



THE SECOND  
**QUARTERLY REPORT**  
AS OF 30 JUNE 2024

## Financial Highlight

Financial Position (in KHR million)	Quarter 2 – 2024	2023	2022
Total assets	42,005,801	39,804,405	37,181,299
Total liabilities	36,180,808	34,158,850	31,760,660
Total equity	5,824,993	5,645,555	5,420,639
Profit/(Loss) (in KHR million)	Quarter 2 – 2024	Quarter 2 – 2023	Quarter 2 - 2022
Total revenue	873,884	844,228	752,067
Profit/ (Loss) before Tax	147,951	173,506	249,516
Profit/ (Loss) after Tax	116,255	135,574	195,865
Total Comprehensive Income	200,977	217,282	154,691
Financial Ratios (%)	Quarter 2 – 2024	2023	2022
Solvency ratio	18.31%	18.45%	19.25%
Debt to equity ratio	621.13%	605.06%	585.92%
Liquidity Coverage ratio	227.11%	180.13%	154.96%
Nonperforming loans ratio <sup>(*)</sup>	5.78%	5.77%	2.90%
Loan to deposit ratio	86.65%	92.11%	100.51%
Book value per share (KHR)	13,391	12,977	12,456
	Quarter 2 – 2024	Quarter 2 – 2023	Quarter 2 - 2022
Return on average assets (ROAA) <sup>(**)</sup>	0.28%	0.35%	0.58%
Return on average equity (ROAE) <sup>(**)</sup>	2.03%	2.50%	3.94%
Interest Coverage ratio (Times)	1.42	1.51	2.21
Earnings per share (KHR)	268.58	313.25	451.48
Dividend per share	N/A	N/A	N/A
Other Important Ratios	N/A	N/A	N/A

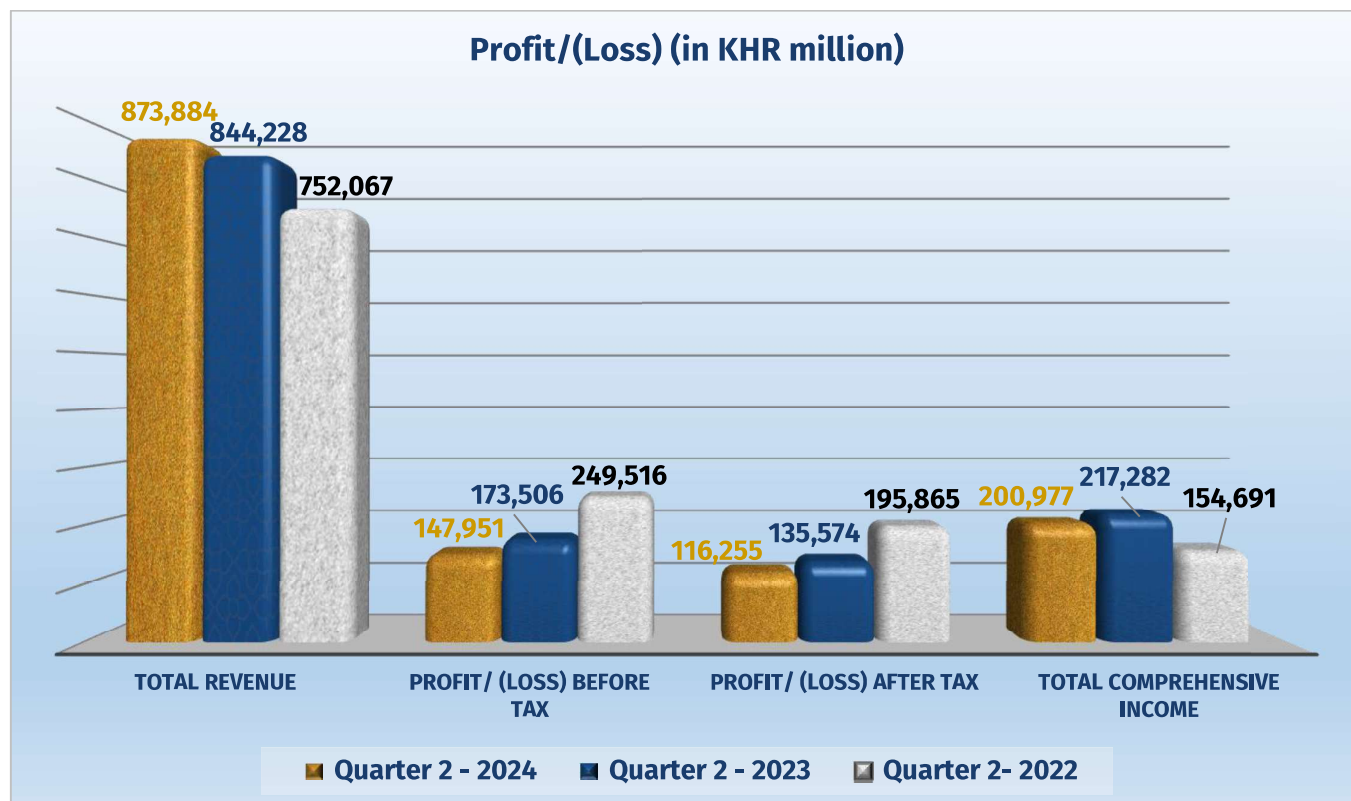
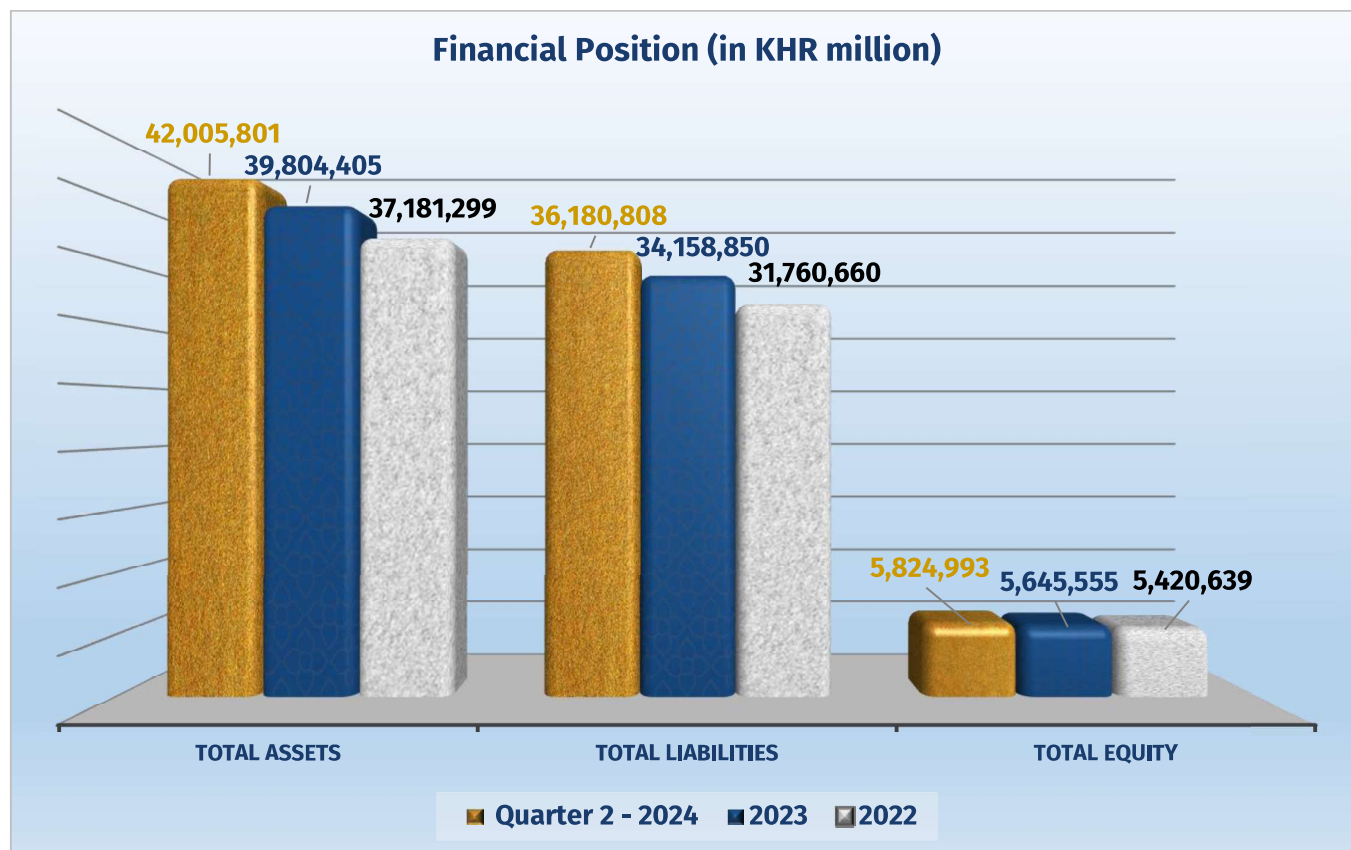
(\*) Non-performing loan ratio = Contractual Principal Balance of Non-Performing Loan/Total Contractual Loan Principal Balance

