REPORT ON
Financial Technology (FinTech) in Cambodia

April 2017
Sim Chankiriroth, ACCA, CPA, ACMA, CGMA
Financial Technology (FinTech) in Cambodia

Setting the scene

The term ‘FinTech’ is a relatively new and misunderstood term in the Cambodian financial services industry. As FinTech is getting more traction and attention, financial institutions are looking more closely at the threats and opportunities posed by FinTech. Regulators are also keen to understand more about this new phenomenon.

This report has been informed by in-depth interviews with companies across the Cambodian FinTech spectrum, extensive secondary research, and inputs from key industry experts. Our hope is that it helps the reader to better understand current FinTech developments in Cambodia.

This report is structured as follows:

1. The Perfect Storm
2. Cambodian FinTech Ecosystem
3. FinTech in Cambodia
4. Overview of Cambodian FinTech Startups
The Perfect Storm

With the emergence of FinTech in the Kingdom, we are witnessing the start of a significant transformation. The financial sector is being re-imagined through the lens of financial technology. This is the “perfect storm”—FinTech provides an unprecedented opportunity to close the USD 24+ billion gap between the demand for financial services and the formal supply (ADB Report). Accelerated adoption of new financial technologies, new business models, and lower barriers to entry on the supply-side can make possible a massive increase in financial inclusion.
It is important to note that this research focuses on financial exclusion in three segments: base of pyramid (BoP); women; and micro, small, and medium enterprises (MSMEs). Hence, the gap and impact might be greater if all constituents are included.
# The Perfect Storm Factors

## Accelerating Technological advancement & adoption

### TOTAL POPULATION

- **16m**

### Urbanization:

- 21% (with annual growth of 2.65%)

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

### INTERNET USERS

- **7.16m**
- +43% since Jan 2016 (+2m) with 45% penetration rate

### MOBILE SUBSCRIPTION

- **27.6m**
- +6% growth and 173% compared to total population

### INFRASTRUCTURE QUALITY & ACCESS

The advancement of next-generation technology provides a more level playing field for FinTech firms allowing them to work around inflexible legacy systems and “silo-ed” channels. This has lowered barriers to entry. The cost advantage is on the FinTech side.

- **4.5 MILLION** mobile users connected to Facebook
- **3.4 M** 3G
- **660K** 4G
- **440K** WiFi

### Devices

- **46%** Laptops & Desktop
- **49%** Mobile Phones
- **5%** Tablet Devices

### Operators & Providers

- **4 Mobile Operators**
- **8 Internet Service Providers**

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Source: World Fact Book (cia.gov), wearesocial.com/uk/, Facebook Inc., G-SMA Intelligence, Geek in Cambodia

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“Cambodia’s FinTech scene is more nascent than some other markets in ASEAN, but like many developing ecosystems, the match has been lit,” Samuel Hall, Program Director of Startupbootcamp FinTech. Although only a small amount of FinTech development and investment has occurred in Cambodia to date, the situation is likely to change soon. Many of the necessary elements exist in Cambodia to develop a strong FinTech ecosystem. There is every reason to believe the Kingdom will see a dynamic ecosystem develop that can provide broader economic benefits.

For this report, we will look at the FinTech Ecosystem in four integrated domains, which include:
Financial Institutions in FinTech/Innovation

Corporates in FinTech/Innovation

Events/Meetups

Co-Working Space for FinTech Startup

Accelerators & Incubators for FinTech

Media

Universities & Academia

SUPPORTERS

Business Associations & Development Partners

Co-Working Space for FinTech Startup

Accelerators & Incubators for FinTech

Events/Meetups

Media

Regulators

Ministry of Economy & Finance

National Bank of Cambodia

ENABLERS

Investments/Grants

Collaboration

Corporates in FinTech/Innovation

Financial Institutions in FinTech/Innovation

Technology Infrastructure

4G LTE Operators

Internet Service Providers

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FinTechs in Cambodia

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

**Innovative Core Banking for MFI & Operators**
- SPEAN
- Morakot
- M9

**Institutional Tools**
- ABA Bank
- Maybank
- Atlantic
- CMB MBanking

**Loan Comparison Site**
- Bongloy
- P
- True Money
- Wing
- Ank
- wallet

**Functions of Financial Service Industry**

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

**FINANCING**
- Alternative Credit Decision & Monitoring
- P2P Lending
- Invoice Discounting

**INVESTECH 0**
- BIMA

**INSURTECH**

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Conclusion

1. Regional Recognition

Despite its nascent stage of development, FinTech in Cambodia has drawn significant attention at the regional level. Two Cambodian startups were selected among the top ten FinTechs in Asia by Startupbootcamp FinTech in Singapore, for two consecutive years.

2. Inclusive FinTech

Financial inclusion, particularly in the payment vertical, is the main focus of FinTechs in Cambodia. This will remain the case for the foreseeable future, though alternative Financing is gaining pace and SME solutions will also be important.

