

**ACLEDA BANK PLC.
AND ITS SUBSIDIARIES**

**Consolidated and Separate
Interim Financial Statements
As at 30 September 2021 and
For the three-month and nine-month periods
then ended and
Independent Auditor's Report on
Interim Financial Statements**

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

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Report of the Board of Directors

The Board of Directors (“the Board” or “the Directors”) hereby submits their report together with the consolidated interim financial statements of ACLEDA Bank Plc. (“the Bank”) and its subsidiaries (collectively referred to as “the Group”) and the separate interim financial statements of the Bank as at 30 September 2021 and for the three-month and nine-month periods then ended (hereafter collectively referred to as “the interim financial statements”).

The Group and the Bank

Prior to 1 December 2003, the Bank was a public limited company formed under the laws of the Kingdom of Cambodia to operate as a specialised bank with its Head Office located in Phnom Penh and 14 branches in the Kingdom of Cambodia. On 1 December 2003, the National Bank of Cambodia (“NBC”) issued a license for the Bank to become a private commercial bank for a period of three years commencing 1 December 2003. The Bank’s license was renewed for an indefinite period on 28 November 2006. The registered office of the Bank is located at No 61, Preah Monivong Boulevard, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia. The Bank may open additional offices in Cambodia and in other countries, and may change the location of its main registered office upon registering the change with the Ministry of Commerce (“MoC”) and receiving approval from NBC.

On 25 May 2020, the Bank was successfully listed on the CSX. The number of new issued shares are 4,344,865 shares with a par value of KHR4,000 (US\$0.98) per share, at an offering price of KHR16,200 (US\$3.97) per share. The Bank received the proceeds from the IPO amounting to US\$17,082,105 and incurred IPO costs of US\$1,031,025, resulting in share premium of US\$11,706,215 (KHR47,726,239 thousand). On 23 November 2020, the shareholders approved the amendment to the Memorandum of Association (“MAA”) relating capital increase from IPO. On 18 February 2021, the Bank submitted a letter to the NBC requesting for its approval on the capital increase, which was approved on 29 March 2021. Accordingly, the Bank’s amended MAA was approved by the MOC on 12 May 2021.

The Bank and its subsidiaries, ACLEDA Bank Lao Ltd. (“ABL”), ACLEDA Securities Plc. (“ACS”) and ACLEDA MFI Myanmar Co., Ltd. (“AMM”), are all in the financial industry sector and have operations across 262 branches covering all provinces and cities in the Kingdom of Cambodia, 38 branches in the Lao PDR, and 17 branches in the Republic of the Union of Myanmar. The Bank’s other subsidiary, ACLEDA Institute of Business (“AIB”), is in the education sector.

Principal activities

The Bank operates under regulations by NBC with special focus on providing lending and other financial services to the citizenry and small and medium-sized enterprises, and to engage in all other activities, which the Directors believe, support these objectives.

ABL is owned 99.90% by the Bank and its principal business is providing banking and related financial services in Lao PDR.

Principal activities (continued)

ACS is wholly owned by the Bank and its principal business is providing securities brokerage and other services approved by Securities and Exchange Commission of Cambodia.

AIB is owned by the Bank 76.6090% and AIB provides training and education for Associate's degree, Bachelor's degree, and Master's degree of Business Administration, majoring in Banking and Finance.

AMM is wholly owned and is permitted to operate as a deposit-taking microfinance institution providing microfinance services to lower income segments of the Myanmar market and other activities allowed by the Microfinance Supervisory Authority.

Interim financial performance

The audited interim financial performance of the Group and the Bank for the three-month and nine-months period ended 30 September 2021 are set out in the consolidated interim statement of profit or loss and other comprehensive income and separate interim statement of profit or loss and other comprehensive income on pages 13 – 16 and 22 – 23, respectively.

Share capital and share premiums

Share capital and share premium are classified as equity. Incremental costs directly attributable to the issuance of new share capital are shown in equity as a deduction, net of tax, from the proceeds.

Reserves and provisions

There were no material movements to or from reserves and provisions during the periods other than those disclosed in the interim financial statements.

Bad and doubtful loans

Before the interim financial statements of the Group and the Bank were drawn up, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and advances or making of provisions for doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and that adequate provisions have been made for bad and doubtful loans and advances.

At the date of this report and based on the best of knowledge, the Directors are not aware of any circumstances which would render the amount written off for bad loans and advances or the amount of the provisions for bad and doubtful loans and advances in the interim financial statements of the Group and the Bank inadequate to any material extent.

Assets

Before the interim financial statements of the Group and the Bank were drawn up, the Directors took reasonable steps to ensure that any assets which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Group and the Bank, have been written down to an amount which they might be expected to realise.

At the date of this report and based on the best of knowledge, the Directors are not aware of any circumstances which would render the values attributed to the assets in the interim financial statements of the Group and the Bank misleading in any material respect.

Valuation methods

At the date of this report and based on the best of knowledge, the Directors are not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the interim financial statements of the Group and the Bank misleading or inappropriate in any material respect.

Contingent and other liabilities

At the date of this report, there is:

- (a) no charge on the assets of the Group and the Bank which has arisen since the end of the financial period which secures the liabilities of any other person, and
- (b) no contingent liability in respect of the Group and the Bank that has arisen since the end of the financial period other than in the ordinary course of banking business.

No contingent or other liability of the Group and the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may have a material effect on the ability of the Group and the Bank to meet its obligations as and when they become due.

Change of circumstances

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the interim financial statements of the Group and the Bank, which would render any amount stated in the interim financial statements misleading in any material respect.

Items of an unusual nature

The results of the operations of the Group and the Bank for the financial period were not, in the opinion of the Directors, materially affected by any items, transactions or events of a material and unusual nature except for the outbreak of the Novel Coronavirus ("Covid-19").

Items of an unusual nature (continued)

There has not arisen in the interval between the end of the financial period and the date of this report any items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to substantially affect the results of the operations of the Group and the Bank for the period in which this report is made.

Coronavirus and impact on expected credit loss

The expected credit loss (“ECL”) was estimated based on a range of forecast economic conditions as at reporting date. The Covid-19 outbreak has spread across mainland China, Cambodia and beyond, causing disruption to business and economic activity. The impact on gross domestic product (“GDP”) and other key indicators has been considered when determining the severity and likelihood of downside economic scenarios that are used to estimate ECL in which the calculation of the ECL in this current environment is subject to significant uncertainty. Management provides its best estimate on the possible outcomes of COVID-19 on the Group and the Bank, however, this estimate may move materially as events unfold. See Note 3(b) for further details.

The Board of Directors and the Executive Committee

The members of the Board of Directors during the periods and at the date of this report are:

- Mr. Chhay Soeun Chairman (Non-executive Director)
- Dr. In Channy Member (Executive Director)
- Mr. Rath Yumeng Member (Executive Director)
- Mr. Kenichiro Mori Member (Non-executive Director)
- Mr. Albertus Bruggink Member (Non-executive Director)
- Mr. Kay Lot Member (Non-executive Director)
- Mr. Stéphane Mangiavacca Member (Non-executive Director)
- Drs. Pieter Kooi Member (Independent Director)
- Mr. Van Sou Ieng Member (Independent Director)

The members of the Executive Committee during the periods and at the date of this report are:

- Dr. In Channy President & Group Managing Director
- Dr. So Phonnary Senior EVP & Group Chief Operations Officer
- Mrs. Mar Amara Senior EVP & Group Chief Financial Officer
- Mr. Rath Yumeng Senior EVP & Group Chief Treasury Officer
- Mr. Ly Thay EVP & Group Chief Administrative Officer
- Mrs. Buth Bunsayha EVP & Group Chief Legal Officer and Corporate Secretary
- Mr. Mach Theary EVP & Group Chief Information Officer
- Dr. Loeung Sopheap EVP & Group Chief Risk Officer

The Management and those charged with governance's responsibilities in respect of the interim financial statements

The Management and those charged with governance are responsible for ensuring that the interim financial statements are properly drawn up so as to present fairly, in all material respects, the interim financial position of the Group and the Bank as at 30 September 2021, and the interim financial performance and cash flows for the three-month and nine-month periods then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

In preparing these interim financial statements, the Management and those charged with governance are required to:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii) comply with the disclosure requirements of CIFRSs or if there have been any departures in the interest of true and fair presentation, these have been appropriately disclosed, explained and quantified in the interim financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the interim financial statements on a going concern basis unless it is inappropriate to assume that the Group and the Bank will continue operations in the foreseeable future;
- v) effectively control and direct the Group and the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the interim financial statement; and,
- vi) safeguarding the assets of the Group and the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management and those charged with governance confirm that the Group and the Bank have complied with the above requirements in preparing the interim financial statements.



Mrs. Mar Amara
Senior Executive Vice President & Group Chief Financial Officer

Dr. In Channy
President & Group Managing Director

Phnom Penh, Kingdom of Cambodia
5 November 2021

Approval of the interim financial statements

The accompanying interim financial statements, together with the notes thereto set out on pages 12 to 213, which present fairly, in all material respects, the interim financial position of the Group and of the Bank as at 30 September 2021, and the interim financial performance and cash flows of the Group and of the Bank for three-month and nine-month periods then ended in accordance with CIFRSs, were approved by the Board of Directors.



Signed in accordance with a resolution of the Board of Directors.

Mr. Chhay Soeun
Chairman

Phnom Penh, Kingdom of Cambodia
5 November 2021



Grant Thornton

Independent auditor's report

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**To the Shareholders of
ACLEDA Bank Plc. and its subsidiaries**

Opinion

We have audited the consolidated interim financial statements of ACLEDA Bank Plc. and its subsidiaries (“the Group”) and the separate interim financial statements of ACLEDA Bank Plc. (“the Bank”), which comprise the consolidated and separate interim statements of financial position of the Group and the Bank as at 30 September 2021, and the consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, statements of changes in equity and statements of cash flows for the nine-month period then ended, and notes to the consolidated and separate interim financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 12 to 213 (hereafter referred to as “the interim financial statements”).

In our opinion, the accompanying consolidated and separate interim financial statements present fairly, in all material respects, the interim financial positions of the Group and of the Bank as at 30 September 2021, and their interim financial performance for the three-month and nine-month periods then ended and their cash flows for the nine-month period then ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) and guidelines of the National Bank of Cambodia.

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the interim financial statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the interim financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Certified Public Accountants and Auditors

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim financial statements of the current period. These matters were addressed in the context of our audit of the interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Below is the key audit matter identified in our audit of the interim financial statements of the Group and of the Bank:

Key audit matter	How our audit addressed the key audit matter
<p>Allowance for impairment losses on loans to customers</p> <p>Refer to Note 2(e)(vii) for the Group's and the Bank's accounting policy on impairment of loans to customers, Note 4 on critical accounting judgements and estimation uncertainty and Note 37.1 for the Group's and the Bank's credit risk disclosures.</p> <p>Loans to customers constitute approximately 66.62% and 65.85% of the Group's and the Bank's total assets, respectively. The Group's and the Bank's loan portfolio mainly comprises loans to customers in wholesale and retail, services and agriculture. Refer to Note 37.1(d)(ii) for details. The customers comprise of both corporates and individuals.</p> <p>The Group and the Bank adopted CIFRS 9 "Financial Instruments" in 2019. CIFRS 9 introduces an expected credit loss ("ECL") impairment model, which requires the use of complex models and significant assumptions about future economic conditions and credit behavior. This complex accounting standard requires considerable judgement and interpretation in its implementation, especially during this unprecedented era - Covid-19 pandemic, which brings about a high degree of estimation uncertainty.</p> <p>The significant judgements in applying the accounting requirements for measuring ECL include the following:</p> <ul style="list-style-type: none"> Building the appropriate collective assessment models used to calculate ECL. The models are inherently complex and judgement is applied in determining the appropriate construct of the models; 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We obtained an understanding, evaluated the design and implementation, and tested the operating effectiveness of the key controls over the allowance for impairment losses. These controls, among others, included: <ul style="list-style-type: none"> Loan applications and credit reviews; Identification of significant increase in credit risk; Subsequent annual review of the credit worthiness of the borrower; and Accuracy of data inputs. We assessed whether the methodology and assumptions used in the ECL models are consistent with the requirements of CIFRS 9, incorporating consideration of Covid-19 impacts. We tested a sample of loan reviews for the appropriateness of the loan grading and staging, challenged Management's evaluations and conclusions on the credit worthiness and classification of the selected loans. We evaluated the process used by Management to develop forward-looking information. For a sample of significant forward-looking information variables, we compared it to independently derived forecasts and publicly available information. We tested the accuracy of key inputs into the ECL models by comparing against source systems and documents. We recomputed the ECL to test the mathematical accuracy of the ECL models. We assessed the adequacy of disclosures to ensure compliance with CIFRS 9.



Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> • Timely identification of loans to customers and financing that have experienced a significant increase in credit risk; • Assumptions used in the ECL models such as expected future cash flows, forward-looking macroeconomic factors and date sets; and, • Effects of Covid-19 pandemic in relation to the significant judgement listed above. 	<p>We involved our specialists in the performance of the above procedures, when necessary, where their specific expertise was required.</p>

Other matter

The Group's and the Bank's financial statements as at 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 February 2021. We also draw attention to the fact that the comparative financial performance for the three-month and nine-month periods ended 30 September 2020 were not audited but were reviewed by the same auditor who issued a limited assurance on the Group's and the Bank's interim financial statements on 10 November 2020.

Other information

Management is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors as set out in pages 1 to 6, but does not include the interim financial statements and our auditor's report thereon.

Our opinion on the interim financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the interim financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the interim financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with governance for the interim financial statements

Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with CIFRSs, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, Management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.



Auditors' responsibilities for the audit of the interim financial statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated interim financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the interim financial statements of the current period and are therefore the key audit matters. We describe this matter in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Ronald C. Almera.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED
Certified Public Accountants
Registered Auditors



Ronald C. Almera
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
5 November 2021

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

		30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
ASSETS					
Cash on hand	7	460,952,438	412,759,051	1,880,224,995	1,669,610,361
Deposits and placements with other banks, net	8	732,554,597	534,653,146	2,988,090,201	2,162,671,976
Financial investments	9	703,959,960	566,674,523	2,871,452,677	2,292,198,446
Loans and advances, net	10	4,997,329,194	4,471,300,618	20,384,105,782	18,086,411,000
Other assets	11	27,826,192	22,766,913	113,503,037	92,092,163
Statutory deposits	12	394,647,203	360,377,008	1,609,765,941	1,457,724,997
Property and equipment, net	14	130,708,554	127,546,441	533,160,192	515,925,354
Intangible assets, net	15	13,749,205	14,690,675	56,083,007	59,423,780
Right-of-use assets, net	16	28,415,395	29,529,768	115,906,396	119,447,912
Deferred tax assets, net	17	10,637,166	11,195,845	43,389,000	45,287,193
TOTAL ASSETS		<u>7,500,779,904</u>	<u>6,551,493,988</u>	<u>30,595,681,228</u>	<u>26,500,793,182</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and placements of other banks and financial institutions	18	507,486,014	317,009,459	2,070,035,451	1,282,303,262
Deposits from customers	19	4,931,790,758	4,294,286,048	20,116,774,502	17,370,387,064
Other liabilities	20	91,577,780	63,751,108	373,545,765	257,873,232
Borrowings	21	513,082,304	542,398,916	2,092,862,718	2,194,003,615
Subordinated debts	22	170,160,036	167,158,623	694,082,787	676,156,630
Current income tax liabilities	31(a)	27,301,109	30,292,370	111,361,224	122,532,637
Lease liabilities	23	28,227,084	28,617,902	115,138,276	115,759,414
Employee benefits	24	22,459,762	18,354,055	91,613,369	74,242,152
TOTAL LIABILITIES		<u>6,292,084,847</u>	<u>5,461,868,481</u>	<u>25,665,414,092</u>	<u>22,093,258,006</u>
EQUITY					
Share capital	25	433,163,019	433,163,019	1,766,871,955	1,752,144,412
Share premiums	25	11,706,215	11,706,215	47,749,651	47,351,640
Reserves	35	585,408,441	503,094,236	2,406,759,332	2,048,708,997
Retained earnings		172,410,702	141,662,037	684,384,950	559,330,127
Non-controlling interests	3	6,006,680	-	24,501,248	-
TOTAL EQUITY		<u>1,208,695,057</u>	<u>1,089,625,507</u>	<u>4,930,267,136</u>	<u>4,407,535,176</u>
TOTAL LIABILITIES AND EQUITY		<u>7,500,779,904</u>	<u>6,551,493,988</u>	<u>30,595,681,228</u>	<u>26,500,793,182</u>