(\*\*) . These ratios are not annualized and were calculated using the three-month period of profit attributable to owners of the Bank figures from 01 April to 30 June 2024.

. ROAA = profit for the period attributable to owners of the Bank / average total assets.

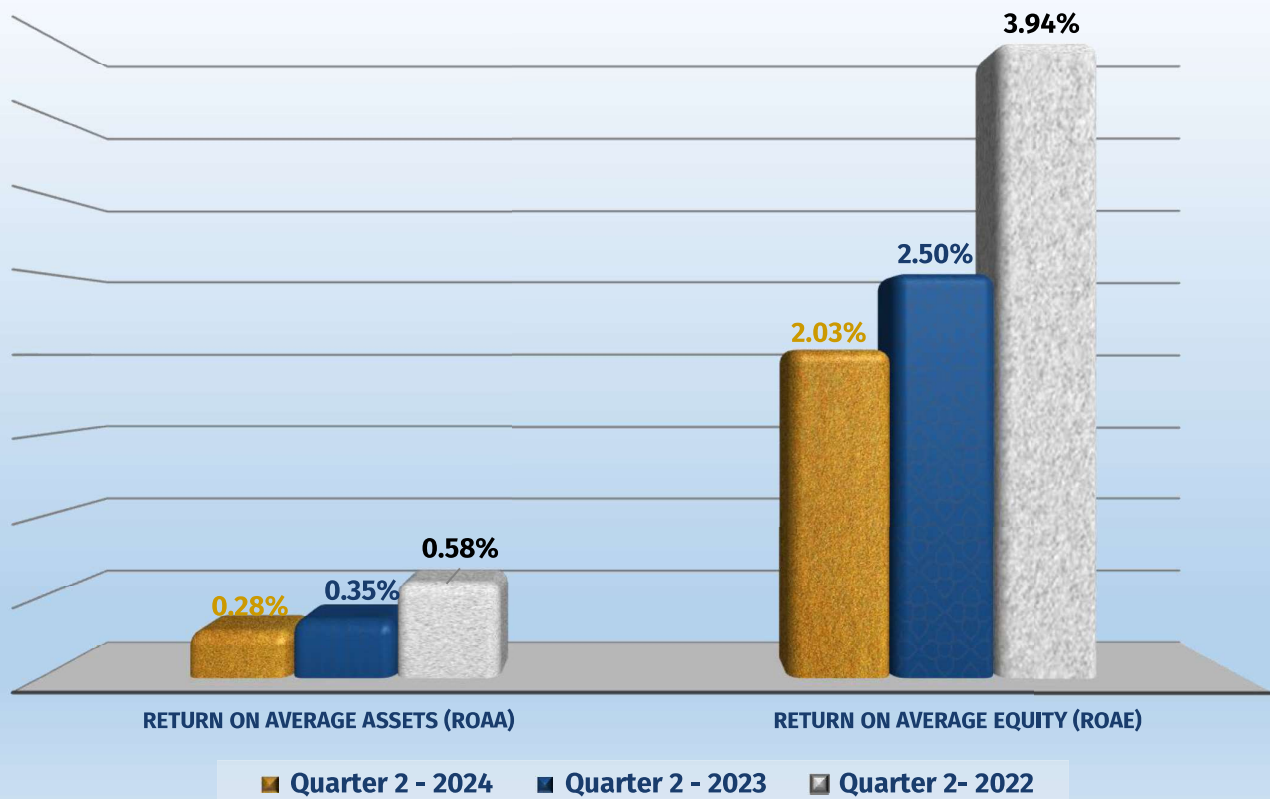
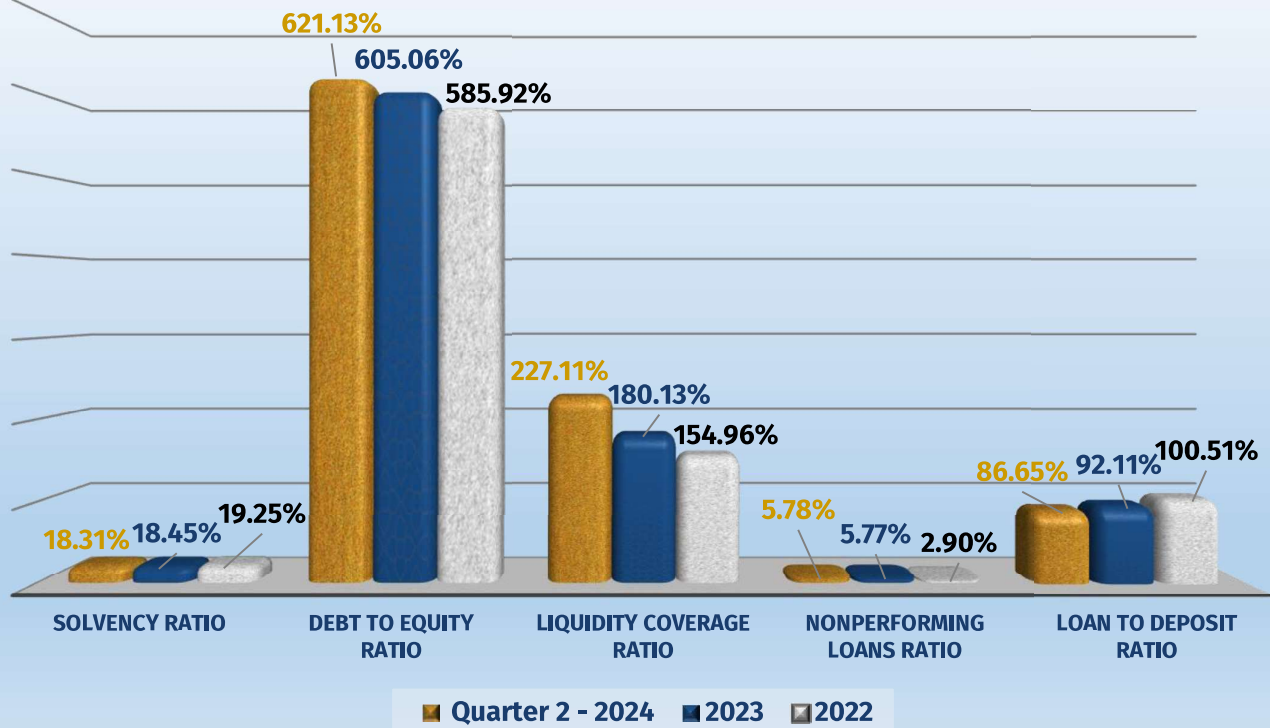
. ROAE = profit for the period attributable to owners of the Bank / average equity attributable to owners of the Bank.

