



The Third Quarterly Report (End 30 September 2020)

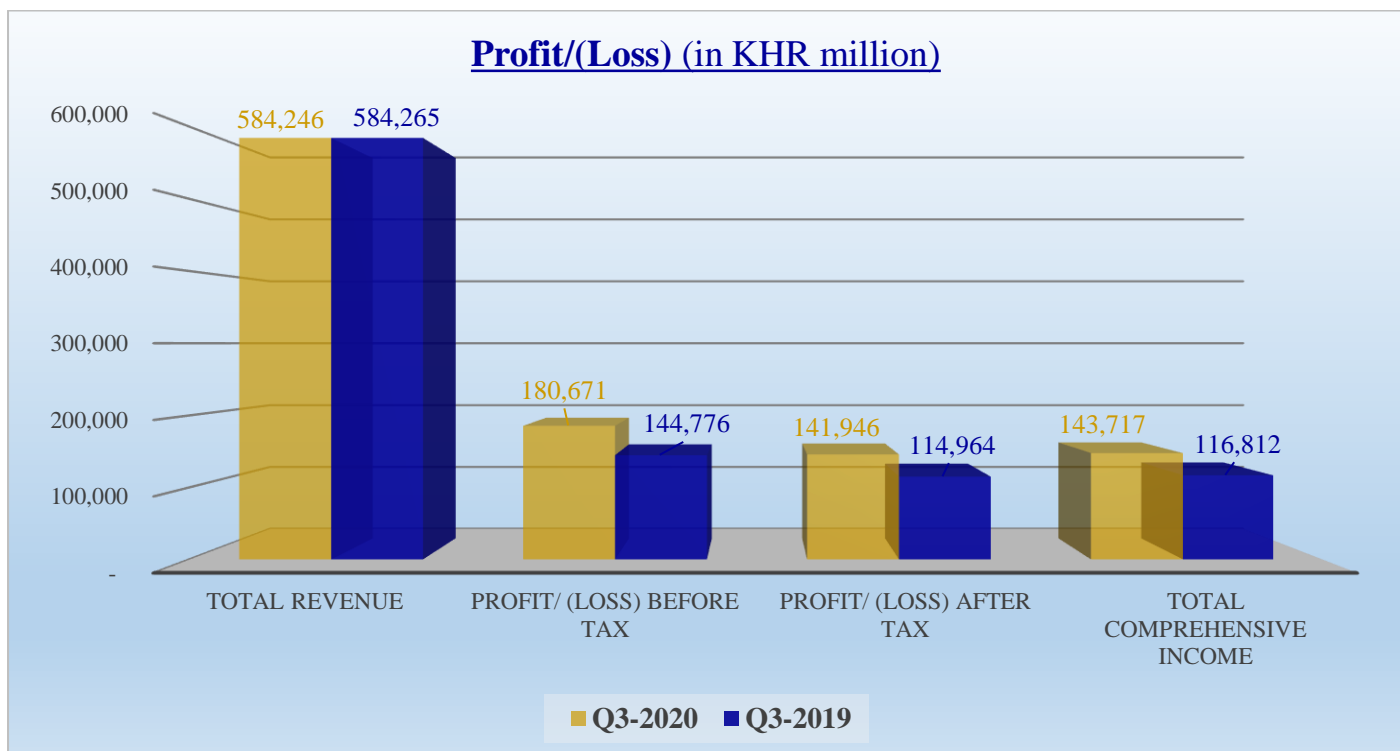