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the nine-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Interest income	26	425,856,713	380,240,956	1,731,959,252	1,554,805,269
Interest expense	27	(125,259,246)	(112,744,096)	(509,429,353)	(461,010,609)
Net interest income		300,597,467	267,496,860	1,222,529,899	1,093,794,660
Fee and commission income	28	32,378,996	33,940,230	131,685,377	138,781,600
Fee and commission expense		(1,792,396)	(1,189,683)	(7,289,675)	(4,864,614)
Net fee and commission income		30,586,600	32,750,547	124,395,702	133,916,986
Impairment losses on loans and advances, deposits and placements with other banks and other receivables	10	(18,567,410)	(19,748,490)	(75,513,656)	(80,751,576)
Reversal of impairment losses on off-balance sheet commitments	10	123,235	34,426	501,197	140,768
Net impairment losses		(18,444,175)	(19,714,064)	(75,012,459)	(80,610,808)
Income after impairment losses		312,739,892	280,533,343	1,271,913,142	1,147,100,838
Other income	29	12,965,902	11,977,211	52,732,323	48,974,816
General and administrative expenses	30	(178,967,081)	(167,127,358)	(727,859,118)	(683,383,767)
Profit before income tax		146,738,713	125,383,196	596,786,347	512,691,887
Income tax expense	31(b)	(26,616,639)	(27,017,753)	(108,249,871)	(110,475,591)
Profit for the period (carried forward to next page)		120,122,074	98,365,443	488,536,476	402,216,296

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the nine-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Profit for the period (brought forward from previous page)		120,122,074	98,365,443	488,536,476	402,216,296
Other comprehensive income:					
<i>Item that will not be reclassified to profit or loss –</i>					
Remeasurement of employee benefit obligations	24	57,140	(289,677)	232,389	(1,184,489)
<i>Item that are or may be reclassified subsequently to profit or loss –</i>					
Currency translation differences		-	-	6,258,657	4,101,202
Other comprehensive (loss)/income for the period		57,140	(289,677)	6,491,046	2,916,713
Total other comprehensive income for the period		<u>120,179,214</u>	<u>98,075,766</u>	<u>495,027,522</u>	<u>405,133,009</u>
Profit for the period attributable to:					
Owners of the Bank		120,364,518	98,365,443	489,522,496	402,216,296
Non-controlling interests		(242,444)	-	(986,020)	-
		<u>120,122,074</u>	<u>98,365,443</u>	<u>488,536,476</u>	<u>402,216,296</u>
Total other comprehensive income attributable to:					
Owners of the Bank		120,422,202	98,075,766	496,018,670	405,133,009
Non-controlling interests		(242,988)	-	(991,148)	-
		<u>120,179,214</u>	<u>98,075,766</u>	<u>495,027,522</u>	<u>405,133,009</u>
The earnings per share attributable to shareholders of Bank during the period are as follows:					
Basic earnings per share	32	<u>0.28</u>	<u>0.23</u>	<u>1.13</u>	<u>0.93</u>
Diluted earnings per share	32	<u>0.28</u>	<u>0.23</u>	<u>1.13</u>	<u>0.93</u>

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the three-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Interest income	26	146,030,907	127,658,532	595,368,008	523,511,232
Interest expense	27	(44,786,398)	(37,280,115)	(182,594,145)	(152,891,175)
Net interest income		101,244,509	90,378,417	412,773,863	370,620,057
Fee and commission income	28	10,467,168	11,350,653	42,674,644	46,548,357
Fee and commission expense		(409,606)	(558,044)	(1,669,964)	(2,285,632)
Net fee and commission income		10,057,562	10,792,609	41,004,680	44,262,725
Impairment losses on loans and advances, deposits and placements with other banks and other receivables	10	(8,326,614)	(7,942,494)	(33,947,605)	(32,547,694)
Impairment losses on off-balance sheet commitments	10	(914)	(152,103)	(3,726)	(620,830)
Net impairment losses		(8,327,528)	(8,094,597)	(33,951,331)	(33,168,524)
Income after impairment losses		102,974,543	93,076,429	419,827,212	381,714,258
Other income	29	4,623,241	3,456,964	18,848,954	14,186,647
General and administrative expenses	30	(58,900,912)	(52,468,061)	(240,139,018)	(215,229,857)
Profit before income tax		48,696,872	44,065,332	198,537,148	180,671,048
Income tax expense	31(b)	(9,772,399)	(9,444,718)	(39,842,071)	(38,724,889)
Profit for the period (carried forward to next page)		38,924,473	34,620,614	158,695,077	141,946,159

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the three-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Profit for the period (brought forward from previous page)		38,924,473	34,620,614	158,695,077	141,946,159
Other comprehensive income:					
Item that will not be reclassified to profit or loss –					
Remeasurement of employee benefit obligations	24	107,687	117,687	439,040	478,782
Item that are or may be reclassified subsequently to profit or loss –					
Currency translation differences		-	-	953,885	1,291,719
Other comprehensive loss for the period		107,687	117,687	1,392,925	1,770,501
Total other comprehensive income for the period		39,032,160	34,738,301	160,088,002	143,716,660
Profit for the period attributable to:					
Owners of the Bank		38,964,512	34,620,614	158,858,315	141,946,159
Non-controlling interests		(40,039)	-	(163,238)	-
		38,924,473	34,620,614	158,695,077	141,946,159
Total other comprehensive income attributable to:					
Owners of the Bank		39,072,959	34,738,301	160,254,339	143,716,660
Non-controlling interests		(40,799)	-	(166,337)	-
		39,032,160	34,738,301	160,088,002	143,716,660

The earnings per share attributable to shareholders of Bank during the period are as follows:

Basic earnings per share	32	0.09	0.08	0.37	0.33
Diluted earnings per share	32	0.09	0.08	0.37	0.33

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Attributable to equity holders of the Parent										Non-controlling interest		Total equity	
	Share capital		Share premiums		Reserves		Retained earnings		Total					
	US\$	KHR000 (Note 5)	US\$	KHR000 (Note 5)	US\$	KHR000 (Note 5)	US\$	KHR000 (Note 5)	US\$	KHR000 (Note 5)	US\$	KHR000 (Note 5)	US\$	KHR000 (Note 5)
As at 1 January 2021	433,163,019	1,752,144,412	11,706,215	47,351,640	503,094,236	2,048,708,997	141,662,037	559,330,127	1,089,625,507	4,407,535,176	-	-	1,089,625,507	4,407,535,176
Profit for the period	-	-	-	-	-	-	120,364,518	489,522,496	120,364,518	489,522,496	(242,444)	(986,020)	120,122,074	488,536,476
<i>Other comprehensive income:</i>														
Remeasurement of employee benefit obligations	-	-	-	-	-	-	57,684	234,601	57,684	234,601	(544)	(2,212)	57,140	232,389
Currency translation differences	-	-	-	-	-	6,261,573	-	-	-	6,261,573	-	(2,916)	-	6,258,657
Total other comprehensive income for the period	-	-	-	-	-	6,261,573	120,422,202	489,757,097	120,422,202	496,018,670	(242,988)	(991,148)	120,179,214	495,027,522
Transaction with owners:														
Investments made by holders of non-controlling interest	-	-	-	-	-	-	-	-	-	-	6,971,681	28,353,827	6,971,681	28,353,827
Dividend paid	-	-	-	-	-	-	(426,231)	(1,733,481)	(426,231)	(1,733,481)	-	-	(426,231)	(1,733,481)
Transfers from retained earnings to general reserves	-	-	-	-	64,103,889	260,710,517	(64,527,753)	(262,434,371)	(423,864)	(1,723,854)	-	-	(423,864)	(1,723,854)
Transfer from retained earnings to regulatory reserves	-	-	-	-	25,439,645	103,463,036	(25,439,645)	(103,463,036)	-	-	-	-	-	-
Transfers from retained earnings to NCI	-	-	-	-	-	-	720,092	2,928,614	720,092	2,928,614	(720,092)	(2,928,614)	-	-
Reserves from changes in ownership interests in AIB	-	-	-	-	3,028,319	12,316,173	-	-	3,028,319	12,316,173	-	-	3,028,319	12,316,173
Currency translation differences - foreign subsidiaries	-	-	-	-	(10,257,648)	(41,717,854)	-	-	(10,257,648)	(41,717,854)	(1,921)	(7,813)	(10,259,569)	(41,725,667)
Currency translation differences	-	14,727,543	-	398,011	-	17,016,890	-	-	-	32,142,444	-	74,996	-	32,217,440
Total transactions with owners:	-	14,727,543	-	398,011	82,314,205	351,788,762	(89,673,537)	(364,702,274)	(7,359,332)	2,212,042	6,249,668	25,492,396	(1,109,664)	27,704,438
As at 30 September 2021	433,163,019	1,766,871,955	11,706,215	47,749,651	585,408,441	2,406,759,332	172,410,702	684,384,950	1,202,688,377	4,905,765,888	6,006,680	24,501,248	1,208,695,057	4,930,267,136

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Attributable to equity holders of the Parent										Non-controlling interest		Total equity	
	Share capital		Share premiums		Reserves		Retained earnings		Total					
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2020	428,818,154	1,747,433,978	-	-	414,748,726	1,708,085,266	120,894,720	474,661,776	964,461,600	3,930,181,020	-	-	964,461,600	3,930,181,020
Profit for the period(Unaudited)	-	-	-	-	-	-	98,365,443	402,216,296	98,365,443	402,216,296	-	-	98,365,443	402,216,296
<i>Other comprehensive income: (Unaudited)</i>														
Remeasurement of employee benefit obligations	-	-	-	-	-	-	(289,677)	(1,184,489)	(289,677)	(1,184,489)	-	-	(289,677)	(1,184,489)
Currency translation differences	-	-	-	-	-	4,101,202	-	-	-	4,101,202	-	-	-	4,101,202
Total other comprehensive income for the period (Unaudited)	-	-	-	-	-	4,101,202	98,075,766	401,031,807	98,075,766	405,133,009	-	-	98,075,766	405,133,009
Transaction with owners: (Unaudited)														
Conversion of retained earnings to share capital	-	-	-	-	(4,451,864)	(18,203,672)	4,451,864	18,203,672	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(32,718,825)	(133,787,275)	(32,718,825)	(133,787,275)	-	-	(32,718,825)	(133,787,275)
Transfers from retained earnings to general reserves	-	-	-	-	73,869,323	302,051,662	(74,314,113)	(303,870,408)	(444,790)	(1,818,746)	-	-	(444,790)	(1,818,746)
Share issued	4,344,865	17,766,153	11,706,215	47,866,713	-	-	-	-	16,051,080	65,632,866	-	-	16,051,080	65,632,866
Transfer from retained earnings to regulatory reserves	-	-	-	-	18,313,646	74,884,498	(18,313,646)	(74,884,498)	-	-	-	-	-	-
Currency translation differences - foreign subsidiaries	-	-	-	-	1,343,081	5,491,858	-	-	1,343,081	5,491,858	-	-	1,343,081	5,491,858
Currency translation differences	-	10,768,247	-	128,769	-	10,018,691	-	-	-	20,915,707	-	-	-	20,915,707
Total transactions with owners: (Unaudited)	4,344,865	28,534,400	11,706,215	47,995,482	89,074,186	374,243,037	(120,894,720)	(494,338,509)	(15,769,454)	(43,565,590)	-	-	(15,769,454)	(43,565,590)
As at 30 September 2020 (Unaudited)	433,163,019	1,775,968,378	11,706,215	47,995,482	503,822,912	2,086,429,505	98,075,766	381,355,074	1,046,767,912	4,291,748,439	-	-	1,046,767,912	4,291,748,439

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the nine-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Cash flows from operating activities					
Profit for the period before income tax		146,738,713	125,383,196	596,786,347	512,691,887
<i>Adjustments for:</i>					
Net impairment losses	10	18,444,175	19,714,064	75,012,459	80,610,808
Depreciation of property and equipment	14	15,235,897	15,860,195	61,964,393	64,852,337
Depreciation of right-of-use assets	16	8,514,698	7,910,999	34,629,277	32,348,075
Seniority indemnity benefits	24(c)	5,913,314	4,835,325	24,049,448	19,771,645
Amortisation	15	2,950,927	2,595,839	12,001,420	10,614,386
Retirement benefits	24(a)	1,247,183	1,214,127	5,072,293	4,964,567
Career development	24(b)	1,153,574	975,962	4,691,585	3,990,709
Adjustment in property and equipment		547,358	36,243	2,226,105	148,198
Loss/(gain) on disposals of property and equipment, intangible assets and lease	29	270,789	(146,376)	1,101,299	(598,531)
Dividend income	29	(116,614)	(174,479)	(474,269)	(713,445)
Adjustment in intangible assets		(230,698)	280,284	(938,249)	1,146,081
Unrealised exchange gains		(3,166,063)	(132,990)	(12,876,379)	(543,796)
Currency translation reserves		(10,259,569)	1,343,081	(41,725,667)	5,491,858
Net interest income		(300,597,467)	(267,496,860)	(1,222,529,899)	(1,093,794,660)
Operating loss before changes in working capital		(113,353,783)	(87,801,390)	(461,009,837)	(359,019,881)
<i>Changes in:</i>					
Deposits from customers		637,504,710	68,844,942	2,592,731,656	281,506,968
Deposits and placements from other banks and financial institutions		190,476,555	89,327,445	774,668,149	365,259,923
Statutory deposits		146,445,293	57,799,625	595,593,007	236,342,667
Other liabilities		18,173,851	10,182,664	73,913,052	41,636,913
Other assets		(4,459,172)	(2,794,936)	(18,135,453)	(11,428,493)
Deposits and placements with other banks		(207,632,534)	169,733,490	(844,441,516)	694,040,241
Loans and advances		(541,358,259)	(275,665,396)	(2,201,704,039)	(1,127,195,804)
Cash flow generated from operations		125,796,661	29,626,444	511,615,019	121,142,534
Interest received		425,056,580	378,090,269	1,728,705,111	1,546,011,110
Career development paid	24(b)	(3,636)	(2,084,347)	(14,788)	(8,522,895)
Retirement benefits paid	24(a)	(110,370)	(92,796)	(448,875)	(379,443)
Seniority benefits paid	24(c)	(3,934,595)	(3,784,118)	(16,001,998)	(15,473,259)
Income tax paid	31(a)	(29,187,137)	(33,990,127)	(118,704,086)	(138,985,629)
Interest paid		(81,926,530)	(65,704,087)	(333,195,198)	(268,664,012)
Net cash from operating activities (carried forward to next page)		435,690,973	302,061,238	1,771,955,185	1,235,128,406

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the nine-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Net cash from operating activities (brought forward from previous page)		435,690,973	302,061,238	1,771,955,185	1,235,128,406
Cash flows from investing activities					
Interest received from investing		359,853	3,042,487	1,463,522	12,440,729
Proceeds from disposals of property and equipment and intangible assets		241,320	167,987	981,448	686,899
Dividends received		116,614	174,479	474,269	713,445
Proceeds from matured investments		87,034	(10,055)	353,967	(41,115)
Payment from disposal of Lease		(3,420)	-	(13,909)	-
Purchase of additional investments		(36,141)	-	(146,985)	-
Purchases of intangible assets	15	(2,294,166)	(9,091,985)	(9,330,373)	(37,177,127)
Financial investments		(2,302,326)	21,931,507	(9,363,560)	89,677,932
Purchases of property and equipment	14	(19,061,688)	(14,178,064)	(77,523,885)	(57,974,104)
Net cash (used in)/from investing activities		<u>(22,892,920)</u>	<u>2,036,356</u>	<u>(93,105,506)</u>	<u>8,326,659</u>
			-		-
Cash flows from financing activities					
Proceeds from borrowings		99,854,283	70,219,492	406,107,369	287,127,503
Investments made by holders of non- controlling interest in AIB	13	10,000,000	-	40,670,000	-
Proceeds from subordinated debts		-	37,677,978	-	154,065,252
Proceeds from share issuance	25	-	16,051,080	-	65,632,866
Payment tax on ABL's increase capital	13	(423,864)	(444,790)	(1,723,855)	(1,818,746)
Payments of dividends	25	(426,231)	(32,718,825)	(1,733,481)	(133,787,275)
Payment of lease liabilities	23	(9,143,047)	(8,530,953)	(37,184,772)	(34,883,067)
Interest paid		(38,189,337)	(48,889,640)	(155,316,034)	(199,909,738)
Repayments of borrowings		(120,072,258)	(157,212,800)	(488,333,873)	(642,843,139)
Net cash used in financing activities		<u>(58,400,454)</u>	<u>(123,848,458)</u>	<u>(237,514,646)</u>	<u>(506,416,344)</u>
Net increase in cash and cash equivalents		354,397,599	180,249,136	1,441,335,033	737,038,721
Cash and cash equivalents at the beginning of the period	33	1,497,105,504	1,498,720,457	6,055,791,764	6,107,285,862
Currency translation difference		-	-	55,154,360	39,450,748
Cash and cash equivalents at the end of the period	33	<u>1,851,503,103</u>	<u>1,678,969,593</u>	<u>7,552,281,157</u>	<u>6,883,775,331</u>

During the period, the Group entered into a new lease agreement and recognised a right-of-use asset amounting to US\$8,183,835 (2020: US\$4,238,195) and its related lease liability, which are non-cash transaction.