## Financial Summary Charts



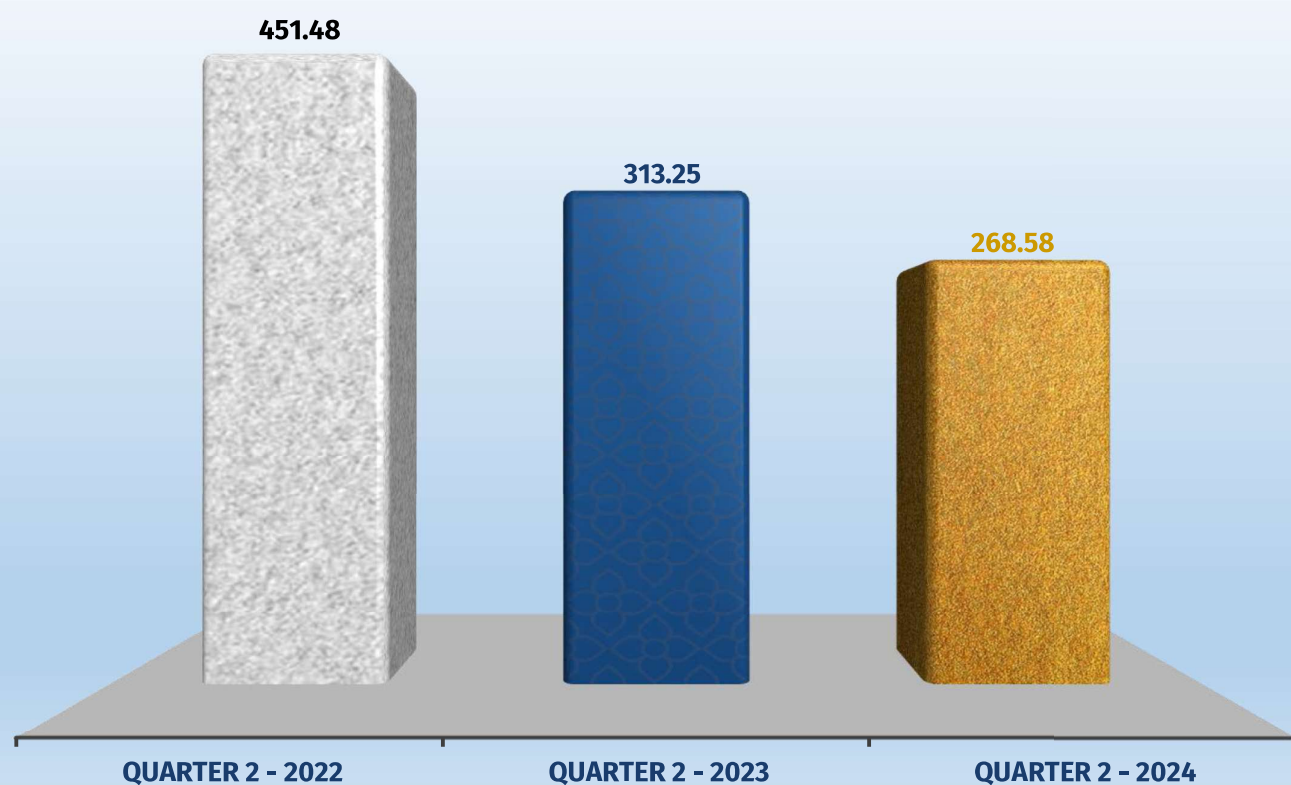
Unofficial Translation

### Financial Ratios ( % )

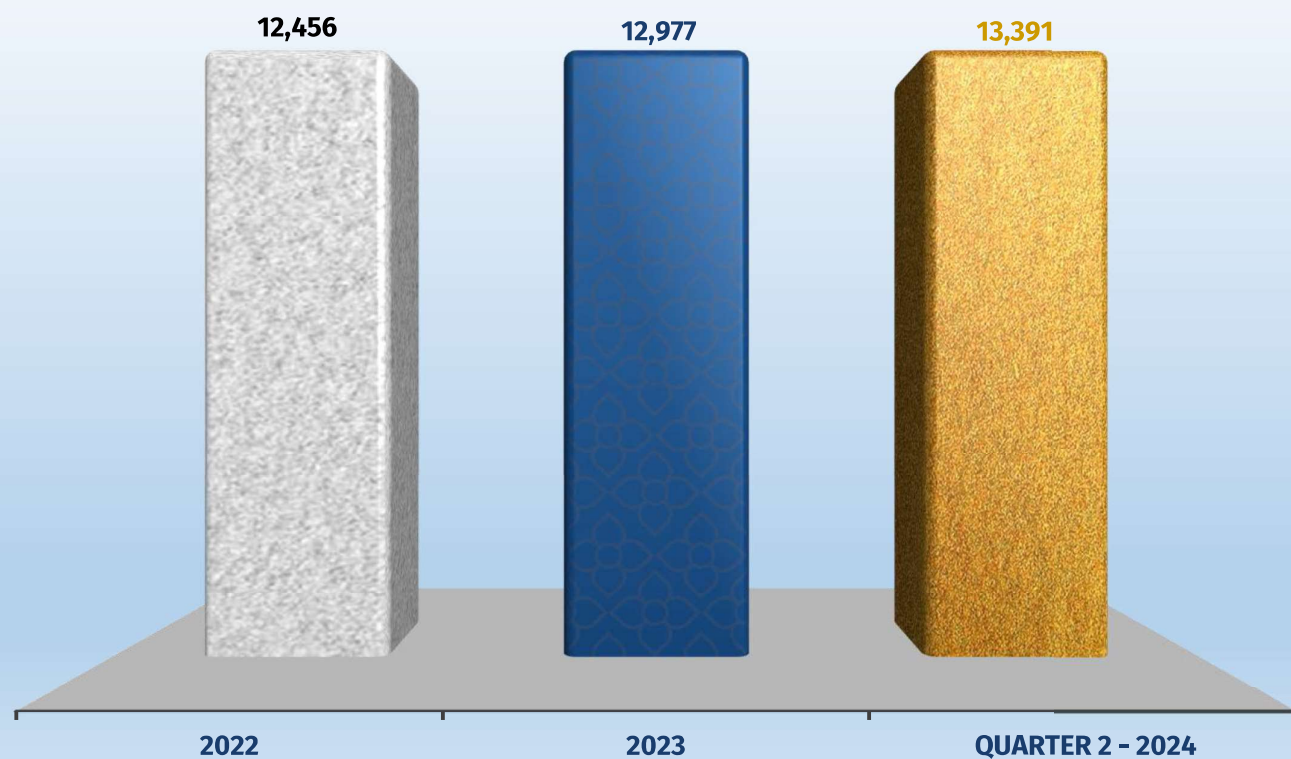


Unofficial Translation

### Earnings per share (KHR)



### Book value per share (KHR)



Unofficial Translation



## Board of Directors



**Mr. Chhay Soeun**  
*Chairman*



**Dr. In Channy**  
*Executive Director*



**Mr. Stéphane Mangiavacca**  
*Non-Executive Director*



**Mr. Kyosuke Hattori**  
*Non-Executive Director*



**Dr. Albertus Bruggink**  
*Non-Executive Director*



**Mr. Kay Lot**  
*Independent Director*



**Drs. Pieter Kooi**  
*Independent Director*



**Ms. Phurik Ratana**  
*Independent Director*



**Dr. Heng Dyna**  
*Independent Director*

## Message from Chairman

On behalf of ACLEDA BANK PLC. ("ACLEDA BANK") and the Board of Directors, I am pleased to present the second quarterly report for 2024 of ACLEDA BANK and its subsidiaries ("the Group") for the period starting from 01 April 2024 to 30 June 2024, to all stakeholders.

In the second quarter of 2024, the global economy demonstrated unexpected resilience, primarily supported by a strong service sector, a recovery in global demand, and increased manufacturing activities. However, challenges persist, including ongoing geopolitical tensions, high interest rates, issues in China's property sector, elevated government debt levels, the prolonged Russia-Ukraine conflict, the recent outbreak of conflict between Israel and Hamas in the Middle East, and the escalating fragmentation of geo-economic dynamics. The US economy has seen significant improvement due to robust domestic demand. China's economy shows promising prospects, driven by its manufacturing sector and economic stimulus measures. ASEAN economies are expected to continue their growth trajectory, while the Eurozone and Japan are likely to experience more subdued growth.

Simultaneously, the Cambodian economy remains stable and continues to recover, supported by notable export growth in the garment, footwear, travel, and agricultural sectors, alongside increased private investment and service sector recovery, despite subdued growth in construction and real estate. The manufacturing sector is projected to grow by 7.3%, while the tourism sector is expected to rise significantly at a rate of 14.2%. This growth is supported by improvements in regional and global economic conditions, enhanced infrastructure connectivity, and an increase in direct flights with other countries. Additionally, the agricultural sector is performing well, thanks to favorable weather and effective irrigation.

According to the National Bank of Cambodia's first-semester report and working direction for the second semester of 2024, Cambodia's banking system has demonstrated resilience and continues to modernize its electronic payment systems in a secure, efficient, and innovative manner. The banking sector plays a crucial role in supporting the development of the financial sector and digital economy, contributing to domestic consumption, cross-border trade, investment, and tourism, in line with the vision of building a digital economy and fostering innovation.

During the second quarter of 2024, ACLEDA BANK was selected by the National Bank of Cambodia ("NBC") as a bank to connect the Financial Transparency Corridor ("FTC") project between Cambodia and Singapore. This initiative provides customer choice for small and medium-sized enterprises (SMEs) in Cambodia and Singapore, enabling a more streamlined and efficient cross-border trade environment. SMEs are poised to benefit significantly, gaining opportunities for global network expansion. Additionally, ACLEDA BANK received a 2023 Certificate of Excellence from Bank of America for Best Payment Partner Bank. This certificate recognizes our achieving an outstanding straight-through processing rate.

