

OPIC and TPC Support Expansion of Home Improvement Loans for Low-Income Cambodians with Historic \$5 Million Investment

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Arah Sadava, CEO of Thaneakea Phum (Cambodia), left, and Loren Rodwin, Managing Director of Micro and SME Finance at OPIC, at a signing ceremony in Phnom Penh for a \$5 million OPIC loan supporting TPC's microfinance lending in Cambodia. (Photo: US Embassy Phnom Penh)

Phnom Penh, February 27, 2012 – The [Overseas Private Investment Corporation](#) (OPIC) and [Thaneakea Phum \(Cambodia\), Ltd.](#) (TPC) today announced the closing of a US\$ 5 million term loan to fund the expansion of TPC's portfolio of microfinance loans for low-income borrowers.

The historic loan is OPIC's first direct loan to a Cambodian institution, and is part of OPIC's global initiative to support microfinance lending and improve living standards in emerging markets worldwide. At least 50 percent of the funds will be allocated to expand TPC's home improvement loan program, while the remaining funds will support group and individual loans for TPC's predominantly rural, agricultural clients, most of them women. The project is expected to generate approximately 5,000 loans for Cambodian borrowers.

DWM acquired TPC in January 2010, bringing new resources and best practices from the firm's microfinance experience around the world. DWM had previously worked with OPIC on other investments and was instrumental in facilitating the TPC – OPIC partnership.

TPC CEO Arah Sadava said, "Many Cambodians want to use existing income streams to improve their family's quality of life, but can't afford to take funds away from their small businesses. In response, we developed a Home Improvement Loan product with a long tenor and small, frequent payments. This allows our clients to both grow their businesses and improve their homes. We currently offer the home improvement product in eight TPC branches, and will begin offering it in all of our 39 locations by March 1st of this year."

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"Home improvement loans also enhance the income generation of home businesses, and reduce economic vulnerability by building the poor's assets. This is especially important for those in rural areas who do not have access to savings accounts," she added.

OPIC President and CEO Elizabeth Littlefield said, "Access to financing is vital to fostering Cambodia's economic development. Through this microfinancing project, thousands of Cambodians in rural areas will be able to take advantage of business opportunities they might not otherwise have a chance to – and as a result be empowered to improve their quality of life."

OPIC provides capital to microfinance institutions through investments in microfinance vehicles, targeted credit facilities to individual MFIs, risk-sharing agreements, and guarantees supporting innovative industry efforts. OPIC has committed over \$200 million to microfinance programs, which have supported 100 MFIs in 30 countries.

About TPC

Thaneakea Phum (Cambodia) Ltd. ("TPC") is a rapidly growing, regulated microfinance institution with a focus on serving low-income women in rural Cambodia. TPC was established in 1994 and is currently the 5th largest MFI in Cambodia by number of borrowers. Primarily a group lender, TPC reaches the lower end of the poverty spectrum while maintaining strong operating performance. As of December 31, 2012, TPC serves 122,077 clients via its network of 39 branch offices in 17 provinces, and since the beginning of 2012 TPC has grown its gross loan portfolio by 46.0% to USD 48.4 million. This growth has been responsibly managed to ensure a top-quality portfolio, and PAR >30 days is currently 0.20%. TPC has been under the supervision of the National Bank of Cambodia as a regulated microfinance institution since 1999.

About DWM

Developing World Markets ("DWM") is a US-based dedicated emerging markets asset manager with a mission to improve lives at the base of the economic pyramid. As a leading fund manager for microfinance and other impact assets, DWM aims to achieve sustainable development through market-level, financial returns for its investors, and social returns in the developing world. As of December 31, 2012, DWM managed approximately USD 740 million in assets primarily from institutional investors. Over the past 10 years, DWM has structured or advised on over USD 1 billion in microfinance transactions, including work done by DWM's affiliate, DWM Finance, LLC. DWM has financed over 140 inclusive finance providers in over 40 countries, and currently has a staff of 39 people, speaking over 20 languages.

DWM acquired a majority equity stake in TPC in January 2010. At present, DWM owns 89.82% of total TPC shares, with the remainder owned by TPC staff through an Employee Stock Ownership Plan.

About OPIC

OPIC is the U.S. Government's development finance institution. It mobilizes private capital to help solve critical development challenges and in doing so, advances U.S. foreign policy. Because OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets catalyzing revenues, jobs and growth opportunities both at home and abroad. OPIC achieves its mission by providing investors with financing, guarantees, political risk insurance, and support for private equity investment funds.

Established as an agency of the U.S. Government in 1971, OPIC operates on a self-sustaining basis at no net cost to American taxpayers. OPIC services are available for new and expanding business enterprises in more than 150 countries worldwide. To date, OPIC has supported more than \$200 billion of investment in over 4,000 projects, generated an estimated \$75 billion in U.S. exports and supported more than 277,000 American jobs. Visit OPIC on the web at www.opic.gov.

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