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

SEPARATE INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

		30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
	Note				
ASSETS					
Cash on hand	7	445,861,928	400,816,126	1,818,670,804	1,621,301,230
Deposits and placements with other banks, net	8	703,380,666	507,629,407	2,869,089,737	2,053,360,951
Financial investments	9	703,959,960	566,674,523	2,871,452,677	2,292,198,446
Loans and advances, net	10	4,829,330,552	4,292,649,159	19,698,839,322	17,363,765,848
Other assets	11	25,721,385	20,256,110	104,917,530	81,935,965
Statutory deposits	12	392,192,561	356,753,756	1,599,753,456	1,443,068,943
Investments in subsidiaries	13	91,117,716	91,115,571	371,669,164	368,562,485
Property and equipment, net	14	95,047,982	90,836,422	387,700,719	367,433,327
Intangible assets, net	15	12,710,686	13,884,558	51,846,888	56,163,037
Right-of-use assets, net	16	25,655,217	26,182,172	104,647,630	105,906,886
Deferred tax assets, net	17	8,789,108	12,685,947	35,850,772	51,314,656
TOTAL ASSETS		7,333,767,761	6,379,483,751	29,914,438,699	25,805,011,774
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and placements of other banks and financial institutions	18	478,575,170	296,764,554	1,952,108,118	1,200,412,621
Deposits from customers	19	4,824,587,391	4,180,268,737	19,679,491,968	16,909,187,041
Other liabilities	20	89,709,103	62,408,882	365,923,431	252,443,928
Borrowings	21	485,964,460	507,352,916	1,982,249,032	2,052,242,545
Subordinated debts	22	170,160,036	167,158,623	694,082,787	676,156,630
Current income tax liabilities	31(a)	25,827,606	27,950,334	105,350,805	113,059,101
Lease liabilities	23	25,695,885	25,772,385	104,813,515	104,249,297
Employee benefits	24	21,734,905	17,781,763	88,656,677	71,927,231
TOTAL LIABILITIES		6,122,254,556	5,285,458,194	24,972,676,333	21,379,678,394
EQUITY					
Share capital	25	433,163,019	433,163,019	1,766,871,955	1,752,144,412
Share premiums	25	11,706,215	11,706,215	47,749,651	47,351,640
Reserves	35	596,133,486	510,741,554	2,450,127,956	2,079,357,802
Retained earnings		170,510,485	138,414,769	677,012,804	546,479,526
TOTAL EQUITY		1,211,513,205	1,094,025,557	4,941,762,366	4,425,333,380
TOTAL LIABILITIES AND EQUITY		7,333,767,761	6,379,483,751	29,914,438,699	25,805,011,774

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

SEPARATE INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the nine-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Interest income	26	398,050,262	353,199,030	1,618,870,416	1,444,230,834
Interest expense	27	(118,228,365)	(104,501,229)	(480,834,760)	(427,305,525)
Net interest income		<u>279,821,897</u>	<u>248,697,801</u>	<u>1,138,035,656</u>	<u>1,016,925,309</u>
Fee and commission income	28	29,212,409	31,360,011	118,806,867	128,231,085
Fee and commission expense		(1,578,628)	(1,019,898)	(6,420,280)	(4,170,363)
Net fee and commission income		<u>27,633,781</u>	<u>30,340,113</u>	<u>112,386,587</u>	<u>124,060,722</u>
Impairment losses for loans and advances, deposits and placements with other banks and other receivables	10	(6,737,466)	(15,516,286)	(27,401,274)	(63,446,093)
Reversal of impairment losses on off-balance sheet commitments	10	176,022	82,987	715,881	339,334
Net impairment losses		<u>(6,561,444)</u>	<u>(15,433,299)</u>	<u>(26,685,393)</u>	<u>(63,106,759)</u>
Income after impairment losses		<u>300,894,234</u>	<u>263,604,615</u>	<u>1,223,736,850</u>	<u>1,077,879,272</u>
Other income	29	11,899,412	11,034,210	48,394,909	45,118,885
General and administrative expenses	30	(166,308,785)	(153,500,333)	(676,377,829)	(627,662,862)
Profit before income tax		<u>146,484,861</u>	<u>121,138,492</u>	<u>595,753,930</u>	<u>495,335,295</u>
Income tax expense	31(b)	(28,667,721)	(24,582,899)	(116,591,621)	(100,519,475)
Profit for the period		<u>117,817,140</u>	<u>96,555,593</u>	<u>479,162,309</u>	<u>394,815,820</u>
Other comprehensive income:					
<i>Item that will not be reclassified to profit or loss –</i>					
Remeasurement of employee benefit obligations	24	96,737	(245,858)	393,429	(1,005,313)
<i>Item that are or may be reclassified subsequently to profit or loss –</i>					
Currency translation differences		-	-	6,121,069	4,003,175
Other comprehensive (loss)/income during the period		<u>96,737</u>	<u>(245,858)</u>	<u>6,514,498</u>	<u>2,997,862</u>
Total other comprehensive income for the period		<u>117,913,877</u>	<u>96,309,735</u>	<u>485,676,807</u>	<u>397,813,682</u>

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

SEPARATE INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the three-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Interest income	26	137,026,922	118,391,332	558,658,761	485,511,003
Interest expense	27	(42,578,807)	(34,577,659)	(173,593,796)	(141,807,589)
Net interest income		94,448,115	83,813,673	385,064,965	343,703,414
Fee and commission income	28	9,373,043	10,507,710	38,213,896	43,091,140
Fee and commission expense		(363,949)	(509,882)	(1,483,820)	(2,087,968)
Net fee and commission income		9,009,094	9,997,828	36,730,076	41,003,172
Impairment losses for loans and advances, deposits and placements with other banks and other receivables	10	(6,199,453)	(7,504,988)	(25,275,170)	(30,735,963)
Reversal of impairment losses on off-balance sheet commitments		18,600	(152,106)	75,832	(620,551)
Net impairment losses		(6,180,853)	(7,657,094)	(25,199,338)	(31,356,514)
Income after impairment losses		97,276,356	86,154,407	396,595,703	353,350,072
Other income	29	4,266,471	3,029,893	17,394,402	12,437,259
General and administrative expenses	30	(54,893,808)	(48,522,253)	(223,802,055)	(199,037,361)
Profit before income tax		46,649,019	40,662,047	190,188,050	166,749,970
Income tax expense	31(b)	(9,190,176)	(8,340,694)	(37,468,348)	(34,202,552)
Profit for the period		37,458,843	32,321,353	152,719,702	132,547,418
Other comprehensive income:					
<i>Item that will not be reclassified to profit or loss –</i>					
Remeasurement of employee benefit obligations	24	117,212	142,060	477,873	578,556
<i>Item that are or may be reclassified subsequently to profit or loss –</i>					
Currency translation differences		-	-	924,233	1,245,199
Other comprehensive (loss)/income during the period		117,212	142,060	1,402,106	1,823,755
Total other comprehensive income for the period		37,576,055	32,463,413	154,121,808	134,371,173

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Share capital		Share premium		Reserves		Retained earnings		Total equity	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2021	433,163,019	1,752,144,412	11,706,215	47,351,640	510,741,556	2,079,357,810	138,414,769	546,479,526	1,094,025,559	4,425,333,388
Profit for the period	-	-	-	-	-	-	117,817,140	479,162,309	117,817,140	479,162,309
<i>Other comprehensive income:</i>										
Remeasurement of employee benefit obligations	-	-	-	-	-	-	96,737	393,429	96,737	393,429
Currency translation difference	-	-	-	-	-	6,121,069	-	-	-	6,121,069
Total other comprehensive income for the period	-	-	-	-	-	6,121,069	117,913,877	479,555,738	117,913,877	485,676,807
Transaction with owners:										
Dividend paid	-	-	-	-	-	-	(426,231)	(1,733,481)	(426,231)	(1,733,481)
Transfers from retained earnings to general reserves	-	-	-	-	55,327,925	225,018,671	(55,327,925)	(225,018,671)	-	-
Transfer from retained earnings to regulatory reserves	-	-	-	-	30,064,005	122,270,308	(30,064,005)	(122,270,308)	-	-
Currency translation difference	-	14,727,543	-	398,011	-	17,360,098	-	-	-	32,485,652
Total transactions with owners:	-	14,727,543	-	398,011	85,391,930	364,649,077	(85,818,161)	(349,022,460)	(426,231)	30,752,171
As at 30 September 2021	433,163,019	1,766,871,955	11,706,215	47,749,651	596,133,486	2,450,127,956	170,510,485	677,012,804	1,211,513,205	4,941,762,366

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Share capital		Share premium		Reserves		Retained earnings		Total equity	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2020	428,818,154	1,747,433,978	-	-	425,709,612	1,752,368,656	117,750,767	462,232,389	972,278,533	3,962,035,023
Profit for the period (Unaudited)	-	-	-	-	-	-	96,555,593	394,815,820	96,555,593	394,815,820
<i>Other comprehensive income: (Unaudited)</i>										
Remeasurement of employee benefit obligations	-	-	-	-	-	-	(245,858)	(1,005,313)	(245,858)	(1,005,313)
Currency translation difference	-	-	-	-	-	4,003,175	-	-	-	4,003,175
Total other comprehensive income for the period (Unaudited)	-	-	-	-	-	4,003,175	96,309,735	393,810,507	96,309,735	397,813,682
Transaction with owners: (Unaudited)										
Dividend paid	-	-	-	-	-	-	(32,718,825)	(133,787,275)	(32,718,825)	(133,787,275)
Transfer from retained earnings to general reserves	-	-	-	-	67,924,603	277,743,702	(67,924,603)	(277,743,702)	-	-
Shares issued	4,344,865	17,766,153	11,706,215	47,866,713	-	-	-	-	16,051,080	65,632,866
Transfer from retained earnings to regulatory reserves	-	-	-	-	17,107,339	69,951,909	(17,107,339)	(69,951,909)	-	-
Currency translation difference	-	10,768,247	-	128,769	-	10,282,833	-	-	-	21,179,849
Total transactions with owners: (Unaudited)	4,344,865	28,534,400	11,706,215	47,995,482	85,031,942	357,978,444	(117,750,767)	(481,482,886)	(16,667,745)	(46,974,560)
As at 30 September 2020 (Unaudited)	433,163,019	1,775,968,378	11,706,215	47,995,482	510,741,554	2,114,350,275	96,309,735	374,560,010	1,051,920,523	4,312,874,145

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

SEPARATE INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the nine-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Cash flows from operating activities					
Profit for the period before income tax		146,484,861	121,138,492	595,753,930	495,335,295
<i>Adjustments for:</i>					
Depreciation of property and equipment	14	13,504,181	14,385,150	54,921,504	58,820,878
Depreciation of right-of-use assets	16	7,901,627	7,273,984	32,135,917	29,743,321
Net impairment losses	10	6,561,444	15,433,299	26,685,393	63,106,759
Seniority indemnity benefits	24(c)	5,763,793	4,706,125	23,441,346	19,243,345
Amortisation	15	2,627,619	2,352,042	10,686,526	9,617,500
Retirement benefits	24(a)	1,193,636	1,165,037	4,854,518	4,763,835
Career development	24(b)	1,142,677	975,962	4,647,267	3,990,709
Adjustment in property and equipment		547,358	18,533	2,226,105	75,781
Loss/(gain) on disposals of property and equipment, intangible assets and lease	29	265,619	(108,460)	1,080,272	(443,493)
Dividend income	29	(116,614)	(174,479)	(474,269)	(713,445)
Adjustment in intangible assets		(230,698)	280,284	(938,249)	1,146,081
Unrealised exchange gains		(961,637)	(69,685)	(3,910,978)	(284,942)
Net interest income		(279,821,897)	(248,697,801)	(1,138,035,656)	(1,016,925,309)
Operating loss before changes in working capital					
		(95,138,031)	(81,321,517)	(386,926,374)	(332,523,685)
<i>Changes in:</i>					
Deposits from customers		644,318,654	54,529,029	2,620,443,966	222,969,200
Deposits and placements of other banks and financial institutions		181,810,616	83,247,837	739,423,775	340,400,405
Statutory deposits		135,537,271	47,342,289	551,230,081	193,582,620
Other liabilities		16,730,022	11,632,026	68,040,999	47,563,354
Other assets		(4,856,103)	(2,997,661)	(19,749,771)	(12,257,436)
Deposits and placements with other banks		(197,878,666)	178,459,698	(804,772,535)	729,721,705
Loans and advances		(542,357,421)	(263,669,912)	(2,205,767,631)	(1,078,146,270)
Cash flow generated from operations					
		138,166,342	27,221,789	561,922,510	111,309,893
Interest received		397,241,810	351,075,635	1,615,582,441	1,435,548,271
Career development paid	24(b)	(3,636)	(2,084,347)	(14,788)	(8,522,895)
Retirement benefits paid	24(a)	(110,370)	(92,796)	(448,875)	(379,443)
Seniority benefits paid	24(c)	(3,865,825)	(3,690,484)	(15,722,310)	(15,090,389)
Income tax paid	31(a)	(26,893,610)	(32,641,758)	(109,376,312)	(133,472,148)
Interest paid		(76,755,231)	(62,866,381)	(312,163,524)	(257,060,632)
Net cash from operating activities (carried forward to next page)					
		427,779,480	276,921,658	1,739,779,142	1,132,332,657

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

SEPARATE INTERIM STATEMENT OF CASH FLOWS (CONTINUED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	For the nine-month period ended			
		30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Net cash from operating activities (brought forward from previous page)		427,779,480	276,921,658	1,739,779,142	1,132,332,657
Cash flows from investing activities					
Interest received from investing		359,853	3,015,827	1,463,522	12,331,717
Proceeds from disposals of property and equipment		239,349	121,380	973,432	496,323
Dividend received		116,614	174,479	474,269	713,445
Proceeds from matured investments		76,979	(10,055)	313,074	(41,115)
Additional investment in subsidiaries	13	(2,145)	20,000	(8,724)	81,780
Proceed from disposal of lease		(3,420)	-	(13,909)	-
Additional investments		(36,141)	-	(146,985)	-
Purchases of intangible assets	15	(1,710,702)	(9,004,875)	(6,957,425)	(36,820,934)
Financial investments		(2,292,271)	21,931,507	(9,322,666)	89,677,932
Purchases of property and equipment	14	(18,178,468)	(13,760,102)	(73,931,829)	(56,265,057)
Net cash (used in)/from investing activities		<u>(21,430,352)</u>	<u>2,488,161</u>	<u>(87,157,241)</u>	<u>10,174,091</u>
Cash flows from financing activities					
Proceeds from borrowings		80,508,888	70,219,492	327,429,647	287,127,503
Proceeds from subordinated debts		-	37,677,978	-	154,065,252
Proceeds from share issuance	25	-	16,051,080	-	65,632,866
Payments of dividends	25	(426,231)	(32,718,825)	(1,733,481)	(133,787,275)
Payment of lease liabilities	23	i (8,684,271)	(7,881,774)	(35,318,930)	(32,228,574)
Interest paid		(29,686,055)	(44,277,516)	(120,733,186)	(181,050,763)
Repayments of borrowings		(98,616,270)	(146,477,217)	(401,072,370)	(598,945,340)
Net cash used in financing activities		<u>(56,903,939)</u>	<u>(107,406,782)</u>	<u>(231,428,320)</u>	<u>(439,186,331)</u>
Net increase in cash and cash equivalents		349,445,189	172,003,037	1,421,193,581	703,320,417
Cash and cash equivalents at the beginning of the period	33	1,457,697,939	1,459,613,448	5,896,388,163	5,947,924,801
Currency translation difference		-	-	53,755,075	38,382,371
Cash and cash equivalents at the end of the period	33	<u>1,807,143,128</u>	<u>1,631,616,485</u>	<u>7,371,336,819</u>	<u>6,689,627,589</u>

During the period, the Bank entered into a new lease agreement and recognised a right-of-use asset amounting to US\$8,056,710 (2020: US\$3,812,241) and its related lease liability, which are non-cash transaction.