ACLEDA BANK has continuously improved many functions of self-service operations on **ACLEDA mobile**, QR codes, ATMs, and POSs in line with the customers' needs and the evolution of digital technology. In the meantime, ACLEDA BANK expanded its self-service banking areas to **201** locations (**64 locations in Phnom Penh and 137 locations in the provinces**) adding to its existing **264** branches across the country. ACLEDA BANK has equipped **1,419** ATMs, **5,049** POS machines, and QR codes based on customers' needs for transactions of transfers and settlements in markets, shops, hotels, educational institutions, hospitals, travel agencies, gas stations, and other areas throughout the country. By the end of the second quarter of 2024, ACLEDA BANK had more than **0.41** million business partners and **3.8** million **ACLEDA mobile** registers.

At the end of the second quarter of 2024, the Group's total assets and total loan assets increased by **US\$476.35** million or **4.89%** and **US\$62.36** million or **0.94%** respectively compared to the year ended 2023.

The Group (for April, May, and June 2024) reaped a profit of **US\$28.51** million whilst Return on Average Assets (ROAA) was **0.28%** and Return on Average Equity (ROAE) was **2.03%**.

Finally, I would like to express my heartfelt appreciation to all stakeholders for their ongoing cooperation and support for ACLEDA BANK.

Phnom Penh, 09 August 2024  
Signature and seal

The image shows a circular blue ink seal of ACLEDA BANK PLC. The seal features a stylized bird logo in the center and the bank's name in Khmer and English around the perimeter. To the right of the seal is a handwritten signature in blue ink. Below the signature, the name "Mr. Chhay Soeun" is printed in a bold, black font.



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## PART 1. General Information of the Listed Entity

### A. Identity of the Listed Entity

Entity Name in Khmer	ធនាគារ អេស៊ីលីដា ភីអិលស៊ី
In Latin	<b>ACLEDA BANK PLC.</b>
Standard Code	KH1000100003
Address	Building N° 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh, Phnom Penh, Kingdom of Cambodia
Phone number	+855 (0)23 998 777 / 430 999
Fax	+855 (0)23 430 555
Website	www.acledabank.com.kh
Email	acledabank@acledabank.com.kh
Company registration number	00003077 dated 05 June 2000, issued by Ministry of Commerce
License number	C.B.06 dated 07 December 2023, issued by National Bank of Cambodia
Disclosure Document registration number	053/20 SECC/SSR dated 19 March 2020, issued by Securities and Exchange Regulator of Cambodia "SERC" (Previously known as the Securities and Exchange Commission of Cambodia "SECC")
Representative of the listed entity:	<b>Dr. In Channy</b>

### B. Nature of Business

ACLEDA BANK is a commercial bank with the largest branch and office network in the Kingdom of Cambodia. ACLEDA BANK is the first commercial bank listed on the CSX on 25 May 2020. Currently, it has 4 subsidiaries: (1) ACLEDA Bank Lao Ltd., (2) ACLEDA MFI Myanmar Co., Ltd., (3) ACLEDA Securities Plc., and (4) ACLEDA University of Business Co., Ltd. and 1 representative office in Myanmar.

### C. Quarter's Key Events

- On 04 April 2024, ACLEDA BANK collaborated with the Business Association (BNI) to organize the Business networking under the theme: **The banking solutions to grow your business**. The event will bring all companies with effective financial solutions to support the process of expansion to all businesses. ACLEDA BANK plays a pivotal role in supporting business beyond the basic financial services to provide facilitation and promote investment growth, strengthen security, and increase business efficiency.
- On 08 April 2024, ACLEDA BANK received Certificate of Appreciation from the Cambodian Red Cross ("CRC") for a contribution of KHR 800million on their 161<sup>st</sup> anniversary of World Red Cross and Red Crescent Day on 08 May 2024 under the theme **"Together with CRC for a Healthy Community and Climate Resilience"**.
- On 10 April 2024, the management and staff of ACLEDA BANK extended our warmest congratulations to the Association of Banks in Cambodia (ABC) on the occasion of the 30<sup>th</sup> anniversary of establishment of ABC **"30 Years of Growth & Friendship"**.

