



# Leopard Capital takes major MFI stake

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PRIVATE equity fund Leopard Capital acquired a 33.7 percent stake in microfinance institution Intean Poalroath Rongroeurng Ltd for an undisclosed amount yesterday.

Leopard Chief Executive Douglas Clayton said the amount was “not a huge investment” for the US\$34 million fund.

“We target 10 percent of our fund into each investment. but the investments so far before this one ranged from \$1.3 million to \$5 million – this is in the lower half of the spectrum,” he said.

IPR Chief Executive Hort Bun Song said securing Leopard as a shareholder was a gateway to further funding.

“I hope by getting Leopard Capital to join with us, we can access more funds from international funders so we have the opportunity to expand and build better systems,” he said, adding that negotiations had been ongoing since early last year.

Leopard would take an active role in the company, joining six others on IPR’s board, including founder and chairman Phou Puy, Hort Bun Song said.

Phou Puy, entrepreneur and chairman of the Federation of Cambodian Rice Millers was IPR’s sole owner before this deal. He founded IPR in 2005 in response to capital constraints faced by the Federation, according to a statement released by Leopard yesterday.

Hort Bun Song said IPR has more than 3,000 customers today – mainly small businesses in rice production, but with a growing base of ventures in other agricultural sectors.

Clayton said the latest investment meant Leopard’s flagship Cambodia fund was almost 75 percent fully-invested, and added the fund was not likely to invest in another financial institution.

“I think that’s it for this industry. We now have [ACLEDA Bank] as well as the MFI, so I think if anything we’d put more money into what we have but not take another one,” he said.

Leopard is a small shareholder in ACLEDA, investing \$3 million last year in the former MFI, Clayton said. He agreed the stake in the bank had helped with the decision to invest in IPR.

“I think through ACLEDA we recognised that rural finance can be a profitable industry,” he said. “But this is in a different segment of the market – IPR is very small loans.”

IPR made a profit of 1.19 billion riel (US\$294,379), with loans totaling 17.18 billion riel (\$4.24 million) in 2009, according to National Bank of Cambodia.