The accompanying notes on page 28 to 213 form an integral part of these interim financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

1. Background information

Prior to 1 December 2003, ACLEDA Bank Plc. (“the Bank”) was a public limited company formed under the Laws of the Kingdom of Cambodia to operate as a specialised bank with a Head Office located in Phnom Penh and 14 branches in the Kingdom of Cambodia. On 1 December 2003, the National Bank of Cambodia (“NBC”) issued a license for the Bank to become a private commercial bank for a period of three years commencing 1 December 2003. The Bank’s license was renewed for an indefinite period on 28 November 2006. On 25 May 2020, the Bank was successfully listed on the Cambodia Securities Exchange (“CSX”).

The registered office of the Bank is located at No 61, Preah Monivong Boulevard, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

The Bank operates under the supervision of the NBC with special focus on providing lending and other financial services to the citizenry and small and medium-sized enterprises and to engage in all other activities which the Board of Directors believes support these objectives.

The principal activities of the subsidiaries are disclosed in Note 13 to the interim financial statements.

As at 30 September 2021, the Group and the Bank have 13,716 and 12,088 employees, respectively. (2020: 13,704 and 12,013 employees, respectively). The Group has 262 branches covering all provinces and cities in the Kingdom of Cambodia, 38 branches in the Lao PDR, and 17 branches in the Republic of the Union of Myanmar.

2. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation and presentation

The interim financial statements of the Group and the Bank have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”). The consolidated interim financial statements have been prepared on a historical cost basis except for items which are not prepared the under historical cost basis such as:

- Financial instruments at amortised cost;
- Financial instruments which are valued at fair value;
- Defined benefit asset or obligation; and
- Provisions measured at its best estimate of the expenditure required to settle the present obligation, with discounting if the effect of time value of money is material.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(a) Basis of preparation and presentation (continued)

The preparation of interim financial statements in conformity with CIFRSs requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise judgment in the process of applying the Group's and the Bank's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the interim financial statements are disclosed in Note 3.

The financial statements are presented in accordance with Cambodian Accounting Standards ("CAS") 34, *Interim Financial Statements*.

Management presents the interim financial statements based on liquidity. Information about short-term and long-term assets and liabilities are disclosed in the financial risk management section. Assets and liabilities over 12 months are considered non-current assets and non-current liabilities, respectively.

(b) Adoption of new and revised accounting standards

(i) *New and revised accounting standards that are effective for the current quarter*

The Group and the Bank adopted all accounting standards and interpretations as at 30 September 2021. The new and revised accounting standards and interpretations assessed to be applicable to the Group's and the Bank's interim financial statements follows:

- Covid-19-Related Rent Concessions beyond 30 September 2021 (Amendment to CIFRS 16)

The Management assessed that the adoption of the below accounting standard has no material impact on the interim financial statements of the Group and the Bank.

- Interest Rate Benchmark Reform — Phase 2 (Amendments to CIFRS 9, CAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)

(ii) *New and revised accounting standards but not yet effective*

At the date of authorization of these interim financial statements, the following new and revised accounting standards that have been issued but are not yet effective were assessed to be not applicable for the Group and the Bank:

- CIFRS 17 Insurance Contracts
- Reference to the Conceptual Framework (Amendments to CIFRS 3)
- Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to CAS 1)
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to CAS 16)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to CAS 37)

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN
ENDED

2. Summary of significant accounting policies (continued)

(b) Adoption of new and revised accounting standards (continued)

- Annual Improvements to CIFRS Standards 2018–2020
- Disclosure of Accounting Policies (Amendments to CAS 1 and CIFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to CAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to CAS 12)

The Management does not expect that the adoption of the accounting standards listed above will have a material impact on the interim financial statements of the Group and the Bank in future periods.

(c) Consolidation

(i) *Subsidiaries*

Subsidiaries are all entities over which the Bank has control. The Bank controls an entity when the Bank is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

The consolidated interim financial statements include the interim financial statements of the Bank and all its subsidiaries made up to the end of the financial period.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and deconsolidated from the date that control ceases.

All material transactions and balances between each of the Group's entities are eliminated and the consolidated interim financial statements reflect external transactions only. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(ii) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss in control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(c) Consolidation (continued)

(iii) *Disposal of subsidiaries*

When the Bank ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for retained interest as an associate, joint venture or financial assets. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Bank had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iv) *Investments in subsidiaries*

In the Bank's separate interim financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of investments are recognised in the statement of profit or loss and other comprehensive income.

(c) Consolidation (continued)

(iv) *Investments in subsidiaries (continued)*

The amounts due from subsidiaries of which the Bank does not expect repayment in foreseeable future are considered as part of the Bank's investments in subsidiaries.

(d) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the interim financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The interim financial statements are presented in United States Dollars ("US\$"), which is the Group's and the Bank's functional and presentation currency.

(ii) *Transactions and balances*

Transactions in currencies other than US\$ are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognised in the statement of profit or loss and other comprehensive income.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

(iii) *Group's companies*

The results and interim financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the Bank's presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each statements of financial position presented are translated at the closing rate at the end of reporting period;
- b) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions); and
- c) all resulting exchange differences are recognised as separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences are reclassified to the statement of profit or loss as part of gain or loss on sale.

(e) Financial assets and financial liabilities

(i) *Recognition and initial measurement*

The Group and the Bank initially recognise loans and advances, deposits and placements with other banks, borrowings and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group and the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

(ii) *Classification*

On initial recognition, a financial asset is classified as: amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are 'solely payment for principal and interest' ("SPPI").

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group and the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All other financial assets are classified as FVTPL.

In addition, on initial recognition, the Group and the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group and the Bank make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's and the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's and the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

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2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(ii) *Classification (continued)*

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group and the Bank consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group and the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group and the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Group and the Bank holds a portfolio of long-term fixed-rate loans for which the Group and the Bank have the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision in which the Group and the Bank has an option to either accept the revised rate or redeem the loan at par without penalty. The Group and the Bank have determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Non-recourse loans

In some cases, loans made by the Group and the Bank that are secured by collateral of the borrower limit the Group and the Bank's claim to cash flows of the underlying collateral (non-recourse loans). The Group and the Bank applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Group and the Bank typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;
- the fair value of the collateral relative to the amount of the secured financial asset;
- the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
- whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- the Group and the Bank's risk of loss on the asset relative to a full-recourse loan;

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2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(ii) *Classification (continued)*

Non-recourse loans (continued)

- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the Group and the Bank will benefit from any upside from the underlying assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group and the Bank change its business model for managing financial assets.

Financial liabilities

The Group and the Bank classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

(iii) *Derecognition*

Financial assets

The Group and the Bank derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire (see also (iv)), or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities, as explained in statement of profit or loss and other comprehensive income. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group and the Bank are recognised as a separate asset or liability.

Financial liabilities

The Group and the Bank derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(iv) *Modifications of financial assets and financial liabilities*

Financial assets

If the terms of a financial asset are modified, then the Group and the Bank evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group and the Bank plan to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group and the Bank first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower (see (vii)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method (see (Note 2(q))).

Financial liabilities

The Group and the Bank derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(iv) *Modifications of financial assets and financial liabilities (continued)*

Financial liabilities (continued)

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss.

For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(v) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Bank currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under CIFRSs, or for gains and losses arising from a group of similar transactions such as in the Group and the Bank's trading activity.

(vi) *Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Bank have access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group and the Bank recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) *Impairment*

The Group and the Bank recognise loss allowances for the expected credit loss ("ECL") on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Group and the Bank measure loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Group and the Bank consider a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group and the Bank do not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Bank expect to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group and the Bank if the commitment is drawn down and the cash flows that the Group and the Bank expect to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group and the Bank expect to recover.

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2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (“PD”);
- Loss given default (“LGD”); and
- Exposure at default (“EAD”).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Measurement of ECL (continued)

PD provides an estimate of the likelihood that a customer will be unable to meet its debt obligation or default over a particular time horizon. Financial assets under the general approach, which required staging will require both 12-month PD and lifetime PD estimation according to historical data using the migration approach or external credit rating approach.

LGD is the magnitude of the likely loss if there is a default. LGD is defined as the percentage of exposure the Group and the Bank might lose in case the customer defaults. These losses are usually shown as a percentage of EAD, and depend, amongst others, on the type and amount of collateral as well as the type of customer and the expected recovery from the customers.

With accurate collateral value, which is updated from time to time, the Group and the Bank can consider to take collateral into LGD calculation for ECL computation. In the event of over-collateralised, a floor LGD shall be applied for ECL calculation.

EAD is simply the amount outstanding at the point of default. However, EAD is different following the natures of products:

- Amortised facilities: the current amount allowed under the contract and arising from amortisation
- Revolving facilities: utilisation rate
- Off-balance sheet: credit conversion factors

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group and the Bank measure ECL considering the risk of default over the maximum contractual period (including any borrower’s extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group and the Bank consider a longer period. The maximum contractual period extends to the date at which the Group and the Bank have the right to require repayment of an advance or terminate a loan commitment or guarantee.

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2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

However, for credit card facilities that include both a loan and an undrawn commitment component, the Group and the Bank measure ECL over a period longer than the maximum contractual period if the Group's and the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group and the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group and the Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group and the Bank become aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group and the Bank expect to take, and that serve to mitigate ECL. These include a

reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see (iv)) and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group and the Bank assess whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

- the restructuring of a loan or advance by the Group and the Bank on terms that the Group and the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Group and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group and the Bank present a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group and the Bank determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in the statement of profit or loss and other comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Bank's procedures for recovery of amounts due.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

Non-integral financial guarantee contracts

The Group and the Bank assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Group and the Bank consider when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

Presentation of allowance for ECL in the statement of financial position (continued)

Non-integral financial guarantee contracts (continued)

If the Group and the Bank determine that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Group and the Bank consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Group and the Bank determine that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in 'other assets'. The Group and the Bank present gains or losses on a compensation right in profit or loss in the line item 'impairment losses on financial instruments'.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposit and placements with other bank with original maturities of three months or less when purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(g) Loans and advances

The 'Loans and advances' caption in the statement of financial position includes loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(h) Financial investments

The 'financial securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group and the Bank elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

(i) Share capital

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(j) Earnings per share

Basic earnings per share (EPS) is determined by dividing the adjusted net profit for the year attributable to common shareholders by the weighted average number of common stocks outstanding during the period, after giving retroactive effect to any stock dividends declared in the current period.

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2. Summary of significant accounting policies (continued)

(j) Earnings per share (continued)

Diluted EPS is also computed by dividing net profit by the weighted average number of common stocks subscribed and issued during the period. However, net profit attributable to common stocks and the weighted average number of common stocks outstanding are adjusted to reflect the effects of potentially dilutive convertible preferred stocks. Convertible preferred stocks are deemed to have been converted into common stocks at the issuance of preferred stocks.

In cases of redemption of preference shares, the net income used in the computation of basic and diluted EPS is decreased by the excess of the fair value of consideration paid to holders of the instruments over the carrying amount of such repurchased instruments.

(k) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the statements of profit or loss and other comprehensive income during the financial period in which they are incurred.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Land is not depreciated. Other property and equipment are depreciated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

	Years
Land improvement	3 to 20
Building and improvement	3 to 20
Leasehold improvements*	3 to 5
Office equipment	3 to 7
Computer equipment	3 to 7
Motor vehicles	3 to 8

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2. Summary of significant accounting policies (continued)

(k) Property and equipment (continued)

** Leasehold improvements are depreciated over the improvements' useful life of 3 to 5 years or when shorter, the term of the relevant lease.*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on assets under construction commences when the assets are ready for their intended use.

Property and equipment are reviewed for indication of impairment at each statements of financial position date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in other income.

(l) Intangible asset

Intangible assets include acquired computer software licenses and related costs. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group and the Bank.

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight-line method based on estimated useful lives over the life of the assets. Useful life of computer software are five years except for license of core banking system which has useful lives of ten years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized. Costs associated with maintaining computer software are recognised as expenses when incurred.

(m) Impairment of non-financial assets

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(m) Impairment of non-financial assets (continued)

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses are recognised in the statement of profit or loss.

(n) Reserves

Reserves comprise of general reserves, regulatory reserves and other reserves.

The general reserves are set up for any overall financial risk. The Board of Directors exercises its discretion for the use and maintenance of the general reserves. The transfer from retained earnings to general reserves is subject to the approval of Board of Directors of each entity within the Group.

Regulatory reserves are set up for the variance of provision between impairment in accordance with CIFRSs and regulatory provision. It is transferred between retained earnings and regulatory reserves.

Other reserves are for currency translation difference of the net investment in foreign operations.

(o) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group and the Bank operate and generate taxable income and includes all taxes based upon the taxable profits.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and unused tax losses or unused tax credits can be utilised.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(p) Employee benefits

(i) Short-term employee benefits

The Group and the Bank recognise a liability and an expense for bonuses. The Group and the Bank recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, bonuses, and other short-term benefits are recognised as an expense in the period in which the associated services are rendered by employees of the Group and the Bank.

(ii) Post-employment benefits

The Group and the Bank have various post-employment benefit schemes. These benefit plans are below.

Seniority benefits

In accordance with Prakas No. 443 MoLVT dated 21 September 2018 and Notification Letter No. 042 MoLVT dated 22 March 2019 issued by the Ministry of Labour and Vocational Training ("MoLVT"), the Bank and its subsidiaries, except for ACLEDA Bank Lao Ltd. and ACLEDA MFI Myanmar Co., Ltd, are required seniority indemnity to its employees as follows:

- Current Seniority Indemnity: Employees who have worked from 1 month to 6 months (not including probation period) by June 30, or December 31, will receive seniority indemnity equal to 7.5 days.
- Back Pay Seniority Indemnity: Employees who have worked under permanent contract from 1 month to 6 months in fiscal year will receive payment of seniority indemnity equal to 3 days, in case over 3 months will receive seniority indemnity equal to 15 days. The maximum seniority to be paid shall not exceed 6 days of the average base salary of each year that shall be compensated from 2008 to 2018 but shall not exceed 156 days. The payment will be made from December 2021.

The liability was recognised at the present value of defined obligation at the reporting period using the projected unit credit method to better estimate the ultimate cost to the Group and the Bank of the benefit that employees have earned in return for their service in the periods from 2008 to 2018. The Group and the Bank attributes benefit to periods in which the obligation to provide back pay seniority indemnity. That obligation arises as employees render services in return for back pay seniority indemnity that the Group and the Bank expects to pay in future reporting periods.

The present value of the back pay seniority indemnity is determined by discounting the estimated future payments by reference to the Bank's sixty-months fixed deposit interest rate.