- On 29 April 2024, ACLEDA BANK received a 2023 Certificate of Excellence from Bank of America for Best Payment Partner Bank. This certificate recognizes our achieving an outstanding straight-through processing rate.
- On 09 May 2024, **ACLEDA Securities Plc.**, A local subsidiary of **ACLEDA BANK** and a leading securities firm in Cambodia, officially announced that after successfully interfaced Mobile Trading App of **Cambodia Securities Exchange (CSX)** with **ACLEDA mobile App of ACLEDA BANK** and obtained the approval from **Securities and Exchange Regulator of Cambodia (SERC)**, ACLEDA Securities Plc. launched CSX Trade on **ACLEDA mobile App of ACLEDA BANK**. This will enable both local and foreign investors to trade shares on CSX easily and safely, as well as promote and encourage the use of Khmer Riel on the Cambodian capital market.
- On 17 May 2024, ACLEDA BANK received Certificate of Appreciation from the Association of Banks in Cambodia for its contribution as a Platinum Sponsorship on **"Cybersecurity Day"** under the theme **"Building Trust and Security"**.
- On 19 June 2024, ACLEDA BANK was selected by the National Bank of Cambodia (NBC) as a bank to connect the Financial Transparency Corridor (FTC) project between Cambodia and Singapore. The FTC, established in July 2023 under the supervision of the National Bank of Cambodia and the Monetary Authority of Singapore, is now fully operational in its first pilot phase, powered by Proxtera's digital infrastructure. The FTC is a digital infrastructure for pre-agreement between banking and financial institutions in Cambodia and Singapore, which are members of the project, enabling the use of data on small and medium enterprises in both countries more efficiently and effectively, empowering them to better assess risks and providing enhanced & faster financing for SMEs engaged in cross-border trade.
- On 19 June 2024, ACLEDA BANK received Certificate of Participation from Proxtera Pte Ltd for contributing to the commemoration of the start of the Cambodia-Singapore Financial Transparency Corridor.
- On 28 June 2024, ACLEDA BANK received the two-year **"GOLD"** Certificate of Tax Compliance for the tax year of 2024 and 2025 from the General Department of Taxation.

## PART 2. Information on Business Operation Performance

### A. Business Operation Performance including business segments information

#### ■ Banking Sector's Performance:

As of June 2024, there were 59 commercial banks (28 local incorporated banks, 20 subsidiary banks, and 11 foreign branch banks), 09 specialized banks (04 locally Incorporated and 05 foreign Banks), 87 microfinance institutions (04 MDIs and 83 MFIs), 16 leasing companies, 5 Representative Offices of Foreign Banks in Cambodia, 33 payment service institutions, 115 rural credit operator, and 3,350 Money Exchanger. (Source: NBC Report, CMA Report, Actually Updated)

#### ■ ACLEDA BANK's Business Operation Performance and Market Share in Banking Sector:

As of May 2024, ACLEDA BANK maintained market share on deposit and loan of 14.65% and 12.09% respectively.

As of June 2024, the main keys performances of the Bank and its subsidiaries are as follows:

Key Performance	Actual Data		
	Quarter 2 – 2024	2023	2022
<b>Loan</b>			
Number of Loans	682,095	661,941	591,494
Total Loan Outstanding (Million KHR)	27,617,862	27,195,120	26,437,928

Unofficial Translation

Key Performance	Actual Data		
	Quarter 2 – 2024	2023	2022
<b>Deposit</b>			
Number of Accounts	5,003,710	4,550,582	3,865,749
Deposit Balances (Million KHR)	31,872,494	29,525,616	26,303,475
<b>E-Banking Product/Channel</b>			
<b>ATM Card</b>			
Number of Cards	1,900,557	1,939,098	1,799,909
Number of Txns	8,981,527	19,851,801	21,058,609
Value of Txns (Million KHR)	8,578,297	17,145,411	18,683,335
<b>ACLEDA mobile</b>			
Number of Registers	3,925,358	3,451,606	2,845,886
Number of Txns	358,710,518	373,036,336	148,799,661
Value of Txns (Million KHR)	295,468,532	383,043,596	206,660,262
<b>ACLEDA INTERNET BANKING</b>			
Number of Users	26,100	24,825	22,164
Number of Txns	2,353,016	3,529,209	2,318,789
Value of Txns (Million KHR)	17,181,755	26,529,381	26,158,705
<b>ACLEDA E-CMMERCE</b>			
Number of Partners	112	88	73
Number of Txns	1,709,097	3,983,167	3,619,936
Value of Txns (Million KHR)	1,167,933	2,019,001	1,804,136
<b>ACLEDA ATM &amp; CRM</b>			
Number of Terminals	1,349	1,314	1,114
Number of Txns	33,139,868	41,554,993	35,298,214
Value of Txns (Million KHR)	41,986,617	46,801,982	39,160,976
<b>Term Deposit Machine</b>			
Number of Terminals	26	26	26
Number of Txns	127	304	1,487
Value of Txns (Million KHR)	6,551	16,143	111,134
<b>Virtual Teller Machine</b>			
Number of Terminals	96	96	43
Number of Txns	83,681	130,987	43,089
Value of Txns (Million KHR)	1	5	16

Unofficial Translation

Key Performance	Actual Data		
	Quarter 2 – 2024	2023	2022
<b>Cash Bag Deposit Machine</b>			
Number of Terminals	17	17	17
Number of Txns	44,324	88,908	75,020
Value of Txns (Million KHR)	206,160	506,550	571,098
<b>ACLEDA POS</b>			
Number of Terminals	5,049	4,728	4,358
Number of Txns	1,048,039	1,900,400	2,159,175
Value of Txns (Million KHR)	331,711	614,403	591,603
<b>QR Merchant</b>			
Number of Merchants	468,337	382,217	239,751
Number of Txns	144,019,716	110,148,848	16,459,377
Value of Txns (Million KHR)	55,589,656	63,175,720	7,777,491
<b>ACLEDA Virtual Card</b>			
Number of Virtual Cards	35,524	27,106	8,898
Number of Txns	318,011	182,376	34,907
Value of Txns (Million KHR)	35,509	18,818	3,018
<b>i-bank PayBand</b>			
Number of PayBands	10,566	10,603	4,960
Number of Txns	2,646	12,710	18,742
Value of Txns (Million KHR)	5,375	14,511	31,762
<b>Network Operations and Staffs</b>			
<b>ACLEDA BANK PLC.</b>			
Number of Branch Operations	264	264	264
Number of Self-Services Banking	201	177	125
Number of Staffs	12,070	12,045	12,083
<b>Subsidiaries (Local &amp; Overseas)</b>			
Number of Branch Offices	56	56	56
Number of Staffs	1,460	1,458	1,499



## B. Revenue Structure

№	Source of Revenue (in KHR million)	Quarter 2 – 2024		Quarter 2 – 2023		Quarter 2 – 2022	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	813,615	93.10%	771,924	91.44%	669,432	89.01%
2	Fee and commission Income	38,095	4.36%	47,119	5.58%	49,348	6.56%
3	Other Income, net	22,174	2.54%	25,185	2.98%	33,287	4.43%
<b>Total revenue</b>		<b>873,884</b>	<b>100%</b>	<b>844,228</b>	<b>100%</b>	<b>752,067</b>	<b>100%</b>

## PART 3. Financial Statements Audited by the External Auditor

Please refer to the Annex

For Financial Statements Audited by the Independent Auditor




## PART 4. Management's Discussion and Analysis (MD&A)

The discussion and analysis focused on the operational and financial results based on the Interim Financial Statements as at 30 June 2024 audited by the Independent Auditor. The Interim Financial Statements have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"). Only the key components of the Interim Financial Statements and key factors that affect the profitability of ACLEDA BANK PLC. and its subsidiaries ("the Group") were discussed and analysed.