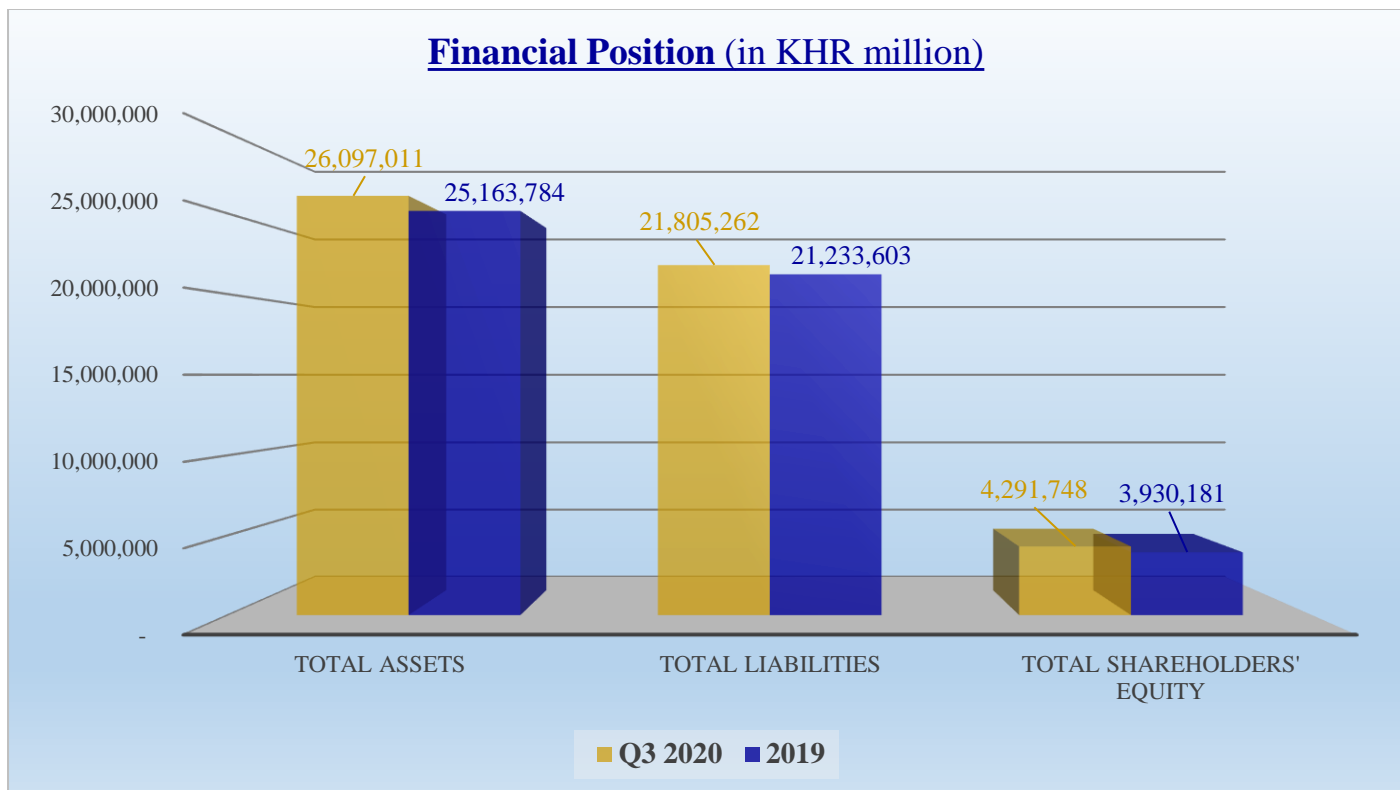
Financial Highlight