Retirement benefits

The Bank and its subsidiaries, except ACLEDA MFI Myanmar Co., Ltd, provide an unfunded retirement benefit plan, which is a defined benefit plan for eligible employees, upon reaching the retirement age, as follows:

- When employees, who have worked for the Group or the Bank for 15 years or more, reach a retirement age of 58 years and 60 years for unskilled and skilled respectively, are entitled to the retirement benefits equivalent to 12 months of last salary; or

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(p) Employee benefits (continued)

(ii) *Post-employment benefits (continued)*

Retirement benefits (continued)

- When employees, who have worked for the Group or the Bank for 15 years or more, reach the early retirement age of 55 years and 57 years for unskilled and skilled respectively, are entitled to the retirement benefits equivalent to 6 months of last salary.

No separate fund is maintained and interest contributed for the retirement benefits.

The liability is recognised in the statement of financial position at the present value of defined obligation at the reporting period using the projected unit credit method to estimate the ultimate cost to the Group and the Bank of the benefit that employees have earned in return for their service in the current and prior periods.

The Group and the Bank attributes benefit to periods in which the obligation to provide retirement benefit arises. That obligation arises as employees render services in return for retirement benefits that the Group and the Bank expect to pay in future reporting periods.

The present value of the retirement benefit obligation is determined by discounting the estimated future payments using the Bank's long term fixed deposit interest rate as its reference rate, as there is no deep high-quality corporate bond market nor government bonds currently being offered in the market.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income and directly in the retained earnings in the period in which they arise. The cost associated with providing these benefits is recognised in other comprehensive income so as to spread the cost over the period of employment in which the entitlement to the benefit is earned. Past-service costs are recognised immediately in the statement of profit or loss.

Career development benefits

The Bank provides career development benefits to employees as they reach management position as below.

Management position level	Benefits
Level 6	US\$1,250
Level 7	US\$2,500
Level 8	US\$3,375 to US\$3,750
Level 9	US\$5,000
Level 10	US\$6,250

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(p) Employee benefits (continued)

(ii) *Post-employment benefits (continued)*

Career development benefits (continued)

They are eligible to receive membership unless they have been working since their date of appointment in a management position for two years continuously and their performance evaluation has been high (i.e. evaluation score equal to or higher than 700 and no warning letter). They will automatically be entitled to membership on the first day of their third year.

The liability is recognised in the statement of financial position at the present value of benefits obligation at the end of each reporting period using the projected unit credit method. The present value is determined by discounting the estimated future payments by reference to three years fixed deposit interest rate, as the period of benefit entitlement is three years.

(q) Provisions

Provisions are recognised when the Group and the Bank have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of obligation can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to the passage of time is recognised as interest expense.

(r) Interest

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group and the Bank estimate future cash flows considering all contractual terms

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(r) Interest (continued)

of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(r) Interest (continued)

- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

Interest expense presented in the statement of profit or loss and OCI includes:

- financial liabilities measured at amortised cost; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense.

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

(s) Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed.

If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's and the Bank's financial statements may be partially in the scope of CIFRS 9 and partially in the scope of CIFRS 15. If this is the case, then the Group and the Bank first apply CIFRS 9 to separate and measure the part of the contract that is in the scope of CIFRS 9 and then apply CIFRS 15 to the residual.

(t) Recognition of fee and other income

(i) Dividends

Dividends are recognised when the right to receive payment is established. Usually, this is the ex-dividend date for quoted equity securities.

The dividends on equity instruments designated as FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(t) Recognition of fee and other income (continued)

(ii) *Training and consultancy services*

The Group and the Bank recognise service revenue when it is probable that economic benefits will flow to the Group and the Bank and the amount of revenue can be reliably measured. Revenue from training services and consultancy services are recognised when services are delivered.

(u) Leases

At inception of a contract, the Group and the Bank assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and the Bank allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group and the Bank recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Group and the Bank will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Bank's incremental borrowing rate. Generally, the Group and the Bank use its incremental borrowing rate as the discount rate.

At the date of initial adoption, the Group and the Bank's used its long term fixed deposit interest rate to discount future lease payments, as there is no deep high-quality corporate bond market nor government bonds.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(u) Leases (continued)

As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and the Bank are reasonably certain to exercise, lease payments in an optional renewal period if the Group and the Bank are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and the Bank are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Group and the Bank change its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment, or a lease contract is modified and the lease modification is not accounted for as a separate lease.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and the Bank present right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

A lease that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease.

A lease of an underlying asset does not qualify as a lease of a low-value asset if the nature of the asset is such that, when new, the asset is typically not of low value. For example, leases of cars would not qualify as leases of low-value assets because a new car would typically not be of low value.

The Group and the Bank have elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group and the Bank recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

2. Summary of significant accounting policies (continued)

(v) Contingent assets and contingent liabilities

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and the Bank. As this may result in the recognition of income that may never be realised, contingent assets are not recognised in the Group's and the Bank's interim financial statements.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Group and the Bank; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognised in the interim financial statements but are disclosed unless the probability of settlement is remote.

(w) Events after the reporting period

The Group and the Bank identify events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the interim financial statements are authorised for issue. The interim financial statements of the Group and the Bank are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the interim financial statements when material.

(x) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds:

- the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and
- its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if Management believes that information about the segment would be useful to users of the consolidated financial statements.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN
ENDED**

2. Summary of significant accounting policies (continued)

(x) Segment reporting (continued)

For Management purposes, the Group is currently organized into two main business segments: Lending and other financial service. These divisions are the basis on which the Group reports its primary segment information.

Financial information on segment reporting is presented in Note 6.

3. Composition of the Group

Details of the Bank's subsidiaries as at 30 September 2021 and 31 December 2020 are presented in Note 13.

The significant financial information on the financial statements of non-wholly owned subsidiary interests of the Bank that has material non-controlling interest as at 30 September 2021 and for the quarter then ended are shown in the succeeding page. The summarized financial information below represents amounts before intragroup eliminations.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

3. Composition of the Group (continued)

ACLEDA Institute of Business

30 September 2021

US\$

<u>Financial position:</u>	
Current assets	2,843,730
Non-current assets	33,045,188
Total assets	35,888,918
Current liabilities	2,305,650
Non-current liabilities	7,903,083
Total liabilities	10,208,733
Equity	25,680,185
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Ownership and voting interest held by non-controlling interests	23.391%
Equity attributable to:	
Equity holders of the Group	19,673,333
Non-controlling interests	6,006,852
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<u>Results of operations:</u>	
Revenue	2,778,095
Costs and expenses	3,819,165
Profit for the quarter	(1,041,070)
Total other comprehensive income for the quarter	(1,043,354)
<hr/>	
Profit attributable to:	
Equity holders of the Group	(797,553)
Non-controlling interests	(243,517)
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Total other comprehensive income for the quarter attributable to:	
Equity holders of the Group	(799,303)
Non-controlling interests	(244,051)
<hr/>	
Dividends paid to non-controlling interests	-
<hr/>	
<u>Cash flows:</u>	
Net cash inflow from operating activities	(1,121,445)
Net cash outflow from investing activities	(61,287)
Net cash inflow from financing activities	2,591,997
Net cash inflow	1,409,265

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

4. Critical accounting estimates and judgements in applying accounting policies

The Group and the Bank make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Bank's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period are outlined below:

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the interim financial statements is included in the following notes.

- Note 2(e)(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- Note 37.1(f): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.
- The long-term fixed deposit rate on deposits from customers is used as the discount rate for calculating lease liabilities and the retirement benefit obligation.

Functional currency

Based on the economic substance of underlying circumstances relevant to the Group and the Bank, Management determines the functional currency of the Group and the Bank to be the USD. The USD is the currency of the primary economic environment in which the Group and the Bank operates and it is the currency that mainly influences the loans and deposit to customers which generated as interest income and interest expense.

Leases

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfilment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

In assessing whether leases are of low-value, Management considers the economic substance of the underlying asset as a whole.

Retirement benefits

In the absence of a bond market and government bonds, Management used their six-year fixed deposit interest rate as a discount rate to determine the present value of the estimated future cash outflows expected to be required to settle the retirement benefit obligation.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

4. Critical accounting estimates and judgements in applying accounting policies (continued)

(b) Assumptions and estimation uncertainties

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period.

Impairment of financial and non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Bank and/or the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

- Note 37.1(f): impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- Note 38.4: determination of the fair value of financial instruments with significant unobservable inputs.
- Note 34: recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 2(e)(vii): impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

Following CAS 36, *Impairment of assets*, at the end of each reporting period, the Bank assesses whether there is any indication that assets may be impaired. If any such indication exists, the Bank shall estimate the recoverable amount of the assets and writes down its carrying amount to the assessed amount.

In assessing whether there is any indication that an asset may be impaired, the Bank considers, as a minimum, the following indications:

- External sources of information
 - a) Market value of the assets has declined significantly during the period more than what would be expected as a result of the passage of time or normal use.
 - b) Significant changes with an adverse effect on the Bank have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Bank operates or in the market to which an asset is dedicated.
 - c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
 - d) The carrying amount of the net assets of the entity is more than its market capitalisation.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN
ENDED

4. Critical accounting estimates and judgements in applying accounting policies (continued)

(b) Assumptions and estimation uncertainties (continued)

Impairment of financial and non-financial assets (continued)

- Internal sources of information
 - a) Evidence is available of obsolescence or physical damage of an asset.
 - b) Significant changes with an adverse effect on the Bank have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date,
 - c) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

In determining the recoverable amount, the Bank projects its future net cash flows for a period of five years using the Gordon Growth Model. Under this model, Management determines the weighted average cost of capital to be the discount rate based on the Bank's latest audited financial statements, and is subject to change, if warranted. Further, Management assumes that the average ten-year GDP growth rate of each country where its subsidiaries operate, is equivalent to the growth rate, and is to update from each period.

As at 30 September 2021, Management believes that the recoverable amounts of its equity investments, exceed their carrying amounts. Accordingly, no impairment loss was recognized.

Coronavirus and impact on ECL

The ECL was estimated based on a range of forecast economic conditions as at reporting date. The Novel Coronavirus (Covid-19) outbreak has spread across mainland China, Cambodia and beyond, causing disruption to business and economic activity

The impact on Gross Domestic Product ("GDP") and other key indicators will be considered when determining the severity and likelihood of downside economic scenarios that are used to estimate ECL. Management estimates that the additional ECL of US\$5.34 million recorded as at 30 September 2021 resulting from the overlay has been determined based on possible forward-looking scenarios, considering the facts, circumstances and forecast of the future economic conditions and supportable information that is available as at the reporting date.

The calculation of the ECL in this current environment is subject to significant uncertainty. Management provides its best estimate on the possible outcomes of COVID-19 on the Group and the Bank, however, this estimate may move materially as events unfold. Consequently, this number should not be seen as firm guidance or a forecast as to the final financial impacts expected. In the event the impacts are more severe or prolonged than anticipated in the scenarios, this will have a corresponding impact on the ECL, the financial position and performance of the Group and the Bank.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN
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4. Critical accounting estimates and judgements in applying accounting policies (continued)

(b) Assumptions and estimation uncertainties (continued)

Impairment of financial and non-financial assets (continued)

Retirement benefits

The present value of the retirement benefit obligation depends on a number of factors that are determined by Management using a number of assumptions such as salary growth rates, turnover rates and mortality rates. The assumptions used in determining the net cost for retirement benefits include discount rate. Any changes in these assumptions will impact the value of retirement benefit obligation.

Taxes

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at reporting date. The Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the taxes liabilities and balances in the period in which the determination is made.

Estimating cost of right-of-use assets

Determining the cost of right-of-use asset includes the amount of lease liabilities recognized and the estimated costs to be incurred in dismantling and removing its underlying asset or restoring to the condition required by the contract.

Lease liabilities are measured at the present value of lease payments to be made over the lease term.

In calculating the lease liabilities, the Group and the Bank use its average borrowing rate and long term fixed deposit rate at the time of the commencement of the lease term.

Estimating useful lives of assets

The useful lives of the Group's and the Bank's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of Group's and the Bank's property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Group's and the Bank's assets. In addition, the estimation of the useful lives is based on the Group's and the Bank's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase the recognized operating expenses and decrease non-current assets.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

5. Translation of United States Dollars into Khmer Riel

The interim financial statements are expressed in US\$. The translations of US\$ amounts into Khmer Riel (“KHR”) are included solely for compliance with the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR using the average rate for the three-month and nine-month periods. Exchange differences arising from the translation are recognised as “Currency Translation Difference” in the other comprehensive income.

The Group and the Bank have used the exchange rates:

			Closing rate	Average rate nine-month	Average rate three-month
30 September 2021	US\$1	=	KHR4,079	KHR4,067	KHR4,077
30 September 2020	US\$1	=	KHR4,100	KHR4,089	KHR4,101
31 December 2020	US\$1	=	KHR4,045	KHR4,077	Not applicable

These convenience translations should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

6. Segment information

The Group's operations are mainly in the financial industry sector, from which the Group's reporting segments are identified.

(a) Business segments

The Group's operating businesses are managed separately according to the nature of services provided (primary segments) and the different geographical markets served (secondary segments) with a segment representing a strategic business unit. The Group's business segments follow:

Lending - provides loans to individual, group, and corporate as well as financial institutions. Products offered depend on the purpose, feature and size such as group loan, small loan, medium loan, housing loans, car loans, motor loans, overdraft loans, revolving loans, financial lease and trade finance loans etc.

Other financial services - provides other services such as foreign exchange transaction, debit & credit card issuing and acquiring service, fund transfer local & overseas, cash management services such as payroll, cash collection, bill payment, top-up and standing order. These services are leaning toward modernizing the digital banking services via mobile application, internet bank and e-commerce as well as other digital ways.

These segments are the basis on which the Group reports its primary segment information. Other operations of the Group comprise the operations and financial control groups. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to primary business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

6. Segment information (continued)

(a) Business segments (continued)

For secondary segments, revenues and expenses are attributed to geographic areas based on the location of the resources producing the revenues, and in which location the expenses are incurred.

(b) Analysis of primary segment information

Primary segment information by business segment on a consolidated basis for the period ended 30 September 2021 and 2020 follow:

	30 September 2021		
	Lending US\$	Other financial services US\$	Total US\$
Revenues			
From customers			
Interest income	425,856,713	-	425,856,713
Interest expense	125,259,246	-	125,259,246
Net interest income	300,597,467	-	300,597,467
Non-interest income	-	45,344,898	45,344,898
Total net revenues	300,597,467	45,344,898	345,942,365

	30 September 2020 (Unaudited)		
	Lending US\$	Other financial services US\$	Total US\$
Revenues			
From customers			
Interest income	380,240,956	-	380,240,956
Interest expense	112,744,096	-	112,744,096
Net interest income	267,496,860	-	267,496,860
Non-interest income	-	45,917,441	45,917,441
Total net revenues	267,496,860	45,917,441	313,414,301

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

6. Segment information (continued)

(c) Analysis of secondary segment information

Secondary information (by geographical locations) as at 30 September 2021 and 31 December 2020 and for the nine-month period ended 30 September 2021 and 2020 follow:

	30 September 2021			
	Kingdom of Cambodia US\$	Lao PDR US\$	Republic Union of Myanmar US\$	Total US\$
Statement of profit or loss				
Total income	442,310,017	23,854,184	7,174,343	473,338,544
Total expense	325,463,011	19,266,264	8,131,565	352,860,840
Net profit	116,847,006	4,587,920	(957,222)	120,477,704
Statement of financial position				
Total assets	7,371,970,739	205,654,505	23,258,197	7,600,883,441
Total liabilities	6,132,683,715	161,265,427	7,453,724	6,301,402,866
Other segment information				
Depreciation and amortization	17,054,845	1,014,366	117,615	18,186,826
	Kingdom of Cambodia US\$	Lao PDR US\$	Republic Union of Myanmar US\$	Total US\$
Statement of profit or loss for the nine-month period ended 30 September 2020				
Total income	398,460,567	20,262,983	9,390,291	428,113,841
Total expense	303,661,056	18,336,577	7,775,570	329,773,203
Net profit	94,799,511	1,926,406	1,614,721	98,340,638
Statement of financial position as at 31 December 2020				
Total assets	6,415,772,317	188,222,258	48,932,713	6,652,927,288
Total liabilities	5,303,004,921	145,210,470	24,656,503	5,472,871,894
Other segment information				
Depreciation and amortization	17,653,917	666,190	135,927	18,456,034

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

6. Segment information (continued)

(d) Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated interim financial statements.