### A. Overview of Operations

#### 1- Revenue Analysis

The Group had three main sources of revenue including Interest Income, Fee & Commission Income and Other Income, net.

-  **Interest Income** includes the interest income from loans and advances to customers, deposits and placements with banks and financial investments.
-  **Fee & Commission Income** includes commission fees, Commission fee collected for assurance agency, ATM fee, early loan redemption fees, Deposit fee charged, Fee income from guarantee and training income.
-  **Other Income, net**, includes foreign exchange gain, net, gain on disposals of property and equipment, dividend on financial investments and other income.

#### 2- Revenue by segment analysis

No	Source of Revenue (in KHR million)	Quarter 2 – 2024		Quarter 2 – 2023		Quarter 2 – 2022	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	813,615	93.10%	771,924	91.44%	669,432	89.01%
2	Fee and commission Income	38,095	4.36%	47,119	5.58%	49,348	6.56%
3	Other Income, net	22,174	2.54%	25,185	2.98%	33,287	4.43%
<b>Total revenue</b>		<b>873,884</b>	<b>100%</b>	<b>844,228</b>	<b>100%</b>	<b>752,067</b>	<b>100%</b>

In Q2 2024, Total Revenue increased by KHR29.66 billion or 3.51% compared to Q2 2023 due to the effectiveness of a broad range of banking products and services in digital era and the increase in customers.

#### 3- Gross profit margin analysis

The statement of Profit/ (Loss) and Other Comprehensive Income of the Group prepared in the format (the gross profit margin) was not presented. The net interest income resulted from the total interest income less total interest expense was illustrated in the next point of the Profit/ (Loss) before Tax Analysis as below.

#### 4- Profit/ (Loss) before tax analysis

Statement of Profit or loss (in KHR million)	Quarter 2 2024	Quarter 2 2023	Variance	
			Amount	Percentage
Interest Income	813,615	771,924	41,691	5.40%
Interest expense	(348,191)	(340,701)	(7,490)	2.20%
<b>Net interest income</b>	<b>465,424</b>	<b>431,224</b>	<b>34,200</b>	<b>7.93%</b>
Fee and commission income	38,095	47,119	(9,024)	(19.15%)
Fee and commission expense	(4,331)	(4,476)	145	(3.24%)
<b>Net fee and commission income</b>	<b>33,764</b>	<b>42,642</b>	<b>(8,878)</b>	<b>(20.82%)</b>
Allowances for impairment losses on loans and advances, deposits and placements with other banks, other receivables and investment securities	(77,713)	(53,977)	(23,736)	43.97%
(Allowance for)/reversal of impairment losses on off-balance sheet commitments	64	2	62	(3,100%)
<b>Net impairment losses</b>	<b>(77,649)</b>	<b>(53,975)</b>	<b>(23,674)</b>	<b>43.86%</b>
<b>Income after impairment losses</b>	<b>421,539</b>	<b>419,891</b>	<b>1,648</b>	<b>0.39%</b>
Other income, net	22,174	25,185	(3,011)	(11.96%)
Other operating expenses	(295,762)	(271,570)	(24,192)	8.91%
<b>Profit before income tax</b>	<b>147,951</b>	<b>173,506</b>	<b>(25,555)</b>	<b>(14.73%)</b>

The Increase in customer confidence in the Group, the deposit as of June 2024 grew to KHR31.87 trillion which increased by KHR2.35 trillion or 7.95% from December 2023. Following the requirement of regulation related to the loan reclassifications, and in order to withstand and absorb all risks which would have impact on loans and advances to customers, the Group increased the allowance for impairment losses by KHR23.74 billion comparing to the Q2 2023.

#### 5- Profit/ (Loss) after tax analysis

Statement of Profit or loss (in KHR million)	Quarter 2 2024	Quarter 2 2023	Variance	
			Amount	Percentage
<b>Profit before income tax</b>	<b>147,951</b>	<b>173,506</b>	<b>(25,555)</b>	<b>(14.73%)</b>
Income tax expense	(31,696)	(37,932)	6,236	(16.44%)
<b>Profit for the period</b>	<b>116,255</b>	<b>135,574</b>	<b>(19,319)</b>	<b>(14.25%)</b>

#### 6- Total comprehensive income (loss) analysis

Total comprehensive income (in KHR million)	Quarter 2 2024	Quarter 2 2023	Variance	
			Amount	Percentage
<b>Profit for the period</b>	<b>116,255</b>	<b>135,574</b>	<b>(19,319)</b>	<b>(14.25%)</b>
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
Exchange differences	97,811	100,412	(2,601)	(2.59%)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences-foreign subsidiaries	(6,005)	(17,583)	11,578	65.85%

Unofficial Translation

Total comprehensive income (in KHR million)	Quarter 2 2024	Quarter 2 2023	Variance	
			Amount	Percentage
Remeasurement of the effective portion of derivatives arising from cash flow hedge	(7,083)	(1,121)	(5,962)	(531.85%)
<b>Other comprehensive (loss)/income during the period</b>	<b>84,722</b>	<b>81,708</b>	<b>3,014</b>	<b>3.69%</b>
<b>Total comprehensive income for the period</b>	<b>200,977</b>	<b>217,282</b>	<b>(16,305)</b>	<b>(7.50%)</b>

## 7- Factors and trends analysis affecting financial conditions and results

ACLEDA BANK is confident of improving its performance amid better GDP growth forecasts after building a strong legacy of over 30 years, future-ready ACLEDA BANK continues to lay strong foundations to offer holistic banking solutions to meet customers' changing financial commitment in Cambodia and beyond.

After breaking down the geographical boundaries by combining digital and physical infrastructures, the home-grown bank is successfully catering to a diverse customer base – including individuals and corporate clients in urban, semi-urban and rural vicinities. With its hallmark of offering superior banking services, ACLEDA offers a comprehensive suite of financial services – loans, fund transfer, deposit, trade financing, internet banking, **ACLEDA mobile**, among others supported by its digital infrastructure and physical offices, the Bank is efficiently reaching out to assist farmers to work their farmland or provide working capital for SMEs. By narrowing the financing gap – more than half a million Cambodians today have access to ACLEDA BANK's services – it is in the forefront driving financial inclusion in the Kingdom.

After over 30 years, ACLEDA BANK will be seen as the digital bank with sophisticated Data Lakehouse providing quality, security and trust. The Bank's efficient delivery ecosystem across the Kingdom comprising ATMs, self-service banking outlets, cash deposit, cash withdrawal machines, virtual teller machines (to open accounts and print cards) and term deposit machines (for fixed deposits) are serving as a powerful catalyst for the next wave of growth.

"The Bank's future looks promising" as business confidence on Cambodia's GDP growth is bolstered after the government efficiently curtailed the spread of the COVID-19 pandemic.