Financial Position (in KHR million)	Quarter 3 - 2020	2019
Total assets	26,097,011	25,163,784
Total liabilities	21,805,262	21,233,603
Total shareholders' equity	4,291,748	3,930,181
Profit/(Loss) (in KHR million)	Quarter 3 - 2020	Quarter 3 - 2019
Total revenue	584,246	584,265
Profit/ (Loss) before Tax	180,671	144,776
Profit/ (Loss) after Tax	141,946	114,964
Total Comprehensive Income	143,717	116,812
Financial Ratios (%)	Quarter 3 - 2020	2019
Solvency ratio	24.44%	26.31%
Debt to equity ratio	508.07%	540.27%
Liquidity Coverage Ratio	168.43%	167.27%
Nonperforming loans ratio (*)	3.02%	1.24%
Loan to deposit ratio	91.56%	88.82%
Profitability Ratios	Quarter 3 - 2020	Quarter 3 - 2019
Return on average assets (ROAA)(**)	0.56%	0.46%
Return on average equity (ROAE)(**)	3.41%	3.13%
Interest Coverage ratio (Times)	2.18	1.86
Earnings per share (KHR)	331.78	272.41
Dividend per share	N/A	N/A
Other Important Ratios	N/A	N/A

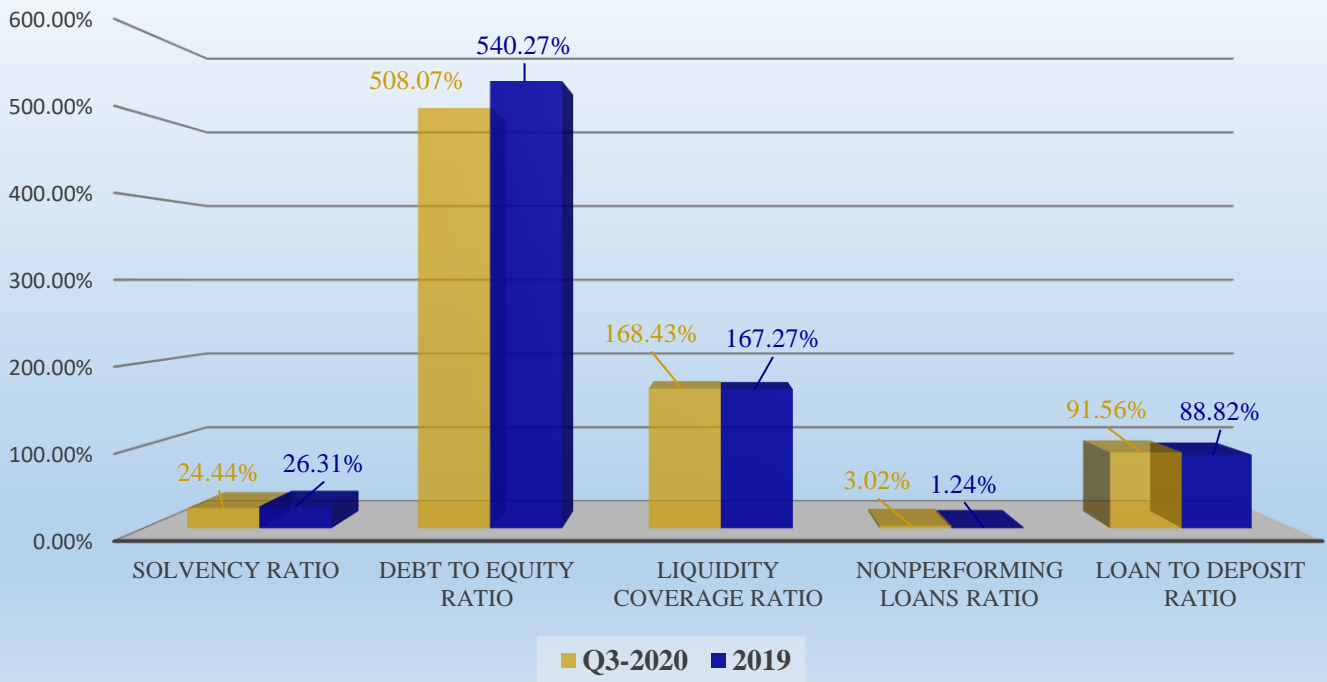
(*) Non-performing loan = loan in stage 3

(**) The ratio is not annualized and was calculated using the three-month period of total comprehensive income figures from 01 July to 30 September 2020.