	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$
Revenue		
Total segment revenues	473,338,544	428,113,841
Elimination of intersegment revenues	(2,136,933)	(1,955,444)
Net revenues as reported in profit or loss	<u>471,201,611</u>	<u>426,158,397</u>
Profit or loss		
Total segment operating income	120,477,704	98,340,638
Elimination of intersegment profit	(355,630)	24,805
Group net profit as reported in profit or loss	<u>120,122,074</u>	<u>98,365,443</u>
	30 September 2021	31 December 2020
	US\$	US\$
Assets		
Total segment assets	7,600,883,441	6,652,927,288
Unallocated assets	(100,103,537)	(101,433,300)
Total assets	<u>7,500,779,904</u>	<u>6,551,493,988</u>
Liabilities		
Total segment liabilities	6,301,402,866	5,472,871,894
Unallocated liabilities (elimination of intersegment liabilities)	(9,318,019)	(11,003,413)
Total liabilities	<u>6,292,084,847</u>	<u>5,461,868,481</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

7. Cash on hand

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
By currency:								
In US\$	309,448,670	284,892,098	1,262,241,125	1,152,388,536	307,946,342	283,028,828	1,256,113,129	1,144,851,609
In KHR	117,054,401	103,488,247	477,464,902	418,609,959	117,050,129	103,480,325	477,447,476	418,577,915
In Thai Baht	17,765,466	12,247,160	72,465,336	49,539,762	15,853,184	9,927,044	64,665,138	40,154,893
In Euro	2,603,974	2,967,502	10,621,610	12,003,546	2,603,184	2,965,106	10,618,388	11,993,854
In other currencies	14,079,927	9,164,044	57,432,022	37,068,558	2,409,089	1,414,823	9,826,673	5,722,959
	<u>460,952,438</u>	<u>412,759,051</u>	<u>1,880,224,995</u>	<u>1,669,610,361</u>	<u>445,861,928</u>	<u>400,816,126</u>	<u>1,818,670,804</u>	<u>1,621,301,230</u>

8. Deposits and placements with other banks, net

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Balances with local banks:								
National Bank of Cambodia	435,173,639	264,197,563	1,775,073,273	1,068,679,142	435,173,639	264,197,563	1,775,073,273	1,068,679,142
Other banks	55,209,868	3,318,751	225,201,052	13,424,348	55,209,868	3,318,751	225,201,052	13,424,348
	<u>490,383,507</u>	<u>267,516,314</u>	<u>2,000,274,325</u>	<u>1,082,103,490</u>	<u>490,383,507</u>	<u>267,516,314</u>	<u>2,000,274,325</u>	<u>1,082,103,490</u>
Balances with overseas banks:								
Bank of Laos	29,661,334	19,771,444	120,988,581	79,975,491	-	-	-	-
Other banks	213,263,173	247,947,832	869,900,483	1,002,948,980	213,655,043	240,254,636	871,498,920	971,830,003
	<u>242,924,507</u>	<u>267,719,276</u>	<u>990,889,064</u>	<u>1,082,924,471</u>	<u>213,655,043</u>	<u>240,254,636</u>	<u>871,498,920</u>	<u>971,830,003</u>
	733,308,014	535,235,590	2,991,163,389	2,165,027,961	704,038,550	507,770,950	2,871,773,245	2,053,933,493
Allowance for impairment losses	(753,417)	(582,444)	(3,073,188)	(2,355,985)	(657,884)	(141,543)	(2,683,508)	(572,542)
	<u>732,554,597</u>	<u>534,653,146</u>	<u>2,988,090,201</u>	<u>2,162,671,976</u>	<u>703,380,666</u>	<u>507,629,407</u>	<u>2,869,089,737</u>	<u>2,053,360,951</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

8. Deposits and placements with other banks, net (continued)

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Current	732,554,597	534,653,146	2,988,090,201	2,162,671,976	703,380,666	507,629,407	2,869,089,737	2,053,360,951
Non-current	-	-	-	-	-	-	-	-
	<u>732,554,597</u>	<u>534,653,146</u>	<u>2,988,090,201</u>	<u>2,162,671,976</u>	<u>703,380,666</u>	<u>507,629,407</u>	<u>2,869,089,737</u>	<u>2,053,360,951</u>

a) By account types

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Balances with local banks:								
Current accounts	436,517,786	264,481,054	1,780,556,049	1,069,825,863	436,517,786	264,481,054	1,780,556,049	1,069,825,863
Fixed deposits	53,865,721	3,035,260	219,718,276	12,277,627	53,865,721	3,035,260	219,718,276	12,277,627
	<u>490,383,507</u>	<u>267,516,314</u>	<u>2,000,274,325</u>	<u>1,082,103,490</u>	<u>490,383,507</u>	<u>267,516,314</u>	<u>2,000,274,325</u>	<u>1,082,103,490</u>
Balances with overseas banks:								
Current accounts	210,917,854	266,101,453	860,333,926	1,076,380,377	181,140,748	239,751,958	738,873,111	969,796,670
Fixed deposits	32,006,653	1,617,823	130,555,138	6,544,094	32,514,295	502,678	132,625,809	2,033,333
	<u>242,924,507</u>	<u>267,719,276</u>	<u>990,889,064</u>	<u>1,082,924,471</u>	<u>213,655,043</u>	<u>240,254,636</u>	<u>871,498,920</u>	<u>971,830,003</u>
	733,308,014	535,235,590	2,991,163,389	2,165,027,961	704,038,550	507,770,950	2,871,773,245	2,053,933,493
Allowance for impairment loss	(753,417)	(582,444)	(3,073,188)	(2,355,985)	(657,884)	(141,543)	(2,683,508)	(572,542)
	<u>732,554,597</u>	<u>534,653,146</u>	<u>2,988,090,201</u>	<u>2,162,671,976</u>	<u>703,380,666</u>	<u>507,629,407</u>	<u>2,869,089,737</u>	<u>2,053,360,951</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

8. Deposits and placements with other banks, net (continued)

b) By interest rate (per annum)

	The Group		The Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Current accounts	Nil	Nil	Nil	Nil
Savings accounts	0.00% - 0.50%	0.20% - 0.50%	Nil	Nil
Fixed deposits	0.12% - 7.50%	0.12% - 7.50%	0.12% - 4.75%	0.12% - 3.30%

c) By maturity

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Within one month	679,442,294	530,582,507	2,771,445,117	2,146,206,240	650,172,829	504,233,012	2,652,054,970	2,039,622,533
Between 2 to 3 months	23,928,244	1,617,823	97,603,307	6,544,094	23,928,244	502,678	97,603,307	2,033,333
Between 4 to 6 months	29,937,476	3,035,260	122,114,965	12,277,627	29,937,477	3,035,260	122,114,968	12,277,627
	<u>733,308,014</u>	<u>535,235,590</u>	<u>2,991,163,389</u>	<u>2,165,027,961</u>	<u>704,038,550</u>	<u>507,770,950</u>	<u>2,871,773,245</u>	<u>2,053,933,493</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

9. Financial investments

Note	The Group				The Bank				
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	
Unlisted equity securities at FVOCI									
Credit Bureau Holding (Cambodia) Ltd	(a)	153,529	153,529	626,245	621,025	153,529	153,529	626,245	621,025
Swift		36,141	-	147,419	-	36,141	-	147,419	-
Total financial investments at FVOCI		189,670	153,529	773,664	621,025	189,670	153,529	773,664	621,025
Unquoted financial investments at amortised cost									
Negotiable Certificate of Deposit with NBC	(b)	703,770,290	566,520,994	2,870,679,013	2,291,577,421	703,770,290	566,520,994	2,870,679,013	2,291,577,421
Total financial investments		703,959,960	566,674,523	2,871,452,677	2,292,198,446	703,959,960	566,674,523	2,871,452,677	2,292,198,446

- (a) This represents the Bank's equity investment in Credit Bureau Holding (Cambodia) Ltd. ("CBC"), directly at 5% and indirectly at 1% through the Association of Banks in Cambodia ("ABC"). As at 30 September 2021, the Bank's investment in CBC is valued at cost amounting to US\$154,812 (31 December 2020: US\$153,529) and the Bank's investment in Swift is valued at cost amounting to US\$34,858 as the Management believes the cost of investment approximates its fair value. Dividend income received from CBC during 2021 amounted to US\$116,614 and (2020: US\$174,479).
- (b) The Bank has pledged negotiable certificate of deposit ("NCD") amounting to US\$16,590,163 (31 December 2020: US\$14,374,871) with the NBC as collateral for settlement clearing facility. The other NCD amounting to US\$687,180,127 (31 December 2020: US\$552,146,123) with NBC is for the purpose of earning interest. The terms of the NCD are for a period of less than or equal to six months. As at 30 September 2021 and 31 December 2020, the Bank had yet to utilise the overdraft on settlement clearing facility.

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9. Financial investments (continued)

By maturity

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Within one month	687,180,127	552,146,121	2,803,007,738	2,233,431,059	687,180,127	552,146,121	2,803,007,738	2,233,431,059
Between 2 to 3 months	15,700,138	13,851,881	64,040,863	56,030,859	15,700,138	13,851,881	64,040,863	56,030,859
Between 4 to 6 months	890,025	-	3,630,412	-	890,025	-	3,630,412	-
Between 7 to 12 months	-	522,992	-	2,115,503	-	522,992	-	2,115,503
	<u>703,770,290</u>	<u>566,520,994</u>	<u>2,870,679,013</u>	<u>2,291,577,421</u>	<u>703,770,290</u>	<u>566,520,994</u>	<u>2,870,679,013</u>	<u>2,291,577,421</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

10. Loans and advances, net

	The Group											
	30 September 2021			31 December 2020			30 September 2021			31 December 2020		
	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount
	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
						(Note 5)			(Note 5)			
Small Loan	2,305,946,142	22,055,927	2,283,890,215	2,211,197,272	17,353,773	2,193,843,499	9,405,954,313	89,966,126	9,315,988,187	8,944,292,965	70,196,012	8,874,096,953
Staff Housing Loan	25,977,571	10,616	25,966,955	25,239,763	17,009	25,222,754	105,962,512	43,303	105,919,209	102,094,841	68,801	102,026,040
Public Housing Loan	136,826,150	1,145,989	135,680,161	135,555,361	1,032,605	134,522,756	558,113,866	4,674,489	553,439,377	548,321,435	4,176,887	544,144,548
Staff Loan	250,576,675	271,965	250,304,710	221,923,761	225,841	221,697,920	1,022,102,257	1,109,345	1,020,992,912	897,681,613	913,527	896,768,086
Overdraft Loan	79,799,686	301,882	79,497,804	58,036,302	352,950	57,683,352	325,502,919	1,231,377	324,271,542	234,756,842	1,427,683	233,329,159
Home Improvement Loan	34,780,146	671,904	34,108,242	47,780,295	334,644	47,445,651	141,868,216	2,740,696	139,127,520	193,271,293	1,353,635	191,917,658
Personal & Others Loan	191,765,151	1,876,406	189,888,745	158,300,284	1,061,972	157,238,312	782,210,051	7,653,860	774,556,191	640,324,649	4,295,676	636,028,973
Credit Card Loan	35,809,089	716,662	35,092,427	25,641,962	667,345	24,974,617	146,065,274	2,923,264	143,142,010	103,721,736	2,699,411	101,022,325
Trade Loan	11,452,666	9,453	11,443,213	9,632,656	21,578	9,611,078	46,715,425	38,559	46,676,866	38,964,094	87,283	38,876,811
Revolving Loan	34,563,332	77,420	34,485,912	33,296,272	23,512	33,272,760	140,983,831	315,796	140,668,035	134,683,420	95,106	134,588,314
Medium Loan	1,931,234,094	14,263,284	1,916,970,810	1,580,039,237	14,251,318	1,565,787,919	7,877,503,869	58,179,936	7,819,323,933	6,391,258,714	57,646,581	6,333,612,133
	<u>5,038,730,702</u>	<u>41,401,508</u>	<u>4,997,329,194</u>	<u>4,506,643,165</u>	<u>35,342,547</u>	<u>4,471,300,618</u>	<u>20,552,982,533</u>	<u>168,876,751</u>	<u>20,384,105,782</u>	<u>18,229,371,602</u>	<u>142,960,602</u>	<u>18,086,411,000</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

10. Loans and advances, net (continued)

	The Bank											
	30 September 2021			31 December 2020			30 September 2021			31 December 2020		
	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount
	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	KHR'000 (Note 5)	KHR'000 (Note 5)	KHR'000 (Note 5)	KHR'000 (Note 5)
Small Loan	2,157,449,085	11,339,725	2,146,109,360	2,048,936,412	13,343,552	2,035,592,860	8,800,234,818	46,254,738	8,753,980,080	8,287,947,787	53,974,668	8,233,973,119
Staff Housing Loan	25,896,435	10,574	25,885,861	25,108,879	16,907	25,091,972	105,631,558	43,131	105,588,427	101,565,416	68,389	101,497,027
Public Housing Loan	135,530,954	1,121,677	134,409,277	135,084,056	1,016,789	134,067,267	552,830,761	4,575,320	548,255,441	546,415,007	4,112,912	542,302,095
Staff Loan	242,953,326	225,580	242,727,746	214,389,121	209,906	214,179,215	991,006,617	920,141	990,086,476	867,203,994	849,070	866,354,924
Overdraft Loan	78,995,112	299,754	78,695,358	57,948,236	351,432	57,596,804	322,221,062	1,222,697	320,998,365	234,400,615	1,421,542	232,979,073
Home Improvement Loan	28,710,169	213,668	28,496,501	44,261,421	294,401	43,967,020	117,108,779	871,552	116,237,227	179,037,448	1,190,852	177,846,596
Personal & Others Loan	184,633,466	1,542,685	183,090,781	157,228,541	1,083,793	156,144,748	753,119,908	6,292,612	746,827,296	635,989,448	4,383,941	631,605,507
Credit Card Loan	35,809,089	716,662	35,092,427	25,641,962	667,345	24,974,617	146,065,274	2,923,264	143,142,010	103,721,736	2,699,411	101,022,325
Trade Loan	11,452,666	9,453	11,443,213	9,632,656	21,578	9,611,078	46,715,425	38,559	46,676,866	38,964,094	87,283	38,876,811
Revolving Loan	34,563,332	77,420	34,485,912	33,296,272	23,512	33,272,760	140,983,831	315,796	140,668,035	134,683,420	95,106	134,588,314
Medium Loan	1,923,110,242	14,216,126	1,908,894,116	1,572,330,992	14,180,174	1,558,150,818	7,844,366,677	57,987,578	7,786,379,099	6,360,078,861	57,358,804	6,302,720,057
	<u>4,859,103,876</u>	<u>29,773,324</u>	<u>4,829,330,552</u>	<u>4,323,858,548</u>	<u>31,209,389</u>	<u>4,292,649,159</u>	<u>19,820,284,710</u>	<u>121,445,388</u>	<u>19,698,839,322</u>	<u>17,490,007,826</u>	<u>126,241,978</u>	<u>17,363,765,848</u>

(a) Loans and advances in gross amount by maturity

	The Group				The Bank			
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Within one year	1,256,698,676	1,199,583,002	5,126,073,899	4,852,313,243	1,187,732,426	1,114,810,801	4,844,760,566	4,509,409,690
Later than one year but not later than three years	1,809,038,787	1,669,992,109	7,379,069,212	6,755,118,081	1,744,382,922	1,607,487,035	7,115,337,939	6,502,285,057
Later than three years but not later than five years	1,242,200,607	1,074,597,753	5,066,936,276	4,346,747,911	1,209,606,681	1,049,075,704	4,933,985,652	4,243,511,223
Later than five years	<u>730,792,632</u>	<u>562,470,301</u>	<u>2,980,903,146</u>	<u>2,275,192,367</u>	<u>717,381,847</u>	<u>552,485,008</u>	<u>2,926,200,553</u>	<u>2,234,801,856</u>
	<u>5,038,730,702</u>	<u>4,506,643,165</u>	<u>20,552,982,533</u>	<u>18,229,371,602</u>	<u>4,859,103,876</u>	<u>4,323,858,548</u>	<u>19,820,284,710</u>	<u>17,490,007,826</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