Recovery in manufacturing exports and expansion of agricultural commodity exports will augur well for ACLEDA BANK as bulk of borrowers are involved in the agri-related businesses. The Bank can do better in 2024 because the Bank has invested heavily in our digital infrastructure, built a large high security data centre to store. The construction of Disaster Recovery Data Centre will help data storage in a highly protected environment. With the digital infrastructure and upgraded products and services, the Bank is confident in facing future challenges.

## B. Significant Factors Affecting Profit

### 1- Demand and supply conditions analysis

The Group's operations are better, stronger and success in the market due to two factors:

- The growth of loan portfolio due to high demand in the market for the Group's loan products especially in the SME segment.
- The growth of the Group's deposits and other transactional products and services.

Both factors are associated with the continuous development of the Group's digital platform which provides customers with innovative and modern financial products and services.

The Group has been diversifying hybrid infrastructure of choices with 320 offices, gradually transforming them to self-service centres with 201 banking self-service, 1,349 **ACLEDA ATM & CRM**, 26 **Term Deposit Machine**, 96 **Virtual Teller Machine**, 17 **Cash Bag Deposit Machine** and 5,049 **POS** terminals. It's interesting to note that the Group issued 1.90 million **ACLEDA ATM** cards to its customers. Meanwhile, the digitized **ACLEDA mobile** has proved very popular which number of

registered users has reached 3.93 million registers as at the end of June 2024, all enabling the rapid circulation of money in the economy.

Enriching customer experience and strengthening cyber security are at the heart of the Group's focus at present. To achieve solid progress in pursuing these objectives, the Group will continue to enhance our robust information technology infrastructure by investing in advanced technologies, fortify the Group's human resource capacities, and expand and improve business processes. Strategically, the Group is developing a payment platform to enable licensed partners of all sizes, locally as well as internationally, to join forces in servicing its customers mutually and beyond borders. This will not only benefit to our valued customers directly but their own business partners as well, recognizing that they are an important link for extending the Group's outreach and growth together.

**ACLEDA mobile** has been extensively improved and redesigned to be more modern, convenient and highly secure with many unique features. Now, users can make deposits (saving, current and fixed/term) through **ACLEDA mobile** immediately and get high interest rates.

**KHQR payment service** provides the better convenient service to the users with high efficiency, safety, and confidence for goods and service payment transactions among the banking and financial institutions and payment service providers that are members of **Bakong App**.

Now you can Scan QR to pay anywhere in Thailand, Vietnam and Laos through **ACLEDA mobile** conveniently and free of charge. This is another new success of Bakong and ACLEDA BANK, a member of Bakong.

## 2- Fluctuations in prices of raw materials analysis

None Applicable.

## 3- Tax Analysis

The Bank and its subsidiaries are under Law on Taxation of respective country jurisdictions. Therefore, the Bank and its subsidiaries have their obligation to pay taxes in according to the tax regulations of their jurisdictions.

Tax payment commitment to the tax departments not just a role model and awarding with Certificate of Tax Compliance Type awarded **"Gold"** for **2024-2025**, but also a contributor to society and economic growth.

Tax revenue is the most important source of revenue for a country. The more the government collects taxes, the greater the contribution to the country's development. ACLEDA BANK PLC. is proud to be able to contribute to the economic development of our country.

## 4- Exceptional and extraordinary items analysis

The Group did not experience any items, transactions or events of a material and unusual nature. However, economic conditions that impacted by the global economy has weathered numerous challenges, along with surging inflation, high interest rates, and geopolitical tensions may affect the repayment capacity of customer, as a result, loan quality of the Group may be slightly impacted.

## C. Material Changes in Sales and Revenue

In order to support the business growth of customers, the Group has offered very competitive interest rate for all new loan applications and by making it easier for its customers, all loan applications can be made through **ACLEDA mobile**. As a result, gross loan outstanding at the end of the second quarter of 2024 increased by KHR576.15 billion or 2.13% compared to the end of the second quarter of 2023.



## D. Impact of Foreign Exchange, Interest Rates and Commodity Prices

For the second quarter of 2024, the KHR exchange rate against the US dollar ranged between 4,055-4,114 per US dollar, appreciated slightly if compare to the same period last year (between 4,075-4,126 per US dollar). The KHR's appreciation can be attributed in part to increasing economic activity, particularly in tourism and other services, which has resulted in higher demand for the currency. Looking ahead, the KHR value is expected to remain stable in response to market demand and supply trends, economic activity recovery, public confidence in the KHR. The National Bank of Cambodia has closely monitoring the KHR's value and continuing implementation of monetary policy and maintenance of the KHR exchange rate to stabilize the national currency's price and purchasing power parity.

Regarding to ACLEDA BANK, the Bank has measured, monitored and managed on a daily basis, operates within proper and enough open currency position, follows the regulatory requirements of the NBC and its internal risk policies, hence, there has been no material impact to the Bank.

In terms of interest rates, both local and international markets have remained stable, even if at a somewhat elevated level. These were combined with seven straight suspensions of rate hikes as of the US Federal Reserve's June 2024 policy meeting, which followed the decline in US inflation. Furthermore, Federal Reserve officials said that the central bank does not expect it will be appropriate to reduce interest rates until it has gained greater confidence that inflation is moving sustainably toward 2%. However, there has been no significant impact on ACLEDA BANK because the Bank has been operating almost entirely by matching both sides of asset and liability on a fixed interest rate basis, and the Bank has been monitoring on a regular basis to ensure that appropriate and timely action is taken to avoid the impacts.

For commodity prices, the Bank does not provide such services, so there is no impact on the Bank.

## E. Impact of Inflation

The average annual inflation rate is expected to rise to roughly 2.7% in 2024 as domestic demand continues to recover and foreign commodity prices stay constant. However, the Bank's operations have not been directly related to inflation levels. As a result, there was no material impact on banking operations.

## F. Economic / Fiscal / Monetary Policy of Royal Government

### ▪ Economic Policy:

The National Bank of Cambodia (NBC) has reported that in Cambodia, economic activity has continued to pick up, supported primarily by the growth of manufacturing, garments, tourism, agriculture and construction:

- (1) The manufacturing sector is expected to grow by 7.3%, driven by 7.7% growth in export-oriented manufacturing products and 6.4% growth in domestic products.
- (2) The tourism sector continued to grow well, with 3.1 million international visitors and 9.7 million domestic tourists, supported by improved regional and global economic connectivity roads and direct flight growth with other countries.
- (3) The agricultural sector, dry season rice, rubber and fishery sub-sectors increased by 21%, 1% and 5.1%, respectively.
- (4) The construction sector, meanwhile, recovered at a slower pace, supported by public physical infrastructure development projects, while the real estate sector continued to weaken, with prices and sales of homes and condominiums falling.
- (5) For the overseas sector, Cambodia's balance of payments wall is estimated at a surplus of USD147.9 million, mainly supported by increased revenue from travel services and foreign direct investment. International reserves remain high at USD20 billion, equivalent to about seven months of imports of goods and services for the next period, higher than the minimum level for developing countries (three months).

