



THE SECOND QUARTERLY REPORT
AS OF 30 JUNE 2021

Financial Highlight

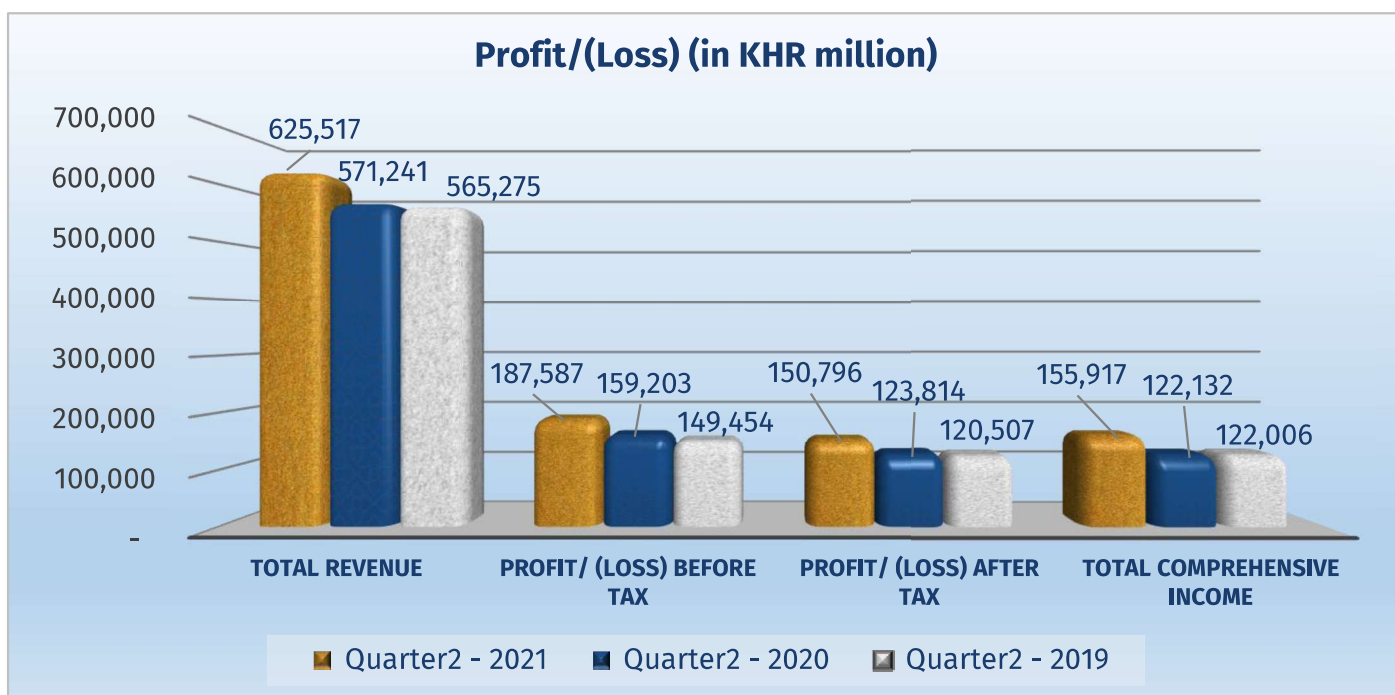
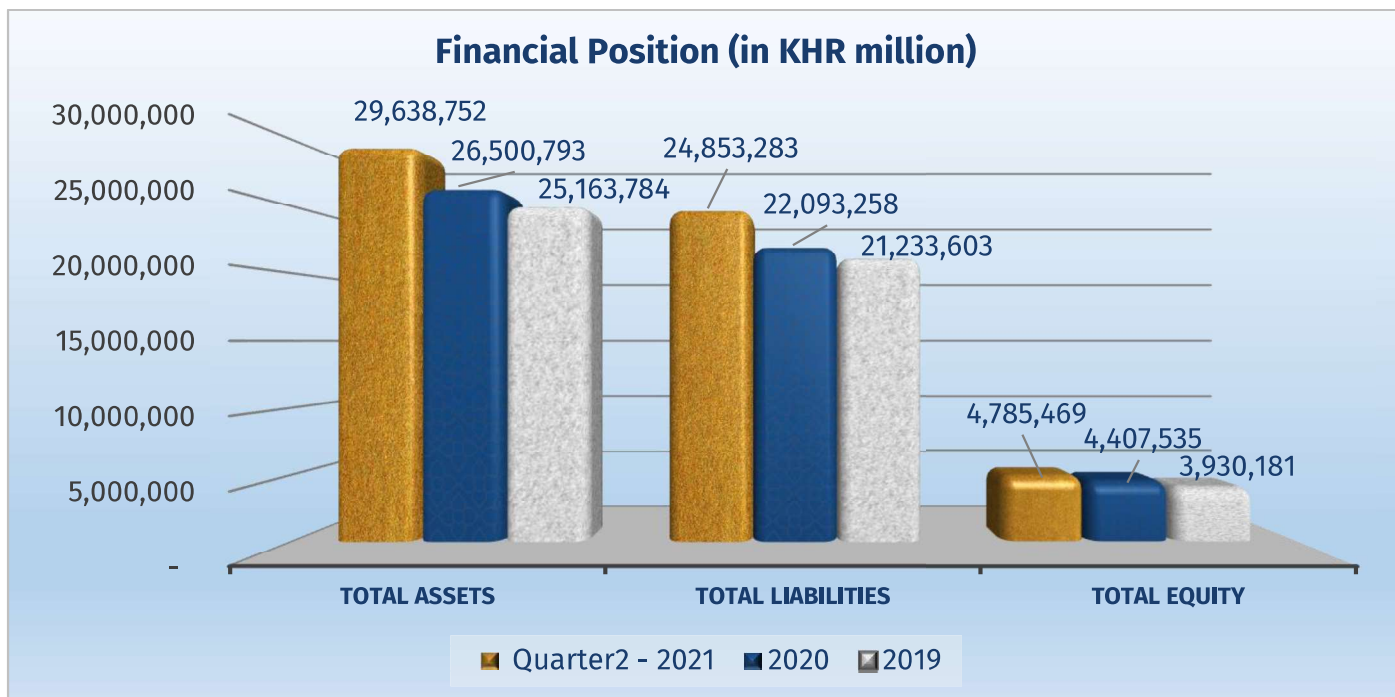
Financial Position (in KHR million)	Quarter 2 – 2021	2020	2019
Total assets	29,638,752	26,500,793	25,163,784
Total liabilities	24,853,283	22,093,258	21,233,603
Total equity	4,785,469	4,407,535	3,930,181
Profit/(Loss) (in KHR million)	Quarter 2 – 2021	Quarter 2 - 2020	Quarter 2 – 2019
Total revenue	625,517	571,241	565,275
Profit/ (Loss) before Tax	187,587	159,203	149,454
Profit/ (Loss) after Tax	150,796	123,814	120,507
Total Comprehensive Income	155,917	122,132	122,006
Financial Ratios (%)	Quarter 2 – 2021	2020	2019
Solvency ratio	24.93%	25.15%	26.31%
Debt to equity ratio	519.35%	501.26%	540.27%
Liquidity Coverage Ratio	170.49%	149.31%	167.27%
Nonperforming loans ratio (*)	2.50%	2.40%	1.24%
Loan to deposit ratio	92.09%	97.73%	88.82%
	Quarter 2 – 2021	Quarter 2 – 2020	Quarter 2 - 2019
Return on average assets (ROAA)(**)	0.52%	0.49%	0.49%
Return on average equity (ROAE)(**)	3.23%	3.07%	3.34%
Interest Coverage ratio (Times)	2.09	2.03	1.91
Earnings per share (KHR)	348.82	287.55	301.53
Dividend per share	N/A	N/A	N/A
Other Important Ratios	N/A	N/A	N/A