10. Loans and advances, net (continued)

During the period, the Group and the Bank recognised the allowance for impairment losses as follows:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Allowance for/(reversal of) impairments on:								
Loans and advances	18,569,245	19,572,255	75,521,119	80,030,951	6,409,136	15,185,353	26,065,956	62,092,908
Deposit and placement with other banks	185,803	158,884	755,661	649,677	516,714	319,651	2,101,476	1,307,053
Other receivables	(187,638)	17,351	(763,124)	70,948	(188,384)	11,282	(766,158)	46,132
	18,567,410	19,748,490	75,513,656	80,751,576	6,737,466	15,516,286	27,401,274	63,446,093
Off-balance sheet commitments	(123,235)	(34,426)	(501,197)	(140,768)	(176,022)	(82,987)	(715,881)	(339,334)
	18,444,175	19,714,064	75,012,459	80,610,808	6,561,444	15,433,299	26,685,393	63,106,759

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Allowance for/(reversal of) impairments on:								
Loans and advances	8,610,475	8,043,371	35,104,907	32,958,518	6,491,485	7,456,639	26,465,784	30,536,569
Deposit and placement with other banks	(56,772)	(108,329)	(231,459)	(441,354)	(63,981)	44,137	(260,851)	182,129
Other receivables	(227,089)	7,452	(925,842)	30,530	(228,051)	4,212	(929,764)	17,265
	8,326,614	7,942,494	33,947,606	32,547,694	6,199,453	7,504,988	25,275,169	30,735,963
Off-balance sheet commitments	914	152,103	3,726	620,830	(18,600)	152,106	(75,832)	620,551
	8,327,528	8,094,597	33,951,332	33,168,524	6,180,853	7,657,094	25,199,337	31,356,514

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

10. Loans and advances, net (continued)

Movements of impairment losses during the period were as follows:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	US\$	(Unaudited) US\$	KHR'000 (Note 5)	(Unaudited) KHR'000 (Note 5)	US\$	(Unaudited) US\$	KHR'000 (Note 5)	(Unaudited) KHR'000 (Note 5)
At the beginning of the period	35,342,547	33,443,055	142,960,602	136,280,449	31,209,389	32,845,402	126,241,978	133,845,012
ECL on off-balance sheet commitment	-	(207,479)	-	(850,664)	-	(655,822)	-	(2,688,870)
Allowance for/(reversal of) impairment loss during the period	18,569,245	19,572,255	75,521,119	80,030,951	6,409,136	15,185,353	26,065,956	62,092,908
Written off during the period	(9,270,722)	(10,916,288)	(37,704,026)	(44,636,703)	(7,112,093)	(9,645,338)	(28,924,882)	(39,439,788)
Currency translation difference	(3,239,562)	(39,220)	(13,175,299)	(160,369)	(733,108)	50,605	(2,981,550)	206,925
Exchange differences	-	-	1,274,355	930,861	-	-	1,043,886	882,632
At the end of the period	41,401,508	41,852,323	168,876,751	171,594,525	29,773,324	37,780,200	121,445,388	154,898,819

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

10. Loans and advances, net (continued)

Movements of impairment losses during the period were as follows:

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At the beginning of the period	42,669,024	40,912,785	173,876,273	167,456,030	30,440,971	36,895,594	124,046,957	151,013,665
ECL on off-balance sheet commitment	-	-	-	(1,454)	-	-	-	(4,592)
Allowance for/(reversal of) impairment loss during the period	8,610,475	8,043,371	35,104,907	32,958,518	6,491,485	7,456,639	26,465,784	30,536,569
Written off during the period	(8,153,710)	(7,089,049)	(33,242,676)	(29,010,086)	(7,068,043)	(6,550,118)	(28,816,411)	(26,802,005)
Currency translation difference	(1,724,281)	(14,784)	(7,029,894)	(60,596)	(91,089)	(21,915)	(371,370)	(89,173)
Exchange differences	-	-	168,141	252,113	-	-	120,428	244,355
At the end of the period	<u>41,401,508</u>	<u>41,852,323</u>	<u>168,876,751</u>	<u>171,594,525</u>	<u>29,773,324</u>	<u>37,780,200</u>	<u>121,445,388</u>	<u>154,898,819</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

11. Other assets

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Prepayments and advances	16,542,044	12,866,459	67,474,997	52,044,827	14,744,276	10,782,460	60,141,902	43,615,051
Stationery supplies	2,888,250	2,423,780	11,781,172	9,804,190	2,722,113	2,248,392	11,103,499	9,094,746
Receivable from Western Union	4,176,125	3,755,064	17,034,414	15,189,234	4,145,081	3,666,021	16,907,785	14,829,055
Income tax receivable	2,632,998	1,960,918	10,739,999	7,931,913	2,565,674	1,901,964	10,465,384	7,693,444
Others	1,586,775	1,760,692	6,472,455	7,121,999	1,544,241	1,657,273	6,298,960	6,703,669
	<u>27,826,192</u>	<u>22,766,913</u>	<u>113,503,037</u>	<u>92,092,163</u>	<u>25,721,385</u>	<u>20,256,110</u>	<u>104,917,530</u>	<u>81,935,965</u>

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Current	19,397,694	17,170,584	79,123,194	69,455,012	17,385,112	15,353,807	70,913,873	62,106,149
Non-current	8,428,498	5,596,329	34,379,843	22,637,151	8,336,273	4,902,303	34,003,657	19,829,816
	<u>27,826,192</u>	<u>22,766,913</u>	<u>113,503,037</u>	<u>92,092,163</u>	<u>25,721,385</u>	<u>20,256,110</u>	<u>104,917,530</u>	<u>81,935,965</u>

12. Statutory deposits

		The Group				The Bank			
		30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
With the central bank	(a)	392,192,561	356,753,756	1,599,753,456	1,443,068,943	392,192,561	356,753,756	1,599,753,456	1,443,068,943
With other central bank	(b)	2,209,484	3,376,033	9,012,485	13,656,054	-	-	-	-
Other	(c)	245,158	247,219	1,000,000	1,000,000	-	-	-	-
		<u>394,647,203</u>	<u>360,377,008</u>	<u>1,609,765,941</u>	<u>1,457,724,997</u>	<u>392,192,561</u>	<u>356,753,756</u>	<u>1,599,753,456</u>	<u>1,443,068,943</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

12. Statutory deposits (continued)

(a) With the Central Bank

(i) Reserve requirement

The reserve requirement represents the minimum reserve which is calculated at 8% for KHR and 12.50% for other currencies of the total amount of deposits from customers, non-residential banks and financial institution deposits, and non-residential borrowings. Pursuant to the NBC's Prakas No. B7-018-282 on the maintenance of reserve requirement against commercial banks' deposits and borrowings. Reserve requirements for both KHR and in other currencies bear no interest since 29 August 2018.

In order to mitigate the impact of COVID-19 pandemic on Cambodia's economy, the NBC issued last 18 March 2020 a press release announcing the reduction of the Reserve Requirement Rate ("RRR") for KHR and foreign currencies reserves from 8% to 7% and 12.50% to 7%, respectively.

The reserve requirement amounted to US\$348,871,844 and US\$313,437,454 as at 30 September 2021 and 31 December 2020 respectively.

(ii) Capital guarantee

Pursuant to the NBC's Prakas No. B7-01-136 on Bank's Capital Guarantee dated 15 October 2001; the banks are required to maintain 10% of its registered capital as a statutory deposit with the NBC. The deposit, which is not available for use in the Bank's day-to-day operations, is refundable should the Bank voluntarily cease its operations in Cambodia. As at 30 September 2021 and 31 December 2020, capital guarantee deposit amounted to US\$43,316,302 with accrued interest amounted US\$4,415 and US\$43,316,302, respectively. The capital guarantee deposit is earning at an interest rate of $\frac{1}{4}$ of SIBOR on a 6 month basis.

(b) With other central bank

These are the statutory deposits of ACLEDA Bank Lao Ltd. maintained with the Bank of Lao ("BOL") in compliance with BOL's regulations. These statutory deposits comprise of reserve requirement calculated at 4% of customers' deposits in local currency and 8% of foreign currency deposits and capital guarantee of the share capital. These statutory deposits do not bear interest.

(c) Others

In compliance with Securities and Exchange Commission of Cambodia ("SECC")'s Prakas No. 009 on the licensing of securities firms and securities representatives, ACLEDA Securities Plc. is required to place a security deposit into SECC's bank account maintained with the NBC amounting to KHR1,000,000,000 (equivalent to US\$ 245,158) for operating as a securities broker in the Kingdom of Cambodia. This statutory deposits do not bear interest.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

13. Investments in subsidiaries

		The Bank			
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Unquoted ordinary shares, at cost					
ACLEDA Bank Lao Ltd.	(a)	49,389,566	49,389,566	201,460,040	199,780,794
ACLEDA Securities Plc.	(b)	2,010,000	2,010,000	8,198,790	8,130,450
ACLEDA Institute of Business	(c)	19,805,000	19,805,000	80,784,595	80,111,225
ACLEDA MFI Myanmar Co., Ltd.	(d)	19,913,150	19,911,005	81,225,739	80,540,016
Total investments in subsidiaries		<u>91,117,716</u>	<u>91,115,571</u>	<u>371,669,164</u>	<u>368,562,485</u>

Details of the Bank's subsidiaries are as follows:

		Ownership and Voting Interest	
		30 September 2021	31 December 2020
Name of Subsidiaries			
ACLEDA Bank Lao Ltd.	(a)	99.90%	99.90%
ACLEDA Securities Plc.	(b)	100%	100%
ACLEDA Institute of Business	(c)	76.609%	100%
ACLEDA MFI Myanmar Co., Ltd.	(d)	100%	99.99%

(a) ACLEDA Bank Lao Ltd.

ACLEDA Bank Lao Ltd. ("ABL") was established in Lao PDR on 13 December 2007 under a preliminary license from the Bank of Lao PDR ("BOL"). ABL's principal business is providing banking and related financial services in Lao PDR.

The Bank owned 99.90% of ABL's shares. The Bank's initial investment in 2008 with ABL is US\$5,477,399. In 2009, the Bank sold shares to International Finance Corporation ("IFC") amounting to US\$876,384 which decreased its investments to US\$4,601,015. In 2010, the Bank injected capital at ABL amounting to US\$5,966,969, thereby increasing its investments to US\$10,567,984. In 2014, the Bank bought shares from FMO, Stichting Triodos Doen "TRI-Doen", Triodos Fair Share Fund "TRI-Fair" and IFC amounting to US\$28,875,098 and injected capital at ABL amounting to US\$9,946,484, increasing its investments to US\$49,389,566. As at 30 September 2021, the Bank's investments with ABL remains the same.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

13. Investments in subsidiaries (continued)

(b) ACLEDA Securities Plc.

On 1 March 2010, ACLEDA Securities Plc. (“ACS”) was established in the Kingdom of Cambodia and registered with the MoC under the Registration No. Co.0448KH/2010. On 20 October 2010, SECC granted a brokerage license to ACS. The registered share capital of ACS is US\$2,010,000, divided into 2,010,000 shares with par value of US\$1 each. ACS’ principal business is providing securities brokerage and other services approved by SECC.

ACS is wholly owned by the Bank.

(c) ACLEDA Institute of Business

ACLEDA Institute of Business (“AIB”) (previously known as ACLEDA Training Center Ltd.) was established in the Kingdom of Cambodia under a primary license from MoC under the Registration No. Co.1332KH/2011 dated 8 June 2011. The registered share capital of AIB is US\$17,805,000, divided into 17,805,000 shares with par value of US\$1 each. In 2018, AIB increased its share capital by US\$2,000,000 to US\$19,805,000. The revised Memorandum and Articles of Association was endorsed by the MoC on 14 December 2018.

AIB is recognised as the establishment of a private higher education institution under the sub-decree No. 13 ANKr. BK dated 25 January 2016 from the Royal Government of Cambodia (“RGC”). AIB provides training and education for Associate’s degree, Bachelor’s degree, and Master’s degree of Business Administration, majoring in Banking and Finance. AIB can open branches, new colleges, new departments, new specialties, new levels or classes, new types of education and training, change to a new name and location by sending relevant documents to request for approval from the Ministry of Education, Youth and Sport.

AIB is wholly owned by the Bank. On 10 February 2021, NBC approved, on request of the Bank, an increase in capital of AIB as invested by ACLEDA Financial Trust (“AFT”), amounting to US\$10,000,000 at rate of 23.3910% of total share as registered equal to 6,047,046 shares at the price of US\$ 1.6537 per share through share investment agreement made on 26 February 2021 between the Bank, AIB and AFT. Consequently, AIB share capital increased to US\$25,852,046 and reduced the Bank’s ownership to 76.6090%, which is equal to US\$19,805,000.

On 29 March 2021, AIB submitted a letter to the MOC requesting for its approval on the amendment of its Memorandum of Association (“MAA”) relating to the capital increase. As of the date of the issuance of these interim financial statements, the approval from MOC is still pending.

(d) ACLEDA MFI Myanmar Co., Ltd.

ACLEDA MFI Myanmar Co., Ltd. (“AMM”) was incorporated in the Republic of Union of Myanmar under the Republic of the Union of Myanmar Companies Law on 6 September 2012 to provide services per the Registration No. 143715094 and started its operations on 18 February 2013. The financial year of the statutory financial statements of AMM is from 1 October to 30 September.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

13. Investments in subsidiaries (continued)

(d) ACLEDA MFI Myanmar Co., Ltd. (continued)

AMM is permitted to operate as a deposit-taking microfinance institution providing microfinance services to lower income segments of the Myanmar market and other activities allowed by the Microfinance Supervisory Authority at 45 townships in Yangon Region, 28 townships in Bago Region, 3 townships in Mon State and 25 townships in Magway Region.

The Bank's initial investment in 2013 with AMM is US\$9,411,765. In 2014, the Bank sold shares to International Finance Corporation ("IFC"), COFIBRED and Kredittanstalt Fur Wiederaufbau ("KfW") amounting to US\$3,659,371 which decreased its investments to US\$5,752,394.

The Bank acquired 3,600,000 ordinary shares (45%) of AMM from KfW, COFIBRED S.A, and IFC for a consideration of US\$6,193,321 as approved by the Board of Directors of AMM on 25 April 2018. The approval on the share transfers, appointment of representative of shareholders, and changing the board members are obtained on 27 September 2018 by secretary of Microfinance Business Supervisory Committee, The Republic of the Union of Myanmar Government.

On 23 September 2019, the Bank injected capital amounting to US\$3,969,923.20, equivalent to MYR6,099,390,000, and additional capital of US\$3,995,366.50, equivalent MYR6,039,396,000, on 3 December 2019, increasing its ownership to 99.99% with the remaining interest owned by AIB.

On 12 May 2021, the Bank settled US\$2,145 to AIB to hold 100% of common stock of AMM shares amounting to MYR20,140,000,000 (2019: 99.99% of MYR8,000,000,000). On 05 April 2021, AMM submitted a request to the Financial Regulatory Department ("FRD") for the approval of its amended MAA resulting from the change in ownership. As of the date of the issuance of these interim financial statements, the approval from FRD is still pending.

Status of operations

At early of February 2021, the Tatmadaw, Myanmar's armed forces, declared a year-long state of emergency which led to several national protests and civil disobedience movements. These protests and movements caused temporary disruptions in the business operations across Myanmar, including the AMM. Furthermore, in this 3rd quarter of 2021, Myanmar were facing with the 3rd wave COVID-19 pandemic outbreak, but due on the actions from the governances, the number positive COVID-19 cases are decreasing day by day drastically and this situation will be better in the near future.