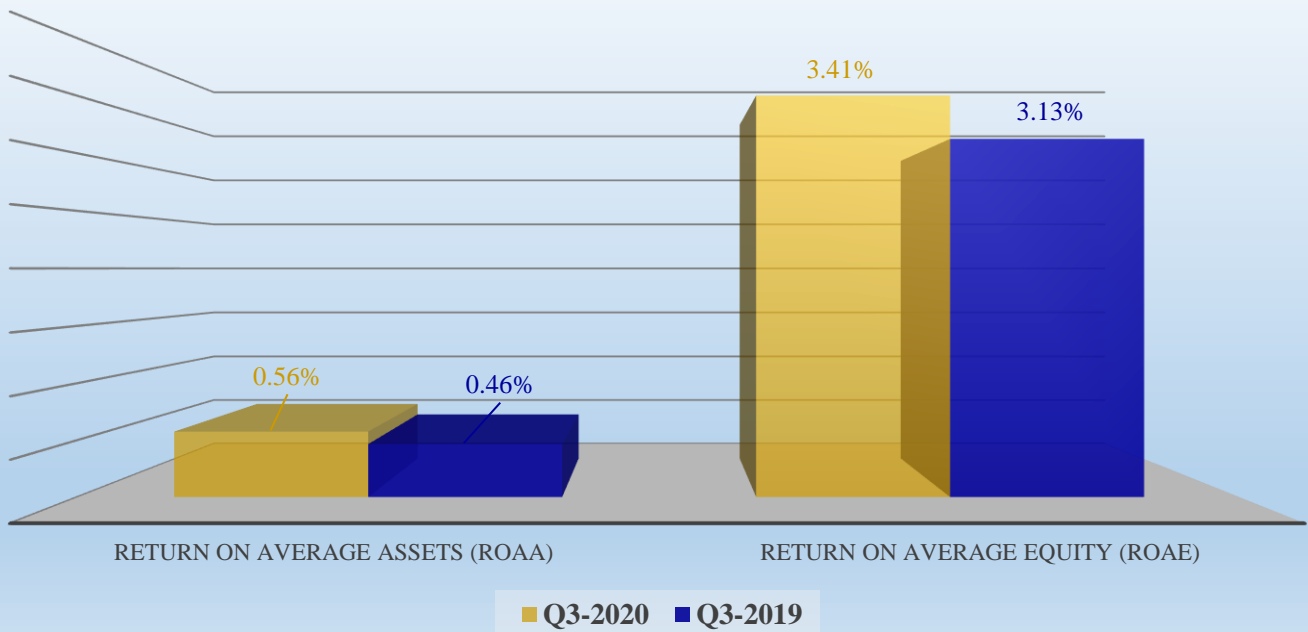
Financial Summary Charts



Financial Ratio (%)



Profitability Ratio



Board of Directors



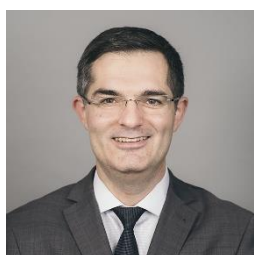
Mr. Chhay Soeun
Chairman



Dr. In Channy
Executive Director



Mr. Rath Yumeng
Executive Director



Mr. Stéphane Mangiavacca
Non-Executive Director



Mr. Kenichiro Mori
Non-Executive Director



Ms. Mirjam Janssen
Non-Executive Director



Drs. Pieter Kooi
Independent Director



Ian Samuel Lydall
Independent Director



Mr. Van Sou Ieng
Independent Director
(appointed on 02 September 2020)

Message from Chairman

I, on behalf of ACLEDA Bank Plc. (“the Bank”) and the Board of Directors, am pleased to present the third quarter of 2020 Report for the period starting from 01 July 2020 to 30 September 2020 to all stakeholders.

This quarter, we are pleased with our performance and strategic progress followed the Bank’s business strategies which achieved positive results as below:

As of 30 September 2020, total deposit increased by USD 158.17 million while total loan outstanding increased by USD 264.54 million compared to the year ended 2019.

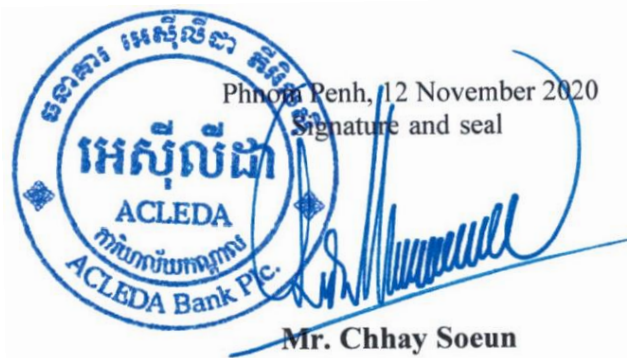
During the third quarter of 2020, the Bank achieved a net profit of USD 34.62 million, an increase of 24.86% equivalent to USD 6.89 million compared to Q3 2019. Return on average assets (ROAA) was 0.56%, an increase of 0.10% compared with the same Q3 2019, and return on average equity (ROAE) was 3.41%, an increase of 0.28% compared with the same Q3 2019.

According to the Bank’s record, the public investors of the Bank increased by 33.57% from 2,496 to 3,334 starting from the listing date up to the end of the Q3 2020, which demonstrate that the public investors still continue to invest their funds confidently during the COVID-19 crisis.

In the middle of Q3 2020, the Kingdom of Cambodia has been facing with flash flood which has affected the agricultural sector, infrastructures, and residences, properties and living of the people in some areas. In that situation, ACLEDA Bank Plc. contributed to the Royal Government of Cambodia, and donated **US\$250,000** to help the Cambodian people who were affected by raining flood in the country.

We would like to express our sincerest gratitude to all stakeholders for their ongoing support to the Bank and to achieve its plan.