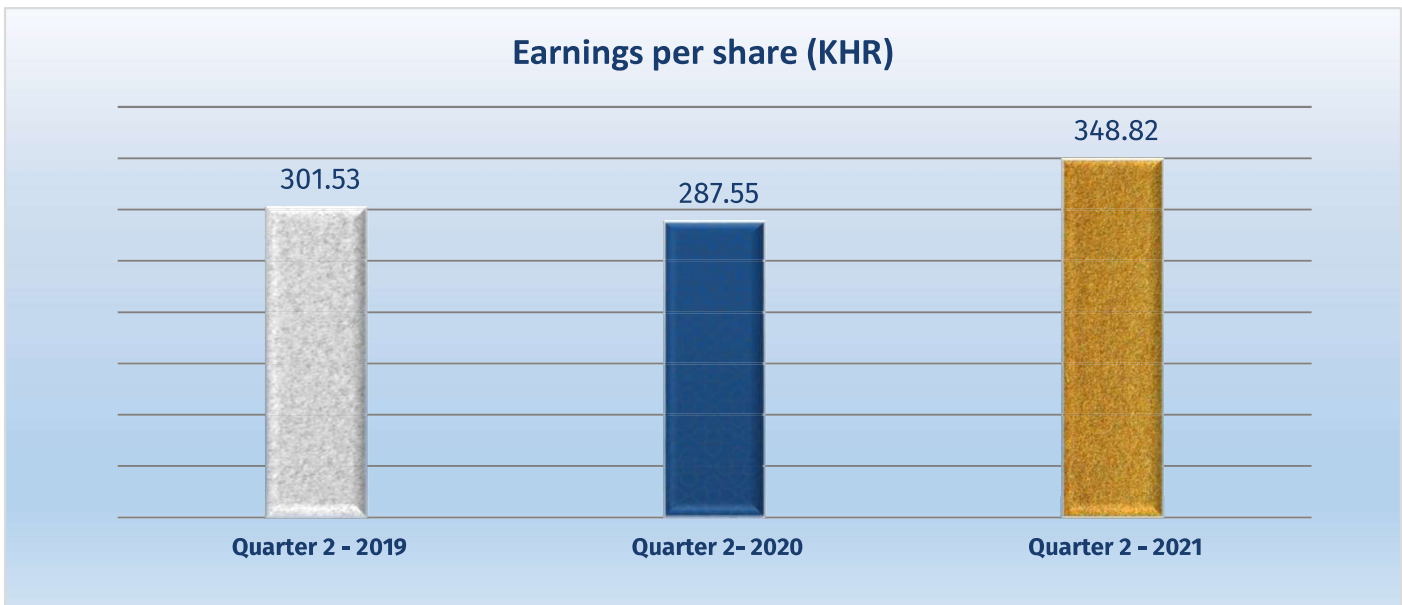
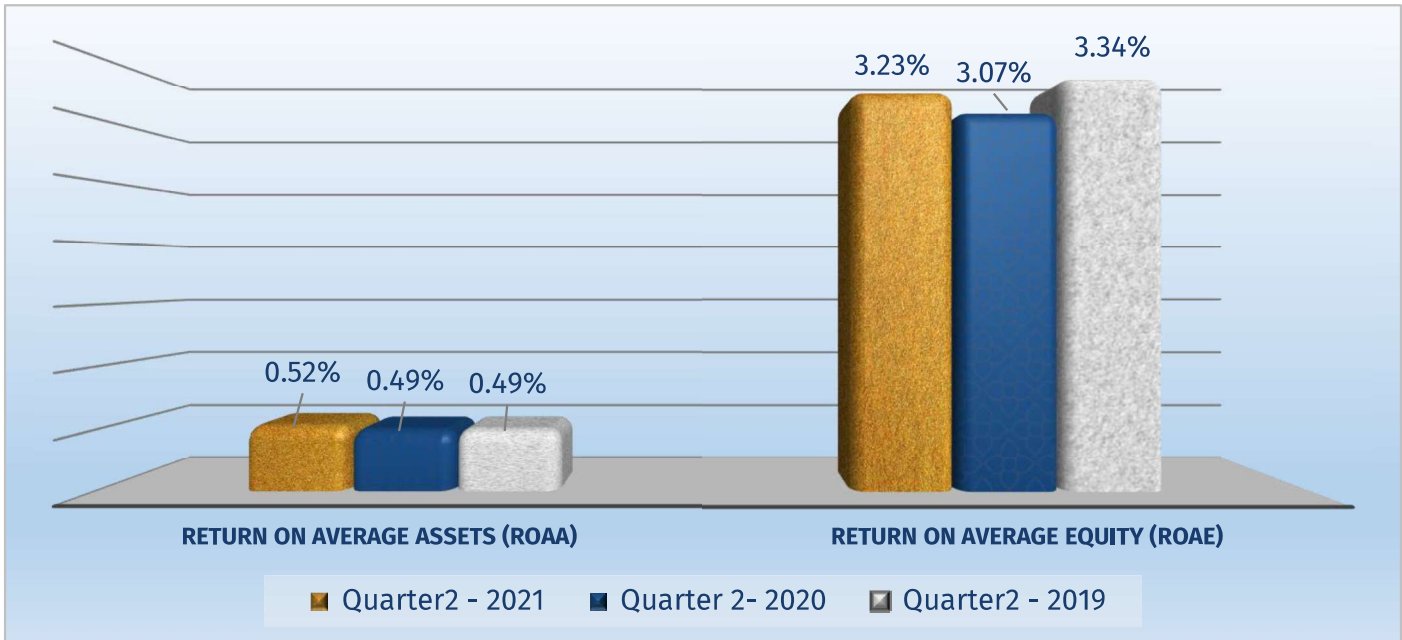
