
 - Voluntary Savings (interest of 3% per annum)
 - Demand Savings (interest of 1.5% per annum)
 - Time deposits (interests of 3-10%)
- ✓ Micro Insurance Services: 32,044 insured clients
 - Credit protection covering remaining death and funeral costs.
- ✗ Money Transfer Services:

Non Financial Services

	Awareness Raising	Training	Services
Business Development	✗	✗	✗
Education, Health and Basic Services	✓	✓	✓
Women Empowerment	✓	✓	✗
Democracy & Human Rights	✗	✗	✗
Environment	✗	✗	✗

Country Profile

Indicators	Cambodia	EAP
Demography		
Urban population (%)	20.0	44.3
Health		
Life expectancy at birth	58.6	72.0
Mortality rate (<5) per 1,000 births	8.1	-
Education		
Adult literacy rate (%)	78.0	91.0
Combined school enrolment ratio (%)	58.7	69.2
Gender		
Parliament seats held by women (%)	15.8	-
Poverty lines		
Population below 1\$/day (%)	40.2	6.6
Population below 2\$/day (%)	68.2	27.0
Gini index	0.4	-
HDI		
Rank out of 177 countries	136.0	-
2000-2006 progress	+0.065	-
Economy (2009)		
Economic growth (%) (f)	-0.5	-
Inflation (%)	6.5	-

Source: National Institute of Statistics of Cambodia (2008), UNDP 2008 HDI report, COFACE Country Risk Assessment forecast (f) for 2009, National Bank of Cambodia (inflation rate as of September 2009). Note: For Cambodia, \$1 and \$2 poverty lines based on 2005 PPP; for East Asia, \$1 and \$2 poverty lines based on 1993 PPP; EAP stands for East Asia and the Pacific.