Phnom Penh, 12 November 2020
Signature and seal



The image shows a blue circular official seal of ACLEDA Bank Plc. The seal contains the text 'អគ្គនាយកដ្ឋាន អភិវឌ្ឍន៍ ហិរញ្ញវត្ថុ' at the top, 'អគ្គនាយក' in the center, 'ACLEDA' below it, and 'ក្រុមហ៊ុនឯករាជ្យ' and 'ACLEDA Bank Plc.' at the bottom. To the right of the seal is a blue ink signature. Below the signature is the printed name 'Mr. Chhay Soeun'.

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PART 1. General Information of the Listed Entity

A. Identity of the Listed Entity

Entity Name in Khmer	ឧត្តម អេស៊ីយ៉ា ភីអិលស៊ី
In Latin	ACLEDA Bank Plc.
Standard Code	KH1000100003
Address	#61, Preah Monivong Blvd, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, 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	06 dated 28 November 2006, issued by National Bank of Cambodia
Disclosure Document registration number	053/20 SECC/SSR dated 19 March 2020, issued by Securities and Exchange Commission of Cambodia (SECC)
Representative of the listed entity:	Dr. In Channy

B. Nature of Business

ACLEDA Bank Plc. is a commercial bank with the largest branch and office network in the Kingdom of Cambodia. It has listed on the CSX since May 25th, 2020. Currently, it has 4 wholly-owned subsidiaries: ACLEDA Bank Lao Ltd., ACLEDA MFI Myanmar Co, Ltd., ACLEDA Securities Plc. and ACLEDA Institute of Business.

C. Quarter's Key Events

- The Bank signed a USD130,000,000 Long-Term Facility Agreement with CHINA DEVELOPMENT BANK (CDB), the world's largest development finance institution. This fund is the one of other funding sources to support the long term growth of the Bank and the development of SMEs in Cambodia.
- The Bank further reduced its interest rate from 0.4% to 1% per annum from its current rates for all credit products to contribute to the growth of our customers' businesses.
- It launched fund transfer service and cardless cash deposit/withdrawal with KESS INNOVATION Plc. The cooperation service enables both ACLEDA Bank Plc. and KESS INNOVATION Plc. to broadly expand fund transfer service and cardless cash deposit/withdrawal throughout country and to enhance the development and usage of FinTech to be even more convenient, effective, efficient and safe.
- It collaborated with the Ministry of Public Works and Transport to launch the public service payment of the Ministry of Public Works and Transport via ACLEDA ToanChet (ACLEDA App).

PART 2. Information on Business Operation Performance

A. Business Operation Performance including business segments information

▪ Banking Sector's Performance:

There were 52 commercial banks (22 local incorporated banks, 17 subsidiary banks, and 13 foreign branch banks), 14 specialized banks (06 locally Incorporated and 08 foreign Banks), 81 microfinance institutions (05 MDI and 76 MFI), 15 leasing companies, 6 Representative Offices of Foreign Banks in Cambodia, 24 payment service providers and 246 rural credit operator. ⁽⁶⁾⁽¹³⁾

▪ ACLEDA's Business Operation Performance and market share in banking sector:

ACLEDA bank maintained market share 15.65% and 14.12% respectively for deposit and loan as at the end of July 2020.

As of September 2020, the sale and revenue of the Bank and its subsidiaries had performed well. The main keys performance are as follows:

Key Performance	Actual Data	
	Quarter 3 - 2020	2019
Loan		
Number of Loan	551,055	536,891
Total Loan Outstanding (Million KHR)	16,990,421	15,808,814
Deposit		
Number of Account	2,815,820	2,620,778
Deposit Balance	18,556,889	17,799,184
E-Banking Product/Channel		
ATM Card		
Number of Card	1,371,887	1,277,725
Number of Txn	14,657,170	20,403,200
Value of Txn (Million KHR)	10,254,205	12,548,066
Mobile Banking		
Number of Register	1,676,432	1,276,528
Number of Txn	34,502,557	28,264,972
Value of Txn (Million KHR)	40,944,249	37,303,137
Internet Banking		
Number of User	11,903	11,331
Number of Txn	633,256	510,297
Value of Txn (Million KHR)	8,454,490	5,235,616