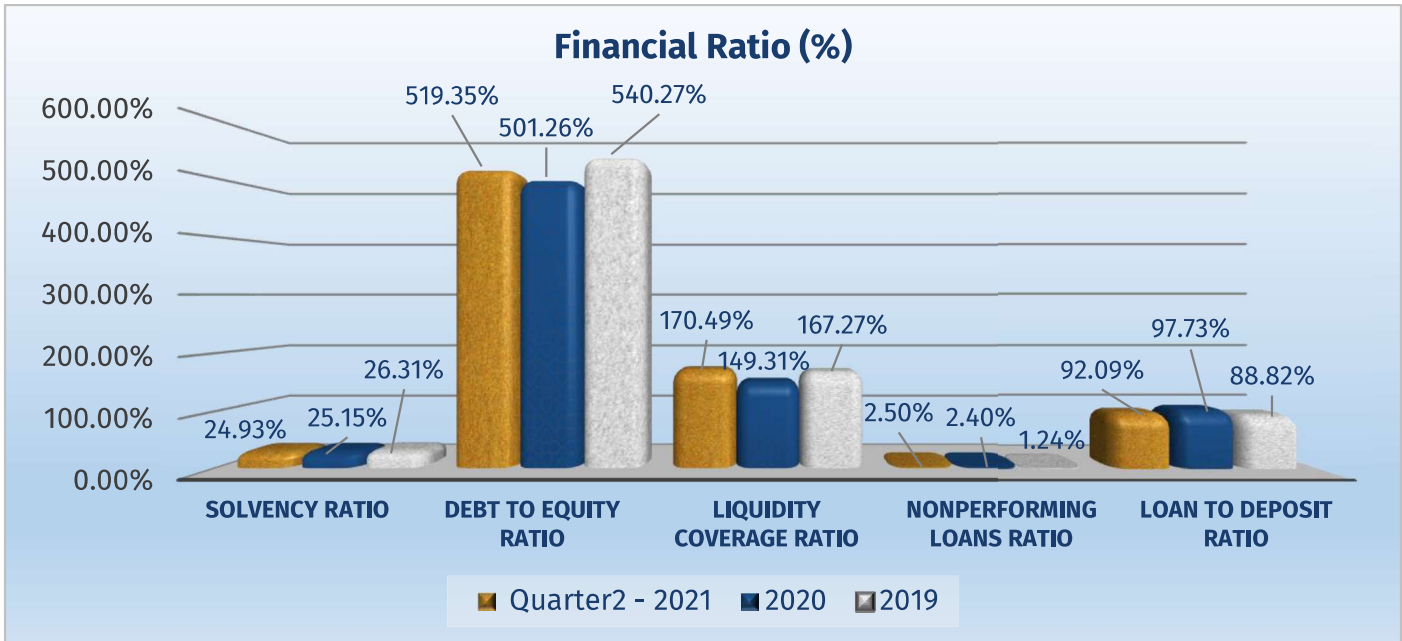
(*) Non-performing loan = loan in stage 3