3. Corporate investment

More than 70% of FinTechs in Cambodia are funded through investment arms of corporates. Hence, they are well funded from the beginning.

4. FinTech provides a platform for other industries to grow

The emergence of FinTech has enabled growth in other sectors, particularly e-commerce and other tech startups.

5. Saving & Insurance is the next areas with great potential

FinTech is not disrupting Cambodia’s financial services, it is facilitating its development
Financial Technology (FinTech) in Cambodia

Overview of Local FinTech Startups

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BanJi is a free and localized online accounting software, built for ASEAN SMEs. “We seek to be the platform for supporting ASEAN SMEs success, by focusing on three value propositions:

- Improving SMEs’ real-time visibility & insight into their financial position and performance;
- Ensuring SMEs compliance with local accounting and tax rules; and
- Improving SMEs’ access to finance through data-driven credit evaluation based on the captured transactional data, the connectivity among businesses in the platform, and other alternative data points.”

### Vertical: Alternative Credit Decisions

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**Data Driven Credit Evaluation for SMEs**

- Information from users
- Transactional Data via bank integration
- Connectivity among business entities in the platform
- Third party information, particularly compliance data & CBC

**Assurance Dashboard for accountant**

**Real Time Monitoring Dashboard to monitor the disbursed loan and mitigate its risks**

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Bongloy

**Vertical:** Payment Gateways/ Alternative Payments

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**Present Market**
Currently in Cambodia

**Key Client**
B2B

**Revenue Model**
Transaction fees

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**Payments infrastructure for Cambodia**

Bongloy connects with both local and international payment providers to enable your business to accept payment from Cambodia and abroad.

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**Bongloy Checkout**

A beautiful, optimized, cross-device payment form, with support for single click payments

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**Built for Developers**

Whether you’re building a marketplace, mobile app, online storefront, or subscription service, Bongloy has the features you need.

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**A flexible API-based payment solution that enables merchants to acquire payments online.**

- Capture credit card transactions seamlessly through our API infrastructure
- Easily integrates with web and mobile applications
- Open and secure API
- Scalable technology allowing growth and flexibility
Komchey is the first online SME loan matching platform in Cambodia. Their aim is to enhance SME’s access to finance. Komchey’s value propositions encompass:

- Providing SMEs with alternative financing for working capital;
- Providing reliable SME credit information;
- Opening the door for professional alternative investment in Cambodia.

Front-end
- Users interface, Dashboard

Back-end
- Credit decision engine
- SME’s credit data bank

Data driven Loan Matching platform
- SME working capital loan

Loan Management System
- Real time SME loan monitoring & dynamic credit risk assessment

External Interface & APIs
- Verification services
- Payment services
- External structured transactional data
Morakot Technology

Vertical: Institutional Tool

www.morakot.it

Business Details

Present Market: Currently in Cambodia
Key Client: B2B
Revenue Model: Subscription Fees, Package Licensing Fee

Company Detail

Co-Founder/CEO: Sophorth Khuon
Founded: 2014
Country/ City: Cambodia/ Phnom Penh

Morakot is a simple, reliable core-banking system for microfinance institutions and banks. Key features include:

Customer Management
Customer is important to your business as ours. We carefully design customer module.

Account
Limitless of account product from Drawdown Account, Savings Account to Term Deposit

Loan
From Loan Application, Approval Process, Loan Contract to Repayment Schedule Generation.

Teller Function
We understand how important front-office service is. Morakot VB has Vault Management, Till Management, Cash Deposit, Cash Withdrawal, Till-to-Till Transfer.

Accounting
Accounting system is integrated. Your transaction is automatically posted. You can define your own chart of account. Manual journal entry module is also available.

Reporting Tool
If you asked how many report Morakot has, I would say that it is “Unlimited”. With the reporting tool, you can design your own report as many as you want.

Multi Branch
Morakot VB supports up to 999,999 branches. We have no idea when you reach that number. Each branch has their own financial report. Yeah, you can also do inter-branch transaction.

Multi Currency
Yes, Morakot VB supports multi-currency. A currency table helps you setup your currency properly. You can also provide money exchange service to your clients.

System Administration
Morakot VB is fully configurable. Customize the Menu Structure and User Access Right; Defining how Morakot VB handle your default loan. How interest is calculated and so much more.

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Spean Loy

Spean aims to become a platform to connect borrowers with financial institutions. Here is how it works:

1) Spean provides an interactive platform for both borrowers and banks/MFIs to interact;
2) For borrowers, compare and apply for the best loan as well as improve financial literacy; and
3) For banks/MFIs, search and contact borrowers through our site as a part of loan assessment and marketing tool.

www.spean-kh.com

Business Details

Present Market: Currently in Cambodia
Key Client: B2C
Revenue Model: Referral Fee & Advertising

Company Detail

Co-Founder/CEO: Yuta Nagano
Founded: 2017
Country/City: Cambodia/ Phnom Penh