E-Commerce		
Number of partners	45	48
Number of Txn	300,071	467,668
Value of Txn (Million KHR)	249,638	213,262
ATM Machine		
Number of Machine	723	683
Number of Txn	17,803,909	24,181,231
Value of Txn (Million KHR)	12,970,409	15,929,197
POS Machine		
Number of Machine	4,252	4,289
Number of Txn	1,794,144	2,412,938
Value of Txn (Million KHR)	505,279	849,392
QR Merchant		
Number of merchants	56,667	30,989
Number of Txn	1,380,606	735,312
Value of Txn (Million KHR)	129,853	90,886
Network Operations and Staffs		
ACLEDA Bank Plc.		
Number of Branch Operation	263	262
Number of Staff	11,984	11,997
Subsidiaries (Local & Overseas)		
Number of branch Office	56	53
Number of Staff	1,699	1,658

B. Revenue Structure

N ^o	Source of Revenue (in KHR million)	Quarter 3 - 2020		Quarter 3 - 2019	
		Amount	Percentage	Amount	Percentage
1	Interest Income	523,511	89.60%	511,290	87.51%
2	Fee and commission Income	46,548	7.97%	50,868	8.71%
3	Other Income	14,187	2.43%	22,107	3.78%
Total revenue		584,246	100%	584,265	100%

PART 3. Financial Statements Reviewed by the External Auditor

Please refer to the Annex

For Interim Financial Statements Reviewed by Independent Auditor

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

The analyses focused on the operational and financial results based on Interim Financial Statements as of 30 September 2020 reviewed by Independent Auditors. The Interim Financial Statements had been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRS"). Only the key components of the Interim Financial Statements and key factors that affect ACLEDA Bank Plc.'s profitability were discussed and analysed.

A. Overview of operations

1- Revenue Analysis

ACLEDA Bank Plc. had three main sources of revenue including Interest Income, Fee & Commission Income and Other Incomes.

- Interest Income includes the interest income from loans and advances to customers, deposits and placements with banks and financial investments.
- Fee & Commission Income mainly 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 Incomes include foreign exchange gains, gain on disposals of property and equipment, dividend on financial investments and other income.

2- Revenue by segment analysis

N ^o	Source of Revenue (in KHR million)	Quarter 3 - 2020		Quarter 3 - 2019	
		Amount	Percentage	Amount	Percentage
1	Interest Income	523,511	89.60%	511,290	87.51%
2	Fee and commission Income	46,548	7.97%	50,868	8.71%
3	Other Income	14,187	2.43%	22,107	3.78%
Total revenue		584,246	100%	584,265	100%

The total revenue of KHR 584,246 million in Q3-2020 was mainly from interest income which accounted for 89.60% of its total revenue and approximated to those of in Q3-2019.

3- Gross profit margin analysis

The statement of Profit/ (Loss) and Other Comprehensive Income of the Bank 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 3 2020	Quarter 3 2019	Variance	
			Amount	Percentage
Interest Income	523,511	511,290	12,221	2.39%
Interest expense	(152,891)	(168,476)	15,585	-9.25%
Net interest income	370,620	342,814	27,806	8.11%
Fee and commission income	46,548	50,868	(4,320)	-8.49%
Fee and commission expense	(2,286)	(637)	(1,649)	258.87%
Net fee and commission income	44,263	50,231	(5,968)	-11.88%
Allowances for impairment losses on loans and advances, deposits and placements with other banks and other receivables	(32,548)	(46,017)	13,469	-29.27%

Allowance for impairment losses on off-balance sheet	(621)	68	(689)	1,013.24%
Net impairment losses	(33,169)	(45,949)	12,780	-27.81%
Net income after allowance for impairment	381,714	347,096	34,618	9.97%
Other incomes	14,187	22,107	(7,920)	-35.83%
General and administrative expenses	(215,230)	(224,427)	9,197	-4.10%
Profit before income tax	180,671	144,776	35,895	24.79%

In Q3-2020, the profit before tax increased by KHR 35,895 million or 24.79% comparing to Q3-2019. The interest income increased by 2.39% while the interest expense decreased by 9.25%, leading to an increase in net interest income of 8.11%.

5- Profit/ (Loss) after tax analysis

Statement of Profit or loss (in KHR million)	Quarter 3 2020	Quarter 3 2019	Variance	
			Amount	Percentage
Profit before income tax	180,671	144,776	35,895	24.79%
Income tax expense	(38,725)	(29,812)	(8,913)	29.90%
Profit for the period	141,946	114,964	26,982	23.47%

In Q3-2020, the profit for the period was KHR 26,982 million or 23.47% more than Q3 2019. This increase was mainly due to an increase in net interest income of 8.11% equivalent to KHR 27,806 million compared to Q3 2019.

