

CASE STUDY: LOLC CAMBODIA

In 1994, the Small Enterprise Development Program of Catholic Relief Services (CRS) founded Lanka Orix Leasing Company (LOLC) Cambodia. Today, LOLC has a loan portfolio of \$219 million, making it the fourth largest microfinance institution (MFI) in Cambodia. LOLC serves over 205,000 clients across 72 branches, providing them with loans of \$1,200 on average.

MicroVest made its first investment in LOLC in 2013. Since then, LOLC has transformed into a more robust financial institution. LOLC improved its ability to manage risk by building staff capacity in audit and risk management. It is also expanding its suite of products; in late 2015, LOLC received a deposit-taking license and has also launched a leasing product.

LOLC is also committed to financial education. It has conducted financial literacy training for over 23,000 individuals, and is on target to train 13,000 more people in 2017. LOLC is a signatory of the Smart Campaign and was the first Cambodian MFI to receive the Progress out of Poverty Index certification by Microfinanza for its diligent tracking of clients' social indicators.



CAMBODIA OVERVIEW

REGION: SOUTH ASIA

POPULATION: 15.7 MILLION PEOPLE

GDP PER CAPITA: \$1,270

The Central Bank of Cambodia recognizes the importance of financial inclusion and has developed a national strategy to address it, setting a goal for 80% of Cambodians to have bank accounts by 2020.



END-BORROWER IMPACT

Ms. Sokhon Hou lives in the Prey Veng province, a densely populated agricultural region in the east bank of the Mekong River. She began working with LOLC in 2013 to support her and her husband's rice farming business. Ms. Hou secured a \$6,000 loan to purchase fertilizer, seeds, and a plow for cultivation. She is now on her fourth loan cycle and has used the financing to expand their cultivation area from three to five hectares and to purchase agriculture machinery to increase their productivity.

Access to capital has also helped Ms. Hou manage cashflow challenges caused by unexpected emergencies. For example, she used previous loans to cover critical medical treatments for her daughter. Looking ahead, Ms. Hou is diversifying her income by creating a new business: a small coffee shop in the front of her home.

For more information about MicroVest, contact investor@microvestfund.com.

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