(**) . 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 2021.

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

Financial Summary Charts





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



Mr. Albertus Bruggink
Non-Executive Director



Mr. Kay Lot
Non-Executive Director



Drs. Pieter Kooi
Independent Director



Mr. Ian Samuel Lydall
Independent Director



Mr. Van Sou Ieng
Independent Director

Message from Chairman

On behalf of ACLEDA Bank Plc. (“the Bank”) and the Board of Directors, I am pleased to present the second quarter of 2021 Report for the period starting from 1 April 2021 to 30 June 2021 to all stakeholders.

The prolongation of the 20th February COVID-19 community outbreak in Cambodia has caused the Royal Government to promulgate many strict measures such as 3 dos and 3 don’ts, lockdown of Phnom Penh and Takhmao, subsequent restrictions of movement in some zones in Phnom Penh, acceleration of vaccine injections, rapid test to prevent COVID-19 infection and spread as well as to save and recover the Cambodia’s economy.

On the solid foundation of its strategies to become a leading digital bank in the region, given its anticipation and thorough analysis of burgeoning considerable demands for digital banking products and services before the community outbreak, the Bank has been placing emphasizes the significant growth in the number of users registering to **ACLEDA mobile** app, together with engagement and involvement with partnerships that not only attract depositors but also increase cross-buying and the use of other products and services of the Bank as well as improve employees’ productivities and skills. Besides, the Bank will continue to do office-remodelling to transform into a more regional comprehensive digital bank. ATM, CDM, VTM, and TDM will be more equipped, along with POS and **ACLEDA mobile** app with the high and secured technologies which can attract and make its customers to do the easier, faster, and smoother online banking transactions from anywhere and anytime.

During the COVID-19 community outbreak, the Bank still continues carrying out the infection prevention measures to ensure that the health and wellbeing of its employees, and implementing for working from distance at least 50% of the total staffs of each division and department for one-week rotation to keep the Bank’s operations smooth and safe. This quarter, the Bank achieved positive outcomes as below:

As at 30 June 2021, total deposit increased by USD 614.94 million while total loan outstanding grew by USD 306.07 million compared to the year ended 2020. If compared with the end of June 2020, total deposit and total loan outstanding increased by USD 850.50 million (19.44%) and USD 899.59 million (22.99%) respectively.

The Bank achieved a profit attributable to owners of the Bank of USD 37.17 million, an increase of 23.24% equivalent to USD 7.01 million compared with the same period of 2020. For this second quarter of 2021, Return on Average Assets (ROAA) was 0.52%, and Return on Average Equity (ROAE) was 3.23%.

