

WHY SHOULD WE SAVE WITH VISIONFUND?

In Cambodia, the number of Microfinance institutions (“MFI”) have been growing steadily over the recent years. Among those, VisionFund Cambodia has been seen as one of the top Social Performance MFI in Cambodia. From the report of the Chief Executive Officer of this institution, Mr. Chee Chin Hoe, VisionFund Cambodia belongs to a wide international network of 36 countries. With the vision as “our vision for every child, life in all its fullness; our prayer for every heart, the will to make it so” VisionFund aims to improve the lives of children by offering small loans and other financial services to families who need them. The development of savings aims to reach both surplus income families who are willing to help the poor through VisionFund Cambodia and the poor families in case of emergency or unexpected events.



SOCIAL PERFORMANCE:

The main identity of VisionFund is social performance, which is in the blood of that organization because it flows from their parent organization which is World Vision, a long established international humanitarian organization. VisionFund tries as much as possible to integrate social performance into their products and services, such that they have a holistic approach to bring about the desired impact.

If people think of the 4 fundamental points of a cross, at the top VisionFund has loan products and financial services to enable clients to set up or expand their businesses. At the bottom, VisionFund provides some safety net to cushion them against unexpected shocks or misfortunes -through the savings product and free protection benefit whereby VisionFund would write off the outstanding loan of eligible clients upon death. Accompanying these on one wing, VisionFund equips clients with better understanding and awareness of basic financial management through VisionFund’s financial education programs; and on the other wing where possible VisionFund helps to link clients to appropriate partner

agencies for complementary services or technical assistance, including World Vision.

FINANCIAL PERFORMANCE:

Along with the good identity and strength in social performance, net profit of Vision grew healthily from US \$ 1.78 million in 2011 to US \$2.41 million in 2012. Mr. Chee Chin Hoe has shared with Business Cambodia Magazine reporter the several key drivers of the growth in VisionFund net profit as below:

- **Healthy operation growth:** VisionFund has expanded the operation from 18 in 2011 to 20 provinces in 2012 and 22 provinces in 2013. The number of active clients grew from 132,000 in 2011 to 157,000 in 2012 while portfolio grew a healthy 27.3% from US \$ 37.7 million to US\$ 48 million. In fact this has continued to grow to over US\$ 60 million as of Nov’13.
- **Healthy balance sheet:** In line with VisionFund organizational policy, all profits are retained in the business to support outreach to more clients, and never pay out any dividend to shareholders. With a healthy equity base and proper diversification of the sources of fund,

VisionFund’s financial cost has been reduced reasonably from 7.6% to 7.1%.

- **Staff productivity:** VisionFund has equipped the staff with strong knowledge and skills and has increased staff productivity from 383 clients per loan officer (with portfolio of \$ 109,000) in 2011 to 387 clients per loan officer (with portfolio of \$ 119,000) in 2012 and to 399 clients (with portfolio 128,000) as of Nov’13.

- **Diversification of products:** VisionFund has taken into account feedback from the clients and stakeholders and keep improving the processes and products/services, including the introduction of social loan products like education loan, water filter loan, latrine loan and solar loan.

To reinforce VisionFund’s focus on the well-being of their clients, VisionFund Cambodia has joined in as an endorser of the Smart Campaign which is a global campaign committed to embedding client protection practices into the institutional culture and operations. In line with the purpose of transformational development of their clients’ through inculcating the habit of savings and helping them put money in a safe place. Mr. Chee Chin Hoe also said VisionFund’s voluntary savings product is called Hope Savings, to instill the hope of a better future for the rural poor who often expressed their fears to even dare to dream.

VisionFund’s term Deposit product is called Social Investor Term Deposit with a tagline “Join Us to Serve the Poor” reflecting their strong intention to use the funds from deposit to benefit the poor. The bottom line is that depositors not only gain financial returns from the attractive interest rates (up to 11%) which VisionFund offers, but also social returns through VisionFund’s work among the poor.

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11%
UP TO 11.0% REWARD

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SOCIAL INVESTOR TERM DEPOSIT



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