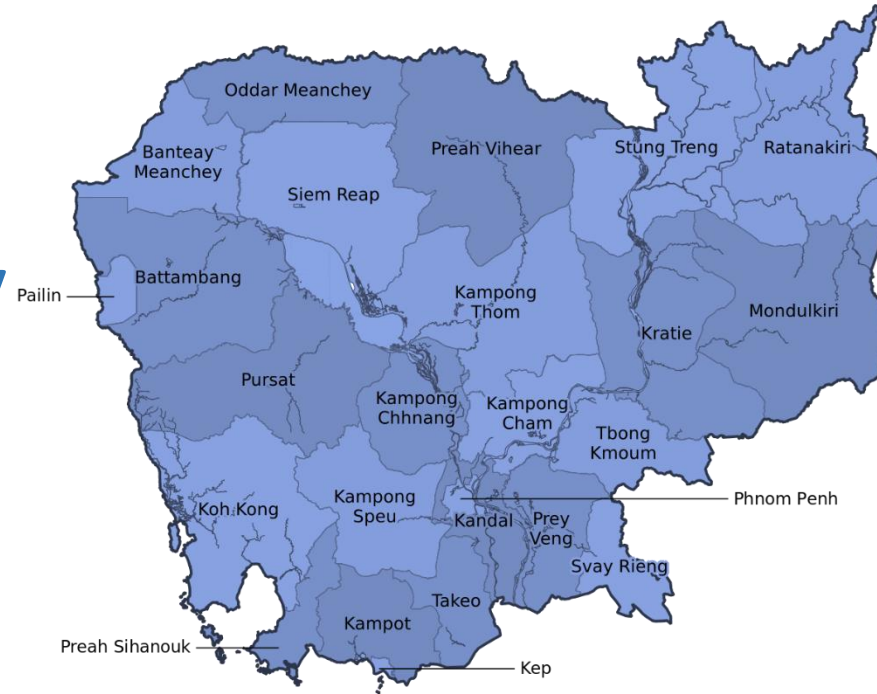




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Report on Financial Technology (FinTech) in Cambodia



Financial Technology (FinTech) in Cambodia

Setting the scene

The term 'FinTech' is both relatively new and underestimated term in Cambodian financial service industry in recent years. As FinTech is getting more traction and attentions, financial institutions are looking closer at the threats and opportunities of FinTech; and the key regulators are also keen to understand more about this new players .

This report – informed by open-ended interviews with companies across the Cambodian FinTech spectrum, extensive secondary research, and reviews of key industry experts – is an endeavor to better understand the current FinTech developments in Cambodia.

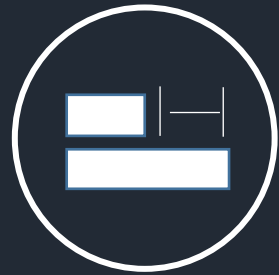
This report is structured in the following content:

- 1. The perfect storm**

- 2. Cambodian FinTech Ecosystem**

- 3. FinTech in Cambodia**

The key enablers of Cambodian FinTech Firms

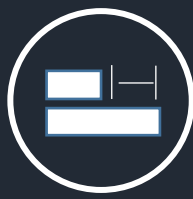


Gap between financial services needs &
formal supply



Accelerating Technological
advancement & adoption

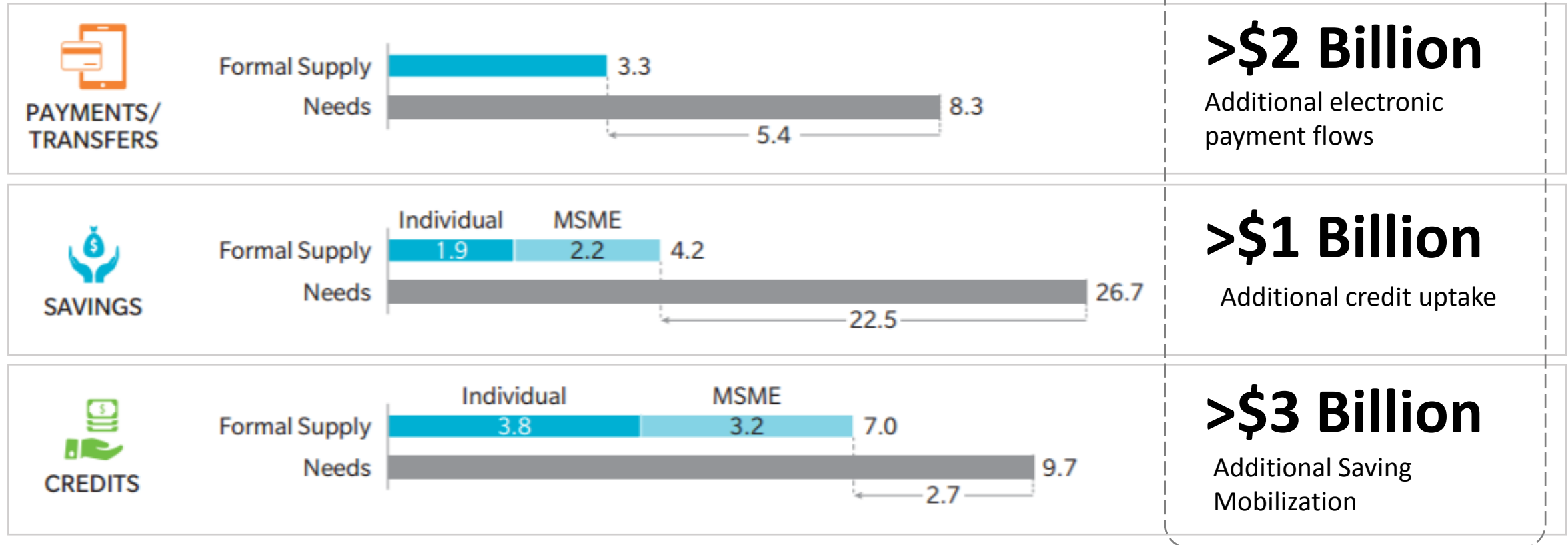
The Perfect Storm Factors



>\$24 Billion Gap between financial services needs & formal supply

Customer Needs (Products)

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



Source: ADB. (2017). **Accelerating Financial Inclusion in South-East Asia with Digital Finance**. 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 bigger if all constituents are included

The Perfect Storm Factors



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
7.16m

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



MOBILE SUBSCRIPTION
27.60m

+6% growth and 173% compared to total population

4.5 MILLION mobile users connected to Facebook



3.4M



660K



440K

INFRASTRUCTURE QUALITY & ACCESS

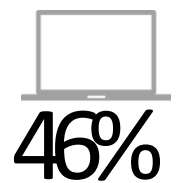
The advancement of next-generation technology provides a level playing field for FinTech firms allowing them to not worrying about inflexible legacy systems, (regulation) and siloed channels. This has lowered the barriers to entry. Cost advantage is on the FinTech side.



4 Mobile Operators

8

Internet Service Providers



46%

Laptops & Desktop



49%

Mobile Phones

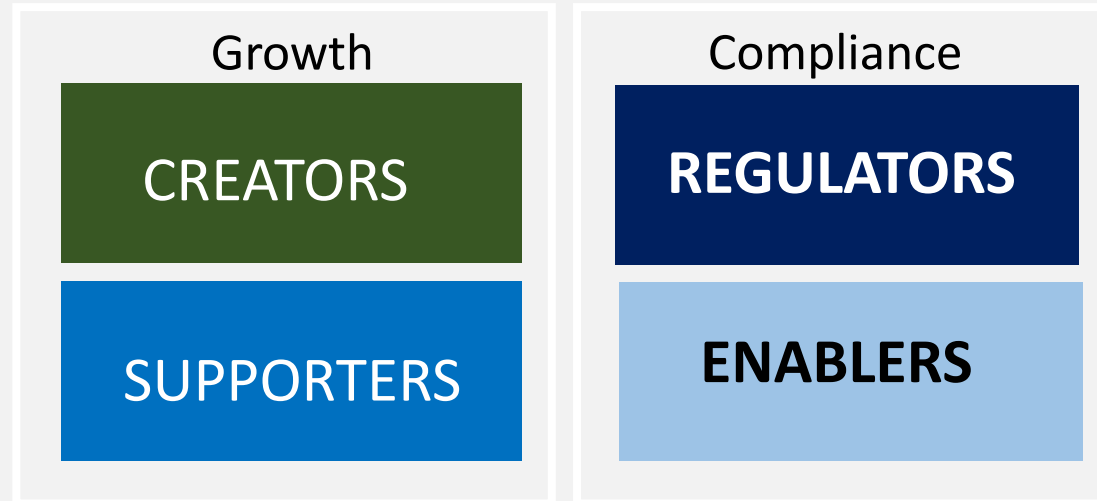


5%

Tablet Devices

Cambodian FinTech Ecosystem

For the purpose of this report, we will look at FinTech Ecosystem in four integrated domains, which are



SUPPORTERS

Business Associations
& Development
Partners



MEKONG
BUSINESS
INITIATIVE

Co-Working Space for
FinTech Startup

0

Accelerators &
Incubators for FinTech

0

Events/
Meetups



startupbootcamp
FinTech

Office Hours
& Social

Media



Universities &
Academia

0

ENABLERS

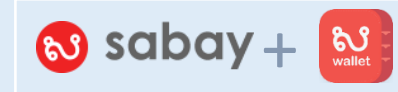
Investments/
Grants



Collaboration



Corporates in
FinTech/
Innovation



Financial
Institutions in
FinTech/
Innovation



PhillipCapital
Your Partner In Finance



Technology
Infrastructure



4 Mobile
Operators

8 Internet Service
Providers



Ministry of Economy
& Finance



National Bank of
Cambodia

REGULATORS


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



Conclusion

1. Regional Recognitions



2. Inclusive FinTech

3. Corporate investment

4. FinTech provides platform for other industry growth

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

FinTech is not disrupting Cambodia's financial services, **It is joining its development**