Finally, I would like to express our profound gratitude to all stakeholders, customers, and especially the relevant authorities for their continued cooperation and ongoing support to the Bank.

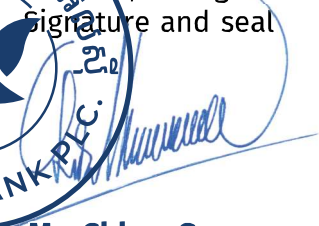
Phnom Penh, 10 August 2021
Signature and seal

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	ធនាគារ អេស៊ីលីដា 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 (Currently known as the Securities and Exchange Regulator of Cambodia "SERC")
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 25 May 2020. Currently, it has 4 wholly-owned subsidiaries: (1) ACLEDA Bank Lao Ltd., (2) ACLEDA MFI Myanmar Co., Ltd., (3) ACLEDA Securities Plc., and (4) ACLEDA Institute of Business and 1 representative office in Myanmar.

C. Quarter's Key Events

- On 10 June 2021, the Bank received the Certificate of Appreciation from **Techo Startup Center** for a sponsor of the Reverse Innovation (RI) program organized by the Ministry of Economy and Finance and Techo Startup Center.
- On 20 May 2021, the Bank received the Leadership Awards for 2021 from VISA WORLDWIDE PTE. LIMITED.
- On 08 May 2021, at the 158th anniversary of the World Red Cross and Red Crescent Day, under the theme "Together with the Cambodian Red Cross (CRC) to combat COVID-19 and build social resilience", the Bank received the Certificate of Appreciation from the CRC for a contribution of KHM 800,000,000.

- On 08 April 2021, the Bank received the Certificate of Appreciation from the Cambodia Kantha Bopha Foundation for a donation of KHM 1,200,000,000.
- On 01 April 2021, the Bank received the letter of appreciation from **Samdech Akka Moha Sena Padei Techo Hun Sen**, Prime Minister of the Kingdom of Cambodia that the Bank contributed to pay taxes, the **4th largest** among all taxpayers in 2020.

PART 2. Information on Business Operation Performance

A. Business Operation Performance including business segments information

▪ Banking Sector's Performance:

As of June 2021, there were 54 commercial banks (24 local incorporated banks, 18 subsidiary banks, and 12 foreign branch banks), 12 specialized banks (06 locally Incorporated, and 06 foreign banks), 83 microfinance institutions (06 MDI, and 77 MFIs), 15 leasing companies, 6 representative offices of foreign banks in Cambodia, 24 payment service providers, and 245 rural credit operators. (Source: NBC Report, CMA Report, and Actually Updated)

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

ACLEDA Bank maintained market share 15.51% and 13.85% for deposit and loan respectively as at the end of April 2021.

As of June 2021, the main keys performances of the Bank and its subsidiaries are as below:

Key Performance	Actual Data		
	Quarter 2 – 2021	2020	2019
Loan			
Number of Loan	545,666	555,323	536,891
Total Loan Outstanding (Million KHR)	19,611,812	18,229,372	15,808,814
Deposit			
Number of Account	3,047,307	2,894,907	2,620,778
Deposit Balance (Million KHR)	21,296,902	18,652,690	17,799,184
E-Banking Product/Channel			
ATM Card			
Number of Card	1,464,616	1,396,778	1,277,725
Number of Txn	9,496,747	19,768,223	20,403,200
Value of Txn (Million KHR)	8,043,149	13,775,918	12,548,066
ACLEDA mobile			
Number of Register	2,029,305	1,782,814	1,276,528
Number of Txn	32,734,940	48,749,599	28,264,972
Value of Txn (Million KHR)	48,805,199	59,211,279	37,303,137

Key Performance	Actual Data		
	Quarter 2 – 2021	2020	2019
ACLEDA INTERNET BANK			
Number of User	12,516	11,679	11,331
Number of Txn	565,174	886,990	510,297
Value of Txn (Million KHR)	7,489,248	11,285,948	5,235,616
ACLEDA E-CMMERCE			
Number of partners	53	51	48
Number of Txn	1,297,090	447,929	467,668
Value of Txn (Million KHR)	507,983	360,000	213,262
ACLEDA ATM			
Number of Machine	846	790	683
Number of Txn	12,807,537	26,574,678	24,181,231
Value of Txn (Million KHR)	12,489,538	20,198,724	15,929,197
ACLEDA POS			
Number of Machine	4,295	4,287	4,289
Number of Txn	737,805	2,457,626	2,412,938
Value of Txn (Million KHR)	186,613	657,506	849,392
QR Merchant			
Number of merchants	96,720	63,714	30,989
Number of Txn	1,232,002	1,842,913	735,312
Value of Txn (Million KHR)	199,025	186,691	90,886
Network Operations and Staffs			
ACLEDA Bank Plc.			
Number of Operational Offices	262	263	262
Number of Staff	12,036	12,013	11,997
Subsidiaries (Local & Overseas)			
Number of Operational Offices	57	56	53
Number of Staff	1,650	1,691	1,658

