



Home Sweet Home

ep:

**Formal Financial
Institution**

**1FIRST
FINANCE**

Honey,
are you available?
I'd love to get some
advice from you.





I applied for a loan with this institution because their requirements are very simple. They just check the collateral and ask if I can repay.

Since it is new to me, I asked them for some proof documents. They have now sent me a picture of their license. Could you please check it for me?

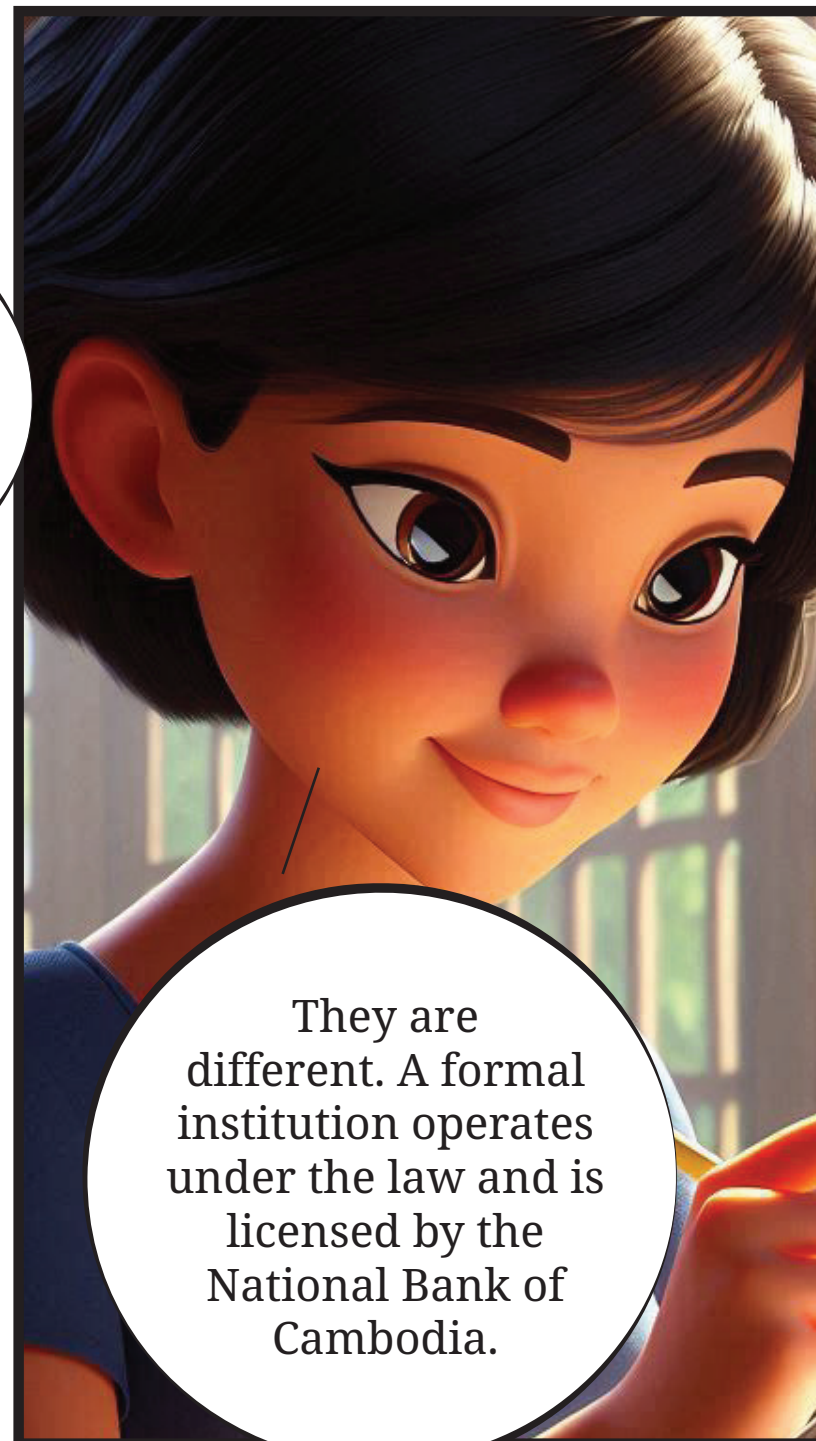




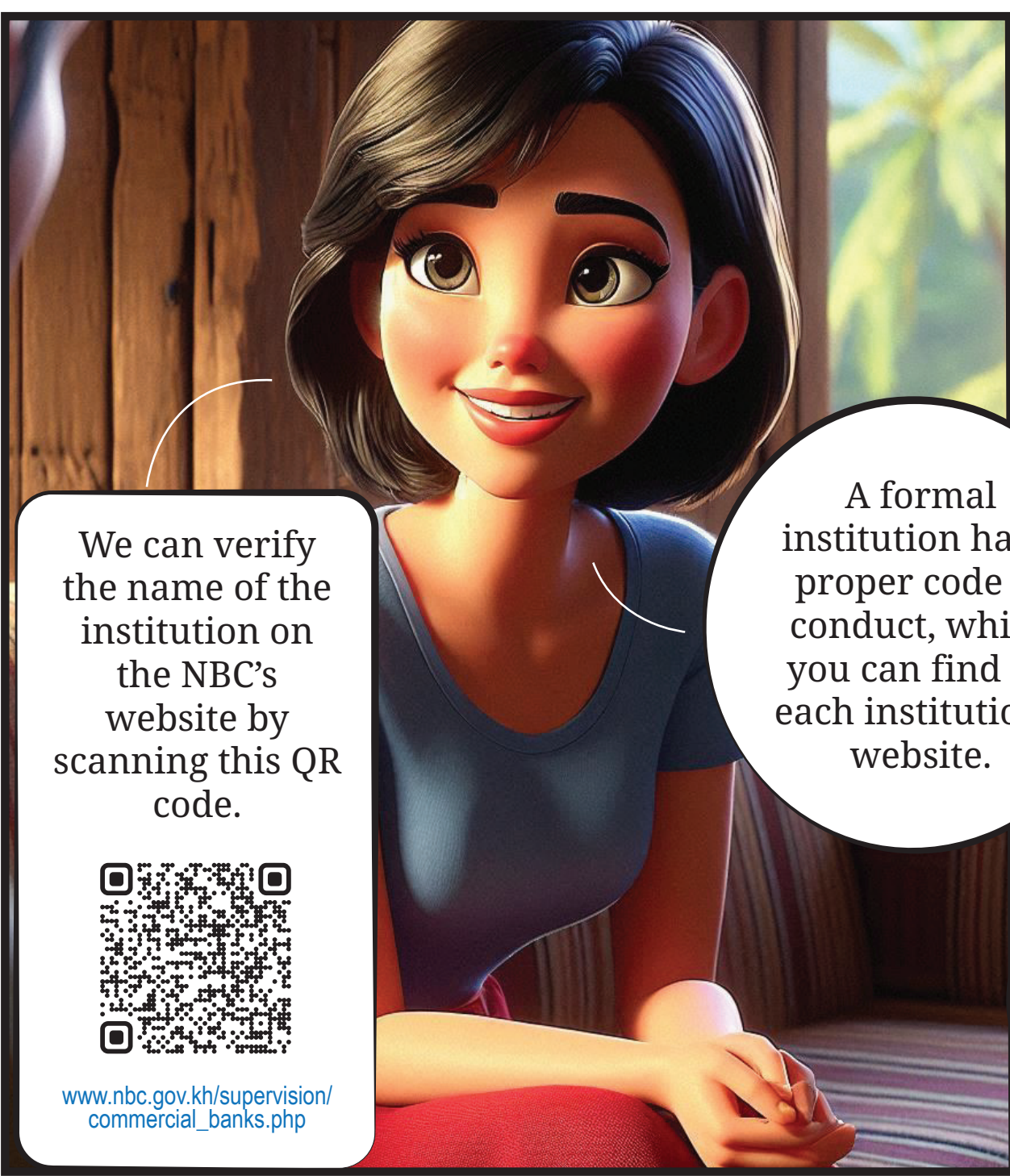
How are these
two different?



How we
verify?




They are
different. A formal
institution operates
under the law and is
licensed by the
National Bank of
Cambodia.



We can verify the name of the institution on the NBC's website by scanning this QR code.



www.nbc.gov.kh/supervision/commercial_banks.php



A formal institution has a proper code of conduct, which you can find on each institution's website.

By the way, the name of the institution you asked me to check could not be found.

Key Considerations*

There are many risks associated with informal financial institutions, such as:

- Scams, fraud, violence, and abuse are common with informal financial institutions, as their transactions are not regulated by law or supervised by relevant authorities. Contracts and other conditions are more likely to involve fraud and place a burden on the client.
- Risk of financial loss due to high interest and fees without transparency.
- Risk of collateral seizure through violence without going through the court process.
- Risk of privacy leaks, especially appearing on social media, poses a significant threat.

Victims of informal and illegal loans can report to the National Police at
023 72 68 22

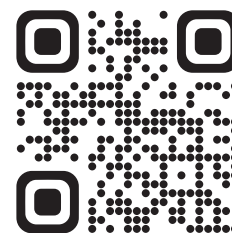
*Source: Strengthening Safe Finance in Community

“Home Sweet Home” is a comic-style short story series about the daily life of a low-middle-class couple. Each episode includes educational messages on family financial management, the loan approval process, product features, and effective loan usage.

If you have any good tips related to financial management, please share them with us via our Facebook or email us at info@firstfinance.com.kh. We welcome the opportunity to include them in the story if we find they benefit other audiences in the same way.

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