

ABA BANK

Nith Kosal

II. THE FINANCIAL SITUATION OF CAMBODIA

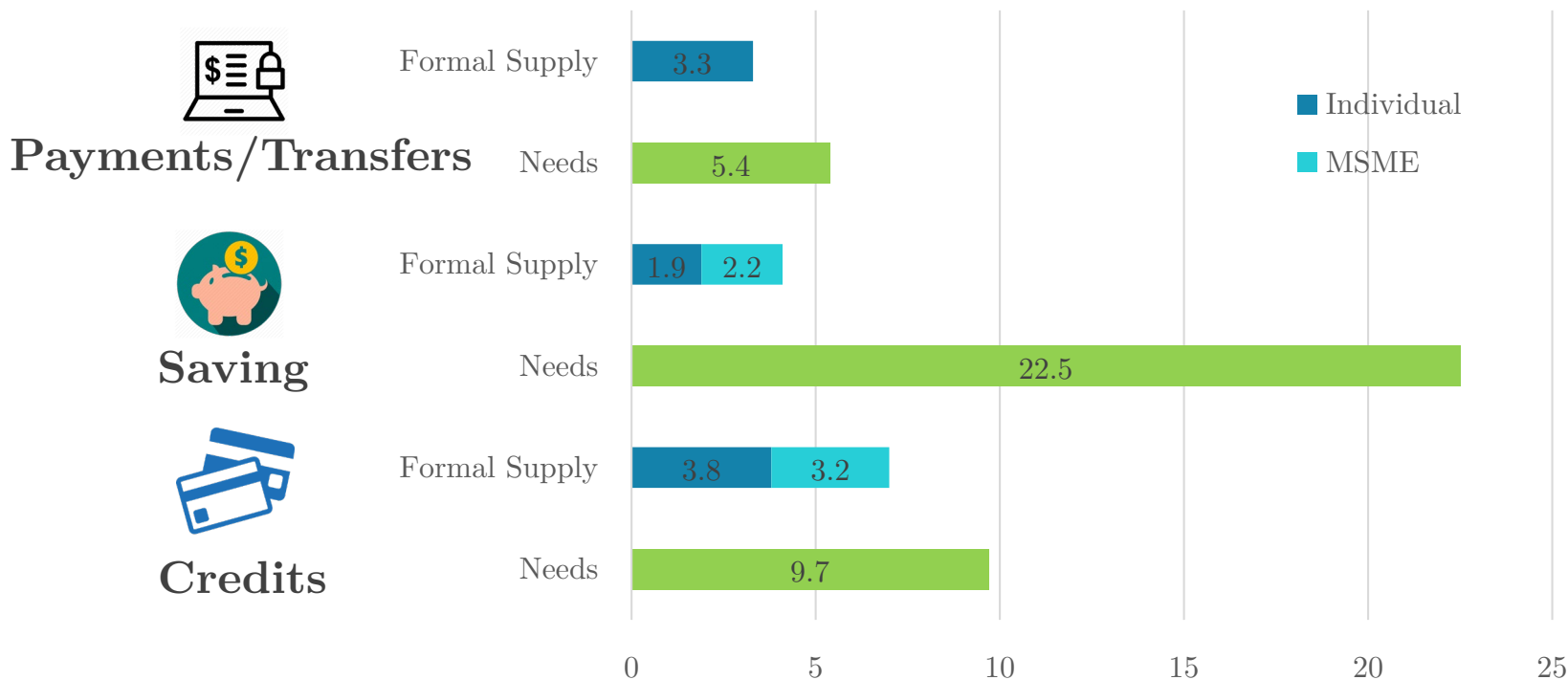
FinTech is not disrupting Cambodia's financial services,

> **It is joining its development**

THE PERFECT STORM FACTORS

>\$24 BILLION GAP BETWEEN FINANCIAL SERVICES NEEDS & FORMAL SUPPLY

Figure 1 : Needs vs. Formal Supply Gap
(of Target Segment, US\$ Billion)



The potential impact of Digital Finance Applications

>\$2 Billion
Additional electronic payment flows

>\$3 Billion
Additional credit uptake

>\$1 Billion
Additional Saving Mobilization

Source: ADB. (2017). Accelerating Financial Inclusion in South-East Asia with Digital Finance.

THE PERFECT STORM FACTORS – CONT.

ACCELERATING TECHNOLOGICAL ADVANCEMENT & ADOPTION



TOTAL POPULATION

16 M Urbanization: 21%
(with the annual rate of change 2.65%)

More than

50% of population under the age of 25 with high adoption rate of technology

INTERNET USERS

7.16 m

+43% since Jan 2016 (+2m)
with 45% penetration rate

MOBILE SUBSCRIPTION

27.60 m, +6% growth and
173% compared to total population

MOBILE SUBSCRIPTION 4.5 MILLION mobile users connected to Facebook

INFRASTRUCTURE QUALITY & ACCESS

The advancement of next-generation technology provides a level playing field for FinTech firms allowing them to not worrying about inflexible legacy systems, (regulation) and siloed channels. This has lowered the barriers to entry. Cost advantage is on the FinTech side.