B. Revenue Structure

No	Source of Revenue (in KHR million)	Quarter 2 – 2021		Quarter 2 – 2020		Quarter 2 – 2019	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	570,126	91.14%	512,176	89.66%	499,005	88.28%
2	Fee and commission Income	38,430	6.14%	41,334	7.24%	47,856	8.47%
3	Other Income	16,961	2.71%	17,731	3.10%	18,414	3.26%
Total revenue		625,517	100%	571,241	100%	565,275	100%

PART 3. Financial Statements Audited by the External Auditor

Please refer to the Annex

For Financial Statements Audited by Independent Auditor

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

The discussion and analysis focused on the operational and financial results based on Financial Statements as of 30 June 2021 audited 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

No	Source of Revenue (in KHR million)	Quarter 2 – 2021		Quarter 2 – 2020		Quarter 2 – 2019	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	570,126	91.14%	512,176	89.66%	499,005	88.28%
2	Fee and commission Income	38,430	6.14%	41,334	7.24%	47,856	8.47%
3	Other Income	16,961	2.71%	17,731	3.10%	18,414	3.26%
Total revenue		625,517	100%	571,241	100%	565,275	100%

The total revenue of KHR 625.52 billion in Q2-2021 was mainly from interest income which accounted for 91.14% of its total revenue and total revenue increased by KHR 54.28 billion or 9.50% compared to Q2-2020.

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 2 2021	Quarter 2 2020	Variance	
			Amount	Percentage
Interest Income	570,126	512,176	57,950	11.31%
Interest expense	(171,717)	(154,837)	(16,880)	10.90%
Net interest income	398,409	357,339	41,070	11.49%
Fee and commission income	38,430	41,334	(2,904)	-7.03%
Fee and commission expense	(1,879)	386	(2,265)	586.79%
Net fee and commission income	36,552	41,720	(5,168)	-12.39%
Impairment losses on loans and advances, deposits and placements with other banks and other receivables	(26,113)	(38,463)	12,350	-32.11%
Impairment losses on off-balance sheet commitments	4	814	(810)	99.51%
Net impairment losses	(26,109)	(37,648)	11,539	-30.65%
Income after impairment losses	408,852	361,411	47,441	13.13%
Other income	16,961	17,731	(770)	-4.34%
General and administrative expenses	(238,226)	(219,940)	(18,286)	8.31%
Profit before income tax	187,587	159,203	28,384	17.83%

In Q2-2021, the profit before income tax increased by KHR28.38 billion or 17.83% comparing to Q2-2020 due to increasing in net interest income by KHR41.07 billion or 11.49% and decreasing in net impairment losses by KHR11.54 billion or 30.65% offsetting by decreasing in net fee and commission income by KHR5.17 billion or 12.39% and increasing in general and administrative expenses by KHR18.29 billion or 8.31%.

5- Profit/ (Loss) after tax analysis

Statement of Profit or loss (in KHR million)	Quarter 2 2021	Quarter 2 2020	Variance	
			Amount	Percentage
Profit before income tax	187,587	159,203	28,384	17.83%
Income tax expense	(36,791)	(35,389)	(1,402)	3.96%
Profit for the period	150,796	123,814	26,982	21.79%

In Q2-2021, the profit for the period was KHR 26.98 billion or 21.79% more than Q2-2020. This increase was mainly due to an increase in net interest income by KHR 41.07 billion or 11.49% compared to Q2-2020.

6- Total comprehensive income (loss) analysis

Total comprehensive income (in KHR million)	Quarter 2 2021	Quarter 2 2020	Variance	
			Amount	Percentage
Profit for the period	150,796	123,814	26,982	21.79%
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of employee benefit obligations	(848)	(4,855)	4,007	82.53%
Items that are or may be reclassified subsequently to profit or loss:				
Currency translation differences	5,969	3,173	2,796	88.12%
Other comprehensive income/(loss) for the period	5,121	(1,682)	6,803	404.46%
Total comprehensive income for the period	155,917	122,132	33,785	27.66%

7- Factors and trends analysis affecting financial conditions and results

Covid-19 pandemic is negatively impacting businesses significantly in all industries around the world-Cambodia is not an exception. The Royal Government of Cambodia has handled the situation very well and worthy of compliment. As a result, major industries are well protected from the impact of this terrifying pandemic. There are signs that economic activity is beginning to grow in 2021 mainly due to effective vaccine being injected around the world.