6- Total comprehensive income (loss) analysis

Total comprehensive income (in KHR million)	Quarter 3 2020	Quarter 3 2019	Variance	
			Amount	Percentage
Net Profit for the period	141,946	114,964	26,982	23.47%
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Re-measurement of employee benefit obligations	479	(895)	1,374	153.52%
Items that are or may be reclassified subsequently to profit or loss:				
Currency translation differences	1,292	2,744	(1,452)	-52.92%
Total comprehensive income for the period	143,717	116,812	26,905	23.03%

7- Factors and trends analysis affecting financial conditions and results

The Bank was officially listed its shares on the CSX on 25th May 2020 and 4,344,865 shares were subscribed.

B. Significant factors affecting profit

1- Demand and supply conditions analysis

- (a) Global outbreak of COVID-19 has had significant impact on almost all industries including banking and finance. Cambodia economy mainly relied on the export of garment, footwear, and travel bags. Tourism industry including hotels, guesthouses, restaurant, and food related items got heavily affected. Real Estates, and construction were hit hard. All types of enterprises get impact and effect, however, ACLEDA Bank has made the plus out of the minus by making loans application simple and high user experience by digital means

via ACLEDA App ‘ACLEDA Unity ToanChet’ and this also applicable to fixed deposit, including flexible interest rate for loans. They helped with loan growth for this quarter.

- (b) In order to support the bank and financial institutions to have more liquidity to meet its funding needs, the NBC has relaxed certain ratios such as solvency, capital buffer, reserve requirement, etc. and the MEF reduced the withholding tax for both foreign borrowing and fixed term deposit stimulate as well as create additional liquidity in the market with lower cost. They open opportunity for price competition that may impact the revenue of the Bank for short term, however, it will help strong for long term.

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 awarded with Certificate of Gold 2020-2021, but also a contributor to society and economic growth.

4- Exceptional and extraordinary items analysis

The Bank did not experience any items, transactions or events of a material and unusual nature. However, economic conditions that impacted by COVID-19 may affect the repayment capacity of customer as result the Bank loan quality may be slightly impacted.

C. Material changes in sales and revenue

No material changes affects in sales and revenue.

D. Impact of foreign exchange, interest rates and commodity prices

The exchange rate between KHR and USD is stable at around KHR4,000 to KHR4,100 per USD1 and is expected to remain stable next year. ACLEDA Bank Plc. has strictly followed the regulatory requirements and its internal policy with regards to the Net Open Position of each foreign currency and aggregate of all foreign currencies ($\pm 20\%$) of the bank's Net Worth. Based on that, there has been limited impact caused by the exchange rate's fluctuation, and the impact has been measured, monitored and managed on the daily basis for prompt remedial actions.

The bank has conducted its business operations based on fixed interest rates (for both deposits and loans), and they have no direct link with movement of interest rate in the international financial market. So, the interest rate risk can be regularly measured, monitored and managed to avoid any significant impact to the bank's performance outcomes. There have been some impacts of interest rate risk to the bank's business result due to competition within the local market.

The Bank has not involved in dealing with any commodity items.

E. Impact of inflation

There have been limited impact of inflation on the bank's business as it has been maintained by the Government at the relative low rates between 2.3% and 2.9% for the last few years. Inflation is projected to be at a manageable level of 2.8% by 2020.

F. Economic / fiscal / monetary policy of Royal Government

▪ Economic:

Cambodia's economy may be having a contraction of 1.9% this year due to the COVID-19 pandemic impact. It has recorded a strong fall in the demand from its trading partners. It used to rely on the exports of garment, footwear, and travel bags, etc. Tourism, construction, and real estate had slow down drastically, except

agriculture. However, it is expected to bounce back to 3.5% in 2021 while, in June 2020, ADB has revised its forecasts from contraction of 5.5% to contraction of 4.0% in 2020 and expected to rebound to 5.9% in 2021, IMF has maintained its forecast a contraction of 2.8% by 2020 and expected to rebound to 6.8% in 2021, and World Bank has also projected a contraction of 2.0% for 2020 and predicted to growth at 4.3% in 2021. ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾

- **Fiscal:**

For the nine months of year 2020, the General Department of Taxation of Cambodia (GDT) announced on October 12th that it collected roughly 9,015.08 billion Khmer Riel (approximately in USD is \$2,225.95 million), tax collection increased by \$80.31 million or 3.71% from the same period last year or present nearly 78.10% of yearly plan. In September 2020, the GDT collected 752.20 billion Riel (approximately \$186.22 million), down roughly \$42.98 million from September 2019 or equal 18.75% year-on-year resulting from the key sectors such as manufacturing, tourism and construction being impacted by the pandemic. However, The Royal Government has targeted to collect 11,543 billion Riel (some US\$2,885 million) as tax revenue this year. ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾

- **Monetary:**

The general currency (M2) grew 11.5% lower than the same period last year 23.4%, mainly due to lower growth in monetary deposits 7.2% effected by the slowing domestically economic activity although the riel currency continued to rise sharply (41%). In the implementation of monetary policy, the national Bank has reduced the sale of the KHR currency to the banks, financial institutions and money changers to maintain the stability of the KHR currency. The NBC has reduced the reserve requirement rate from 8% for KHR deposits and 12.5% for USD deposits and non-resident loans to 7%, which can provide additionally liquidity to banks and financial institutions about \$1.8 billion in the 6 months from April to September 2020 for injecting credit into the economy. The interest rate of Negotiable Certificate of Deposit (NCD) both denominated in USD and KHR have been reduced to an appropriate level and the interest rate of Liquidity-Providing Collateralized Operation (LPCO) have been lowered since March not only to increase liquidity levels in the banking system but also to reduce the cost of the loan in KHR. NCD inscriptions in KHR increased by 27.2% (KHR 5.1 trillion) and in USD increased by 11.8% (USD 13.4 billion) in response to the growth of NCD's requirement for LPCO collateral coincides with an increase in excess reserves caused by a reduction in the reserve requirement rate. Meanwhile, LPCO bidding were conducted 12 times with the winning amounts increased by 56.4% (KHR 2.8 trillion) due to the increasing in demand for lending in KHR by banks and financial institutions and for preventing KHR-liquidity risk. Additionally, the minimization on bidding interest rate of the Liquidity-Providing Collateralized Operation (LPCO) for all loans by 0.5% has also contributed to the reduction of interest rates in KHR loans from banks and financial institutions to customers. ⁽⁶⁾

Reference:

- (1) <https://www.mef.gov.kh/documents/mustsee/Annual-Macroeconomic-and-Fiscal-Policy%20Framework-2021.pdf>
- (2) <https://www.khmertimeskh.com/50773770/more-positive-outlook-for-kingdoms-economy/>
- (3) <https://www.adb.org/countries/cambodia/economy>
- (4) <https://www.adb.org/sites/default/files/publication/635666/ado2020-update.pdf>
- (5) <https://www.adb.org/news/adb-revises-cambodias-2020-economic-forecast-upward>
- (6) https://www.nbc.org.kh/download_files/publication/annual_rep_kh/Semi%20Annual%20Report%202020%20KH.pdf
(the National Bank of Cambodia's first semester achievement report and the second semester work plan for 2020)
- (7) <https://www.imf.org/en/Countries/KHM>
- (8) <http://pubdocs.worldbank.org/en/312551567719790821/mpo.pdf>
- (9) https://kleykley.sabay.com.kh/article/1230858?utm_medium=Social&utm_campaign=fb&utm_source=Facebook#Echobox=1602829324
- (10) <https://cambodianess.com/article/cambodia-collected-22-billion-in-tax-revenues-in-first-nine-months-of-2020>
- (11) <https://en.khmerpostasia.com/2020/10/14/cambodia-collects-over-us2-2-billion-as-tax-revenue-in-first-nine-months/>
- (12) <https://www.phnompenhpost.com/business/gdt-track-meet-years-tax-collection-target>
- (13) <https://kohsantepheapdaily.com.kh/article/1161275.html>

Signature of Directors of Listed Entity
Date 12 / November / 2020
Read and Approved



អៀន សុខុម
ACLEDA
ក្រុមហ៊ុនធានារ៉ាប់រងកម្ពុជា
ACLEDA Bank Plc.

Mr. Chhay Soeun
Chairman

Headquarters: #61, Preah Monivong Blvd., Sangkat Srah Chork,
Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

Tel: +855 (0)23 998 777 / 430 999 | Fax: +855 (0)23 430 555
acledabank@acledabank.com.kh | www.acledabank.com.kh
P.O. Box: 1149 | SWIFT Code: ACLBKHPP

Call Center (24/7)

Tel: +855 (0)23 994 444, +855 (0)15 999 233
inquiry@acledabank.com.kh