Meanwhile, the Ministry of Economy and Finance also forecasts that the Cambodian economy's growth is projected to reach 5.6%, as projected earlier this year, but some sub-sectors that support growth have changed. Consequences of the Russia-Ukraine War, the Sino-US Trade and Technology War, and the Continuation of Monetary Policy Tensions in Developed Countries are causing global economic outlook remains highly uncertain and puts pressure on the non-garment manufacturing sub-sector and the recovery of the hotel and restaurant sub-sector and other support sectors with including wholesale, retail and transportation to contribute to support economic growth for 2023. <sup>(1), (2)</sup>

The Asian Development Bank (ADB), Cambodia's economy is forecast to grow at 5.8% in 2024 and 6% in 2025, fueled by a further rebound in tourism and strong manufacturing prospects, according to the latest edition of the Asian Development Bank's (ADB) flagship economic report released today. The International Monetary Fund (IMF), As of Regional Economic Outlook report for IMF posted at the end of April 2024, IMF forecasted GDP for Cambodia is 6% for 2024 and 6.1% for 2025. (WB) Cambodia's economic activity picked up in the first quarter of 2024, driven by a revival of services and goods exports, and despite subdued domestic demand, according to the World Bank's Cambodia Economic Update. Economic growth is expected to improve marginally to 5.8% in 2024, up from 5.6% in 2023, and should further strengthen by 6.1% in 2025 and 6.4% in 2026 as revival in garment, travel goods, and footwear exports and tourism propel the ongoing recovery. <sup>(3), (4), (5)</sup>

#### ■ **Fiscal Policy:**

For 2024, the General Department of Taxation has set out the following important measures and strategies such as:

- (1) Continue to strengthen the dissemination and careful implementation of tax incentives and facilitation measures for the private sector in the past and within the framework of the 19<sup>th</sup> Royal Government-Private Sector Forum under the chairmanship **His Excellency the Prime Minister** on November 13, 2023.
- (2) Continue to prepare and / or update legal documents (announcements, instructions and / or notices) in the implementation of tax incentives and tax facilitation measures laid down by the Royal Government, as well as continue to strengthen prudent practices in accordance with the high recommendations the **Prime Minister** issued in the past to strengthen the quality of services and efficiency.
- (3) Continue to pay high attention to the quality of service and improve its work efficiency in accordance with the high recommendations of the **Prime Minister** and by adhering to the four work approaches of the Ministry of Economy and Finance.
- (4) Continue to promote and accelerate the evolution of fiscal administration and continue to modernize information technology systems and programs with a proactive spirit through the development and updating and development of information technology systems and infrastructure, support and strengthen the capacity of data analysis functions. Further, to further increase the level of fiscal compliance by making it easier to fulfill tax obligations but difficult to avoid by continuing to further develop some of the functions through the input received from users from all walks of life to more comprehensive and easy to implement.
- (5) Continue to organize training for officials and disseminate widely to taxpayers and the public on the "Manual on Tax Procedures and Procedures for Tax Officers and Taxpayers" and the "Manual on Criminal Investigation on Tax Provisions".
- (6) Continue to promote and strengthen the implementation of "GDT e-Administration" and "GDT Check and Track" which will be modern tools to support the provision of convenient taxpayer services. Taxpayers and the public in filing and monitoring administrative documents.
- (7) Continue to disseminate and strengthen the management of property tax collection, property fee tax and transportation tax for 2024.
- (8) Continue to strengthen the transparency and accountability of tax payments of enterprises in the field of beer and non-alcoholic beverages by continuing to strengthen the implementation of

security camera mechanisms in breweries and non-alcoholic beverages to be completed in all enterprises. (Flowmeter) in the production line to the location by the leadership of the General Department of Taxation and the continued strengthening of the performance and presence of officials.

- (9) Continue to strengthen tax registration and update enterprise information and continue to cooperate with the Ministry of Commerce and related institutions to participate in improving and promoting the registration of enterprises in the Information Technology Nursery (CamDX) to be more effective and comprehensive by examining and finding solutions to problems challenges.
- (10) Continue to strengthen cooperation with the private sector, especially within the framework of cooperation with the private sector and the Chamber of Commerce.
- (11) Continue to promote the preparation, negotiation and expansion of the agreement on the elimination of double taxation (DTA) with other countries.
- (12) Continue to prepare legal documents and action plans to support the implementation of tax-related measures such as defined in the National Strategy for Informal Economic Development 2023-2028.
- (13) Continue to disseminate the tax law to the public taxpayers, as well as private sector working groups and associations in all forms, and continue to update tax laws and regulations in accordance with Tax Law.
- (14) Continue to reform human resources by promoting and enforcing the implementation of labor laws and regulations, and be gentle but firm, based on the legal aspects of taxpayer service and tax revenue management.
- (15) Continue to strengthen the provision of consulting services and dissemination of laws and legal documents on all forms of taxation, especially the provision of consulting services by telephone (Call Center-1277) and the organization of "Tax Cambodia" (GDT Facebook Live) to explain and solve the difficulties and questions of the people.
- (16) Continue to strengthen the efficiency and effectiveness of the spokesperson and quick reaction team of the General Department of Taxation and actively participate in the public monitoring and quick reaction team of the Ministry of Economy and Finance to monitor public opinion and disseminate information to the public more clearly to efforts to build the great achievements that the Royal Government has achieved for the motherland. <sup>(6)</sup>

As of 6 months of 2024, the tax revenue collected by the General Department of Taxation according to the online revenue management system of the General Department of Taxation was KHR7,767.73 billion (approximately 1,917.96million US dollars), equivalent to 46.06% of the Financial Law Plan for Management 2024. The results of tax revenue management show that in June 2024, all types of tax revenue collected by the General Department of Taxation through the online revenue management system of the General Department of Taxation amounted to KHR1,005.74 billion (approximately 248.33million US dollars), equivalent to 5.96% of the Financial Law Plan for Management 2024. <sup>(6)</sup>

#### ■ **Monetary Policy:**

For year 2024, the National Bank of Cambodia has set 6 monetary policy implementations to support the royal government's policy for restoring economic growth such as:

- (1) Managing monetary supply at an appropriate level;
- (2) Maintain a stable exchange rate by monitoring and intervening as necessary to contribute maintain price stability and public confidence in the national currency;
- (3) Promote the use and knowledge of the riel;
- (4) Improve and strengthen existing monetary policy instruments and develop new monetary policy instruments;
- (5) Promote the development of interbank markets in order to enhance the effectiveness of monetary policy; and

- (6) Raise awareness of banking and financial institutions on the monetary policy framework and instruments of the National Bank of Cambodia. <sup>(1)</sup>

Reference:

- (1) [https://www.nbc.gov.kh/download\\_files/publication/annual\\_rep\\_kh/Semi\\_Final\\_Report\\_2024.pdf](https://www.nbc.gov.kh/download_files/publication/annual_rep_kh/Semi_Final_Report_2024.pdf)
- (2) <https://mef.gov.kh/documents/9273/> Released on 04 August 2023
- (3) <https://www.adb.org/news/cambodia-economic-growth-accelerate-2024-fueled-manufacturing-and-tourism>
- (4) <https://www.imf.org/en/Publications/REO/APAC/Issues/2024/04/30/regional-economic-outlook-for-asia-and-pacific-April-2024>
- (5) <https://www.worldbank.org/en/news/press-release/2024/06/06/cambodia-s-goods-exports-services-boosting-economic-activity-world-bank-report-says>
- (6) <https://www.tax.gov.kh/u6rhf7ogbi6/gdtstream/caa592e2-898a-4003-93f9-c34e946649a6>

**Signature of Directors of Listed Entity**  
Phnom Penh, 09 August 2024  
Read and Approved  
  
**Mr. Chhay Soeun**  
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