Under the COVID-19 community outbreak in Cambodia for this second quarter of 2021, the Bank still continues expanding its self-automation banking service to enhance its capacities to respond to the latest technology, to be more convenient, fast, highly secured, and popular. The new **ACLEDA mobile** interface, the customers are able to do online banking transactions from anywhere anytime easily. The participation of our customers from using the self-automation banking service, is not only demonstrating the change of their attitudes in using traditional banking services, but also indicating the contribution in preventing the spread of COVID-19 with the Royal Government and the Ministry of Health.

B. Significant factors affecting profit

1- Demand and supply conditions analysis

ACLEDA Bank is successful in the market that brings profit due to two factors:

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

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

ACLEDA Bank Plc. maintains a diversified infrastructure of choices with 319 offices, gradually transforming them to self-service centres with 846 **ACLEDA ATMs** and 4,295 POS terminals. It's interesting to note that the Bank issued 1.46 million **ACLEDA ATM** cards to its customers. Moreover, the digitized **ACLEDA mobile** has proved very popular, registered by more than 2.03 million users as at the end of June 2021.

Enriching customer experience and strengthening cyber security are at the heart of ACLEDA Bank's focus at present. To achieve solid progress in pursuing these objectives, the Bank will

continue to enhance our robust information technology infrastructure by investing in advanced technologies, fortify the Bank's human resource capacities, and expand and improve business processes. Strategically, the Bank 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 Bank'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 (current, saving and fixed/term) through **ACLEDA mobile** immediately and get high interest rates. You can also easily make your own fixed/term deposit with the Fixed Deposit Machine.

The Bank has also significantly invested and keeps ongoing to invest in the enhancement of its self-banking facilities by installing additional **ACLEDA ATMs**, CRMs, POS Machine and expanding its network of QR code payments.

In order to support the banking and financial institutions (during the outbreak of COVID-19) 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 on interest of borrowing 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 and awarding with Certificate of **"Gold"** for 2020-2021, 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. will be the fourth highest tax payer among all taxpayers by 2020. ACLEDA Bank Plc. is proud to be able to contribute to the economic development of our country.

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 community outbreak especially COVID-19 new variant in Cambodia for this second quarter of 2021 may affect the repayment capacity of customer as result the Bank loan quality may be slightly impacted.

C. Material changes in sales and revenue

In order to support the business growth of customers, ACLEDA Bank Plc. has reduced the 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 in the second quarter of 2021 increased by 1.38 trillion riels, equivalent to 7.58% compared to the end of 2020.

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

For the second quarter of 2021 (Q2-2021), the Khmer Riel (KHR) exchange rate against the US dollar (USD) has remained stable, even during the COVID pandemic – its value stays in range between 4,071 to 4,108 per USD, fluctuated more and less the same compared to the same period last year. ACLEDA Bank Plc. has strictly followed the regulatory requirements and its internal risk policy with regards to the FX Net Open Position. Thereby, the impact of exchange rate fluctuations on the Bank's business is minimal. And the effects are measured, monitored and managed on a daily basis for taking timely action as necessary.

In term of interest rate, the Bank operates its business based on fixed interest rate regime (both deposits and loans), which are not directly linked with the interest rate movements in the international financial markets. For local market, there has been minor fluctuation of interest rate due to market price competition. So, the impact of the interest rate fluctuations on the Bank's business is minimal and within the expectation and control. Moreover, the interest rate risk is measured, monitored and managed on a monthly basis in order to take timely remedial action to avoid adverse effects on result of the Bank's business performance.

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

E. Impact of inflation

The inflation rate for 2021 is projected at 3.1%, an average low. The Bank's operations are not significantly related to the level of inflation, so the impact of inflation on the Bank's business is minimal.

F. Economic / fiscal / monetary policy of Royal Government

▪ Economic Policy:

At the end of 2021, the Royal Government of Cambodia has re-estimated that the Cambodian economy will have a positive growth rate of 4% lower than expected at the end of 2020, based on (1) the Cambodian manufacturing sector expects positive growth in the context of global economic recovery, especially certain developed countries as trading partners. (2) foreign direct investment inflows are expected to increase, which will help diversify production and support the construction and real estate sectors. (3) The need for quarantine, concerns over COVID-19 infection, and the declining in revenues will continue to put further pressure on the tourism sector in both short and medium term. (4) The agricultural sector is expected to maintain growth due to the potential of growing crops and attracting investment and support measures of the Royal Government. Meanwhile, some international financial institutions such as the IMF, WB and ADB have forecast that Cambodia's economic growth will reach from 4.0% to 4.2% for 2021 and from 5.2% to 6.0% for 2022.