46%

Laptops &
Desktop



49%

Mobile
Phones



5%

Tablet
Devices



3.4 M

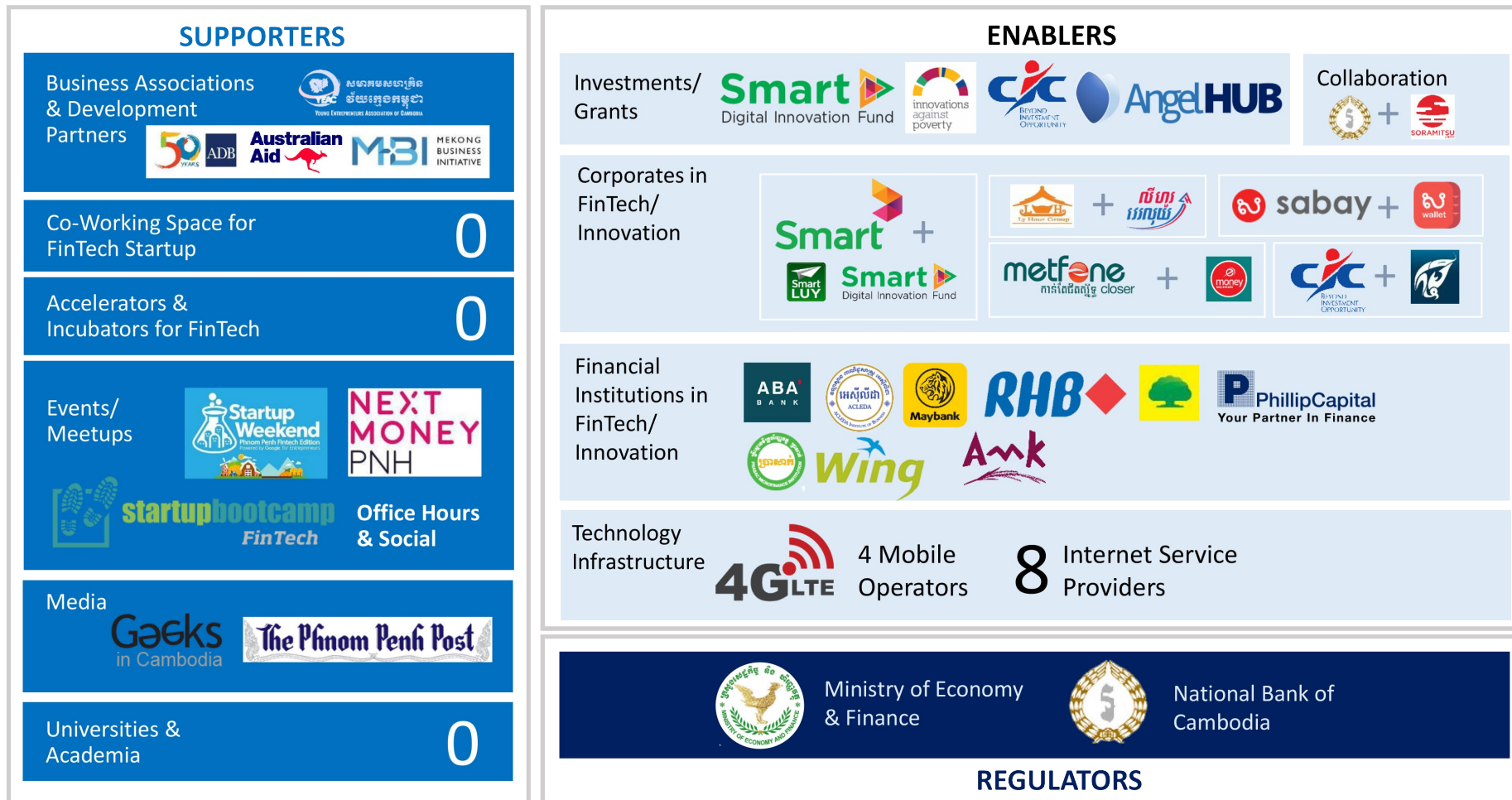


660 K



440 K

THE PERFECT STORM FACTORS – CONT.



THE PERFECT STORM FACTORS – CONT.

FinTech in Cambodia

For this report, Cambodian FinTech Startups are grouped mainly within the financial industry verticals. It is important to note that these verticals' list are not exhaustive. It is only intended for the scoping of FinTech in Cambodia.

Loan Comparison Site



Innovative Core banking for MFIs & Operators



Institutional Tools



Blockchain



Analytics/ Identity/ Risk

0

Functions of Financial Service Industry

PAYING

- Mobile Wallet
- Money Transfer/ Remittance
- Gateways/ Alternative Payments
- P2P Payment
- Card Processing/ POS



FINANCING

Alternative Credit Decision & Monitoring



P2P Lending



Invoice Discounting



INVESTING 0

INSURING

