



Opening Remark

H.E Chea Chanto, Governor of the National Bank of Cambodia
AFI's 12th Financial Inclusion Strategy Peer Learning Group and the 8th
Global Standards Proportionality Working Group Meetings
24th – 27th April 2018, Siem Reap Cambodia



- ***Mr. Norbert Mumba, AFI Deputy Executive Director***
- ***Mr. Joseph Attah, Central Bank of Nigeria and Chair of Financial Inclusion Strategy Peer Learning Group***
- ***Ms. Marina Kahar, Bank Negara Malaysia and Chair of Global Standards Proportionality Working Group***
- ***Distinguished working group members, ladies and gentlemen!***

It is a great honor for Cambodia, especially the National Bank of Cambodia, to co-host the 12th Financial Inclusion Strategy Peer Learning Group and the 8th Global Standards Proportionality Working Group Meeting today. On behalf of the National Bank of Cambodia, I would like to warmly welcome all of you to the land of historically architectural heritage, our Siem Reap Angkor. This is the first time that AFI decides to organize such meetings in Cambodia since we became a member of AFI family in early 2015.

I would like to extend my heartfelt appreciation to AFI and its team for choosing Cambodia for such important meetings. Once again, I also would like to express my sincere thanks to our working group members who have taken a long distance journey to Cambodia to contribute their inputs to the working groups.

It gives me such a pride to have in front of us today an esteemed group of people, dedicated to a common goal of providing effective, affordable and sustainable access to financial services and products to help financially excluded population of our world. The National Bank of Cambodia hopes to provide you all a pleasant stay in Siem Reap and I do believe that you enjoyed the dinner arrangement yesterday.

Distinguished members, ladies and gentlemen!

Financial inclusion has been acknowledged by its strong relationship with economic development, in particular, access to finance has become as an essential policy tool for national and global policy makers to enhance economic growth and stability. With population being excluded from access to finance, there is a potential loss of deposits or savings, investible funds capable of enhancing credit creation and capital accumulation, which results in loss of capacity of the economy to generate socio-economic development, which in turn, hamper a more dynamic and durable economic growth. Therefore, financial inclusion needs to be pursued more extensively beyond the underserved to achieve more participations in the financial system and thus unlocking the further potential to contribute towards the overall growth and development of economies.

Cambodia has gone through a prolonged chronic war where there was once no presence of financial system at all. After January 7th, 1979, Cambodian people were given their second lives from scratch with flow of supports from international agencies. It was when financial inclusion incepted with the later process of privatization of donated funds into successful microfinance institutions since the early 1990s until now. Yet, the topic of financial inclusion was somewhere hidden.

January 08th, 2015, the day Cambodia became principle member of AFI, marked an important milestone. Though relatively young to AFI family, Cambodia has made such a great progress in term of financial inclusion since then. We identified ourselves and initiated our own financial inclusion agenda and that agenda has become a core focus for financial regulators and policy makers in both public and private sector. Concurrently, Cambodia has been formulating our National Financial Inclusion Strategy, which is expected to finalize within this year. In this strategy, a specific number of targets are set and women's financial inclusion is also rooted in very single aspect.

Once again, distinguished members, ladies and gentlemen!

Cambodia is a country with around 16 million populations, the majority of which residing in the countryside where modern facilities are limited. Yet, the FinScope survey in 2015 found out that 59% of adult populations have access to formal financial service. 12% of Cambodian adults are using informal financial services and 29% are now inaccessible to either formal or informal financial system.

In a small country like Cambodia, only a small gap of financial inclusion is to be filled. However, there are still as many as 2 billion adults around the globe that are financially excluded. This is a big gap, not for Cambodia, but for us together to fill. This is the reason why AFI exists and why your working groups were created within the AFI; the common goal is to advance the agenda of financial inclusion and eliminate the gap of the financial exclusion around the world.

These days, financial services are increasingly technologically driven. Innovation in financial services has played critical roles in term of access, quality, and usage in a cost-effective manner. The potential impact of FinTech on financial inclusion is huge but so are the risks. Therefore, policymakers and regulators need to be proactive in the way of risk awareness. At the same time,

policymakers and the private sector need to collaborate closely to understand and ensure that the associated risks of innovative financial inclusion are well-managed, so that there is confidence in the financial system as the estimated 2 billion unbanked adults migrate to formal financial channels.

Distinguished members, ladies and gentlemen!

I was informed that yesterday meeting was full of fruitful discussions and active participations from our members. I strongly encourage you to continue contributing more of your valuable knowledge and expertise on today meetings and the days after. I do believe that after these 4 days meetings, we will produce a combination of insightful ideas, experiences and inputs; the most important of all is the stronger networking within the AFI family and with others to further achieve the common financial inclusion goal.

Having seen your relentless commitments and efforts, the National Bank of Cambodia is pleased to arrange a complimentary excursion after the meetings on the afternoon of 27th to Angkor Wat, one of the UNESCO World Heritage site and I do hope you will enjoy the tour to our wonderful historical sites. As long as we are still in one AFI family, there will be time when the National Bank of Cambodia can honor you a full enjoyable excursion.

To end my remark, May I wish distinguished working group members, ladies and gentlemen good luck and success in every upcoming endeavor.

Thank you!