In the first half of 2021, the economic situation in Cambodia continues to be affected by the spread of COVID-19, in which tourism sector, domestic tourists continue to decline -38% (to 1.6 million of people) and international tourists entering into Cambodia continue to fall sharply - 90.8% (to 108 thousand of people) compared to the same period last year. At the same time, the price of total products in the manufacturing sector decreased by -24%, in which the price of export-industry product decreased by -15% and the price of domestic-market products decreased by -40%. For construction sector, the new construction projects decreased significantly, in which the number of projects, prices and construction area declining by -11.4%; -34.3% and -29.9%, respectively, while the unfinished construction

projects continue to operate normally. In contrast, the agricultural sector continued to improve, with rice continuing to improve, fisheries yielding the same as last year (while fish and shrimp farming increased by 6.6%) and rubber achieved high growth 5.8% with prices reaching \$1,792 per ton. Meanwhile, non-garment export activities (such as bicycles, electronic components, wood products and other agricultural products) have been maintaining well growth. The average inflation rate was 2.5% lower than the second half of 2020 (3.1%), of which food group inflation was 2.9%, while fuel-related goods and services continued to fluctuate from -3.3% to 5.3%. The average KHR exchange rate against the USD in the first half was KHR 4,085 in USD1, up 0.2% from the same period last year. ^{(1),(2),(3),(4)}

■ **Fiscal Policy:**

Ministry of Economy and Finance supported the measures issued by the General Department of Taxation and made the important recommendations for the year 2021 including: (1) Carefully examine and study the possibility of other potential revenue collection, taking into account both fiscal and non-fiscal revenue aspects to ensure full fiscal compliance and revenue collection, including revenue from e-commerce, new potential petroleum, mineral and some other potential resources. (2) Revise regulations to define small and medium enterprises and facilitate those into the system in order to improve and create economic opportunities. (3) Strengthen tax registration and push the fulfillment of tax obligations for all entities in the casino sector to ensure maximum tax transparency and tax revenue management. (4) Continue to implement institutional reformation, tax administration modernization and information technology system, ensuring user friendly for taxpayers and tax officers, as well as strengthening tax compliance to be more efficiency and interconnection in the tax revenue collection management. (5) Continue to carefully implement the Royal Government's revenue collection strategy 2019-2023. (6) Continue to strengthen the effective implementation of business registration through information technology (IT Platform) in accordance with the content of sub-decree No. 84 អនក្រឹត្យលេខ ៨៤ អនក្រឹត្យចេញថ្ងៃទី ១០ ខែ មិថុនា ឆ្នាំ ២០២០. (7) Strengthen and pay attention to the auditing in accordance with the content of proclamation No. 270 សហក្រឹត្យលេខ ២៧០ ចេញថ្ងៃទី ១៣ ខែ មីនា ឆ្នាំ ២០១៩ on Tax Audition, which is a scale to measure the compliance of enterprises and avoid causing difficulties for taxpayers. (8) Continue to improve and mainstream the culture of paying taxes, strengthen the dissemination and implementation of new tax-related regulations to tax enforcement officer, taxpayer and the public to explain and address the difficulties and questions of the people. (9) Continue to cooperate and consult with relevant sectors to receive any objects into the study, preparation and improve the necessary relevant regulations. ⁽⁵⁾

For the first half of 2021, the General Department of Taxation (GDT) of the Ministry of Economy and Finance collected some KHR6,139.41 billion (approximately USD1,515.90 million), equivalent to 67.58% of the financial legal plan in 2021 or decrease of KHR727.98 billion (approximately USD179.75 million) equal to -10.60% compared to tax revenue in the same period in 2020. ^{(6),(7),(8)}

■ **Monetary Policy:**

To contribute to support the Royal Government's policy to restore economic growth, the National Bank of Cambodia has set 4 monetary policies to be implemented in 2021 including (1) Managing monetary supply at an appropriate level, (2) Maintaining a stable exchange rate to contribute to the price stability and public trust, (3) Pushing the use of the riel through market mechanisms and (4) Promoting the development of the interbank market by increasing the necessary monetary policy instruments in order to improve the effectiveness of monetary policy.

For the first half of the year, the monetary base (M2) was estimated to grow 19% higher than the same period last year (12.3%), supported mainly by an increment in foreign-currency deposits 17.2% increasing by 9.2%, increment in circulation 27.1% growing of 28%, and increment in KHR deposits 31% increasing by 38.2% compared to the same period last year as well as released of liquidity into the economy through operating 12 times of LPCO providing liquidity in the amount of KHR3.2 trillion (USD788 million), an increase of 12.9%. To meet the demand and to manage the pressure on the exchange rate, the National Bank of Cambodia Intervened to sell USD-currency into market approximately USD48.5 million and buy USD-currency from government equal to USD26.7 million as well as absorbed liquidity from banking system through issuing the Negotiable Certificate of Deposit (NCD) totally KHR67.3 trillion (equivalent to USD16.6 billion) increased by 17.6%, of which NCD in riel was KHR7.3 trillion increasing of 33.4% and NCD in dollars was USD14.8 billion increasing of 15.9%.⁽¹⁾

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