To ensure business continuity, collections of loans and compliance with regulatory bodies are still in progress. As at September 2021, there are no more announcements from any regulators to suspense or stop the industry where AMM's business operates. AMM's operations resumed with restrictions in providing loans to customers by focusing on potential customers who have more than one source of income, active business activities and strong financial status as well as loan restructuring to all eligible customers including convincing customer for the voluntary saving. Moreover, AMM tries to limit the expense by reducing non necessary expense.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS
THEN ENDED**

13. Investments in subsidiaries (continued)

(d) ACLEDA MFI Myanmar Co., Ltd. (continued)

As at 30 September 2021, AMM is still in favorable liquidity ratio which supports AMM's operating expenses, especially, its ability to settle its debt without rescheduling or negotiations. Moreover, AMM is still compliant with FRD's prudential ratios.

Based on the above situation, the Bank has assessed the impairment lost by comparing the Carrying amount with the Recoverable amount of the investment came up with the result of the Recoverable amount were more than the Carrying amount (Recoverable amount = Value in used = \$36,048,376 > Carrying amount = \$19,913,150) , hence, no impairment lost was recognized.

(e) ACLEDA Bank Plc. (Representative Office)

On 7 April 2016, the Bank received the foreign bank representative office registration certificate FB/R.O-1/(04)2016 from the central bank of Myanmar and received certificate of incorporation as representative office from the Ministry of Planning and Finance in the Republic of the Union of Myanmar on 6 May 2016 with permit N° 58FC/2016-2017 (YGN).

The representation office is permit on the following activities:

- a. Marketing, promotion, negotiation and documentation for business purposes for customers of the Bank;
- b. Referring customer of the Bank to banks operating in Myanmar; and
- c. Monitoring and supervising offshore loans granted by the Bank.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

14. Property and equipment, net

As at 30 September 2021	The Group								Total US\$
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Capital in progress US\$	
Cost									
As at 1 January 2021	14,542,280	1,751,934	98,806,360	5,205,253	64,975,706	76,117,715	19,101,249	5,364,857	285,865,354
Additions	-	-	36,323	851,967	6,534,856	6,141,998	2,228,560	3,267,984	19,061,688
Disposals/write-offs	-	-	(9,170)	(266,774)	(451,423)	(465,444)	(728,363)	-	(1,921,174)
Reclassifications	-	7,447	109,680	786,782	87,016	209,310	56,850	(1,257,085)	-
Currency translation difference	-	-	-	(99,855)	(184,565)	(544,901)	(96,458)	-	(925,779)
Adjustments	-	-	-	-	358	671	139	(548,030)	(546,862)
As at 30 September 2021	<u>14,542,280</u>	<u>1,759,381</u>	<u>98,943,193</u>	<u>6,477,373</u>	<u>70,961,948</u>	<u>81,459,349</u>	<u>20,561,977</u>	<u>6,827,726</u>	<u>301,533,227</u>
Less: Accumulated depreciation									
As at 1 January 2021	-	652,190	22,125,173	4,443,307	51,359,665	63,625,472	16,113,106	-	158,318,913
Charge for the period	-	144,527	3,449,608	429,104	4,817,566	5,328,928	1,066,164	-	15,235,897
Disposals/write-offs	-	-	(4,999)	(259,606)	(447,224)	(464,031)	(728,363)	-	(1,904,223)
Currency translation difference	-	(49)	(20,399)	(88,615)	(185,698)	(438,700)	(92,949)	-	(826,410)
Adjustments	-	-	-	-	358	208	(70)	-	496
As at 30 September 2021	<u>-</u>	<u>796,668</u>	<u>25,549,383</u>	<u>4,524,190</u>	<u>55,544,667</u>	<u>68,051,877</u>	<u>16,357,888</u>	<u>-</u>	<u>170,824,673</u>
Carrying value	<u>14,542,280</u>	<u>962,713</u>	<u>73,393,810</u>	<u>1,953,183</u>	<u>15,417,281</u>	<u>13,407,472</u>	<u>4,204,089</u>	<u>6,827,726</u>	<u>130,708,554</u>
In KHR' 000 equivalent (Note 5)	<u>59,317,960</u>	<u>3,926,906</u>	<u>299,373,351</u>	<u>7,967,033</u>	<u>62,887,089</u>	<u>54,689,078</u>	<u>17,148,479</u>	<u>27,850,296</u>	<u>533,160,192</u>

As at 30 September 2021, the fully depreciated property and equipment with historical costs of US\$115,006,652 (31 December 2020: US\$107,342,671) are still in active use.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

14. Property and equipment, net (continued)

As at 30 September 2020	The Group								
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Capital in progress US\$	Total US\$
Cost (Unaudited)									
As at 1 January 2020	14,542,280	1,747,179	98,787,485	4,963,887	61,119,729	70,923,892	18,205,263	1,658,194	271,947,909
Additions	-	4,755	16,157	266,077	4,019,496	3,362,823	1,647,917	4,860,839	14,178,064
Disposals/write-offs	-	-	-	(67,699)	(392,911)	(484,432)	(424,179)	-	(1,369,221)
Reclassifications	-	-	-	92,660	69,367	20,790	54,000	(236,817)	-
Currency translation difference	-	-	-	(4,512)	(33,916)	(232,996)	(37,239)	-	(308,663)
Adjustments	-	-	-	-	-	-	-	(36,243)	(36,243)
As at 30 September 2020 (Unaudited)	<u>14,542,280</u>	<u>1,751,934</u>	<u>98,803,642</u>	<u>5,250,413</u>	<u>64,781,765</u>	<u>73,590,077</u>	<u>19,445,762</u>	<u>6,245,973</u>	<u>284,411,846</u>
Less: Accumulated depreciation (Unaudited)									
As at 1 January 2020	-	427,535	17,527,768	4,267,941	45,436,998	57,210,873	15,917,002	-	140,788,117
Charge for the period	-	170,994	3,446,780	246,886	5,204,972	5,851,015	939,548	-	15,860,195
Disposals/write-offs	-	-	-	(66,717)	(377,787)	(467,744)	(418,953)	-	(1,331,201)
Reclassifications	-	-	-	800	(800)	-	-	-	-
Currency translation difference	-	(57)	(5,105)	(6,620)	(58,474)	(178,263)	(45,093)	-	(293,612)
Adjustments	-	-	-	-	-	-	-	-	-
As at 30 September 2020 (Unaudited)	<u>-</u>	<u>598,472</u>	<u>20,969,443</u>	<u>4,442,290</u>	<u>50,204,909</u>	<u>62,415,881</u>	<u>16,392,504</u>	<u>-</u>	<u>155,023,499</u>
Carrying value (Unaudited)	<u>14,542,280</u>	<u>1,153,462</u>	<u>77,834,199</u>	<u>808,123</u>	<u>14,576,856</u>	<u>11,174,196</u>	<u>3,053,258</u>	<u>6,245,973</u>	<u>129,388,347</u>
In KHR' 000 equivalent (Note 5) (Unaudited)	<u>59,623,348</u>	<u>4,729,194</u>	<u>319,120,216</u>	<u>3,313,304</u>	<u>59,765,110</u>	<u>45,814,204</u>	<u>12,518,358</u>	<u>25,608,489</u>	<u>530,492,223</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

14. Property and equipment, net (continued)

As at 30 September 2021	The Bank							Total US\$	
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$		Capital in progress US\$
Cost									
As at 1 January 2021	2,328,344	282,726	76,893,201	4,318,106	62,173,246	68,253,157	17,800,870	5,243,338	237,292,988
Additions	-	-	23,120	830,772	6,489,331	5,537,633	2,173,052	3,124,560	18,178,468
Disposals/write-offs	-	-	(9,170)	(249,710)	(431,485)	(457,831)	(727,751)	-	(1,875,947)
Reclassifications	-	-	109,680	786,782	82,816	209,310	56,850	(1,245,438)	-
Adjustments	-	-	-	-	358	671	139	(548,030)	(546,862)
As at 30 September 2021	<u>2,328,344</u>	<u>282,726</u>	<u>77,016,831</u>	<u>5,685,950</u>	<u>68,314,266</u>	<u>73,542,940</u>	<u>19,303,160</u>	<u>6,574,430</u>	<u>253,048,647</u>
Less: Accumulated depreciation									
As at 1 January 2021	-	147,452	20,535,380	3,752,707	49,188,383	57,959,551	14,873,093	-	146,456,566
Charge for the period	-	6,935	2,900,314	371,545	4,544,288	4,646,583	1,034,516	-	13,504,181
Disposals/write-offs	-	-	(4,999)	(246,901)	(428,710)	(457,776)	(727,751)	-	(1,866,137)
Currency translation difference	-	(49)	(20,399)	(2,789)	(31,918)	(32,036)	(7,250)	-	(94,441)
Adjustments	-	-	-	-	358	208	(70)	-	496
As at 30 September 2021	<u>-</u>	<u>154,338</u>	<u>23,410,296</u>	<u>3,874,562</u>	<u>53,272,401</u>	<u>62,116,530</u>	<u>15,172,538</u>	<u>-</u>	<u>158,000,665</u>
Carrying value	<u>2,328,344</u>	<u>128,388</u>	<u>53,606,535</u>	<u>1,811,388</u>	<u>15,041,865</u>	<u>11,426,410</u>	<u>4,130,622</u>	<u>6,574,430</u>	<u>95,047,982</u>
In KHR' 000 equivalent (Note 5)	<u>9,497,315</u>	<u>523,695</u>	<u>218,661,056</u>	<u>7,388,653</u>	<u>61,355,767</u>	<u>46,608,326</u>	<u>16,848,807</u>	<u>26,817,100</u>	<u>387,700,719</u>

As at 30 September 2021, the fully depreciated property and equipment with historical costs of US\$108,369,565 (31 December 2020: US\$99,652,456) are still in active use.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

14. Property and equipment, net (continued)

As at 30 September 2020	The Bank								Total US\$
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Capital in progress US\$	
Cost (Unaudited)									
As at 1 January 2020	2,328,344	282,726	76,874,326	4,075,689	58,357,695	63,010,144	16,796,997	1,597,366	223,323,287
Additions	-	-	16,157	244,871	3,919,145	3,278,053	1,622,411	4,679,465	13,760,102
Disposals/written off	-	-	-	(57,799)	(344,083)	(415,265)	(372,704)	-	(1,189,851)
Reclassifications	-	-	-	92,660	69,367	20,790	54,000	(236,817)	-
Adjustments	-	-	-	-	-	-	-	(18,533)	(18,533)
As at 30 September 2020 (Unaudited)	<u>2,328,344</u>	<u>282,726</u>	<u>76,890,483</u>	<u>4,355,421</u>	<u>62,002,124</u>	<u>65,893,722</u>	<u>18,100,704</u>	<u>6,021,481</u>	<u>235,875,005</u>
Less: Accumulated depreciation (Unaudited)									
As at 1 January 2020	-	108,392	16,672,292	3,565,265	43,454,637	52,041,450	14,569,907	-	130,411,943
Charge for the period	-	31,585	2,897,045	255,747	4,991,885	5,292,631	916,257	-	14,385,150
Disposals	-	-	-	(57,474)	(342,005)	(403,247)	(370,969)	-	(1,173,695)
Reclassifications	-	-	-	800	(800)	-	-	-	-
Currency translation difference	-	(57)	(5,105)	(445)	(8,979)	(9,745)	(1,540)	-	(25,871)
As at 30 September 2020 (Unaudited)	<u>-</u>	<u>139,920</u>	<u>19,564,232</u>	<u>3,763,893</u>	<u>48,094,738</u>	<u>56,921,089</u>	<u>15,113,655</u>	<u>-</u>	<u>143,597,527</u>
Carrying value (Unaudited)	<u>2,328,344</u>	<u>142,806</u>	<u>57,326,251</u>	<u>591,528</u>	<u>13,907,386</u>	<u>8,972,633</u>	<u>2,987,049</u>	<u>6,021,481</u>	<u>92,277,478</u>
In KHR' 000 equivalent (Note 5) (Unaudited)	<u>9,546,210</u>	<u>585,505</u>	<u>235,037,629</u>	<u>2,425,266</u>	<u>57,020,283</u>	<u>36,787,795</u>	<u>12,246,901</u>	<u>24,688,071</u>	<u>378,337,660</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

15. Intangible assets, net

As at 30 September 2021	The Group			The Bank		
	Computer software US\$	Work in progress US\$	Total US\$	Computer software US\$	Work in progress US\$	Total US\$
Cost						
As at 1 January 2021	39,269,078	1,832,905	41,101,983	35,837,920	1,741,123	37,579,043
Additions	1,273,079	1,021,087	2,294,166	684,867	1,025,835	1,710,702
Disposals	(965,000)	-	(965,000)	(965,000)	-	(965,000)
Reclassifications	670,712	(670,712)	-	670,712	(670,712)	-
Currency translation difference	(193,251)	-	(193,251)	-	-	-
Adjustments	-	230,698	230,698	-	230,698	230,698
As at 30 September 2021	40,054,618	2,413,978	42,468,596	36,228,499	2,326,944	38,555,443
Less: Accumulated amortisation						
As at 1 January 2021	26,411,308	-	26,411,308	23,694,485	-	23,694,485
Charge for the period	2,950,927	-	2,950,927	2,627,619	-	2,627,619
Disposals	(459,220)	-	(459,220)	(459,220)	-	(459,220)
Currency translation difference	(183,624)	-	(183,624)	(18,127)	-	(18,127)
As at 30 September 2021	28,719,391	-	28,719,391	25,844,757	-	25,844,757
Carrying value	11,335,227	2,413,978	13,749,205	10,383,742	2,326,944	12,710,686
In KHR' 000 equivalent (Note 5)	46,236,391	9,846,616	56,083,007	42,355,284	9,491,605	51,846,888

As at 30 September 2021, the fully amortised intangible assets with historical costs of US\$19,822,201 and US\$17,906,701 (31 December 2020: US\$14,290,466 and US\$13,996,797, respectively) are still in active use by the Group and the Bank, respectively.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

15. Intangible assets, net (continued)

As at 30 September 2020	The Group			The Bank		
	Computer software US\$	Work in progress US\$	Total US\$	Computer software US\$	Work in progress US\$	Total US\$
Cost (Unaudited)						
As at 1 January 2020	31,080,505	1,659,641	32,740,146	27,573,361	1,572,896	29,146,257
Additions	8,647,168	444,817	9,091,985	8,565,792	439,083	9,004,875
Disposals	(217,594)	-	(217,594)	(217,594)	-	(217,594)
Transfers	259,286	(259,286)	-	259,286	(259,286)	-
Currency translation difference	(131,727)	-	(131,727)	-	-	-
Adjustments	-	(280,284)	(280,284)	-	(280,284)	(280,284)
As at 30 September 2020 (Unaudited)	<u>39,637,638</u>	<u>1,564,888</u>	<u>41,202,526</u>	<u>36,180,845</u>	<u>1,472,409</u>	<u>37,653,254</u>
Less: Accumulated amortisation (Unaudited)						
As at 1 January 2020	23,741,153	-	23,741,153	21,230,895	-	21,230,895
Charge for the period	2,595,839	-	2,595,839	2,352,042	-	2,352,042
Disposals	(207,023)	-	(207,023)	(207,023)	-	(207,023)
Currency translation difference	(105,202)	-	(105,202)	(3,979)	-	(3,979)
As at 30 September 2020 (Unaudited)	<u>26,024,767</u>	<u>-</u>	<u>26,024,767</u>	<u>23,371,935</u>	<u>-</u>	<u>23,371,935</u>
Carrying value (Unaudited)	<u>13,612,871</u>	<u>1,564,888</u>	<u>15,177,759</u>	<u>12,808,910</u>	<u>1,472,409</u>	<u>14,281,319</u>
In KHR' 000 equivalent (Note 5) (Unaudited)	<u>55,812,771</u>	<u>6,416,041</u>	<u>62,228,812</u>	<u>52,516,531</u>	<u>6,036,877</u>	<u>58,553,408</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

16. Right-of-use assets, net

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Right-of-use assets	28,415,395	29,529,768	115,906,396	119,447,912	25,655,217	26,182,172	104,647,630	105,906,886

The Group and the Bank lease office building and cars for its operations. Information about leases for which the Group or the Bank is a lessee is presented below:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
At the beginning of the period	29,529,768	32,569,457	119,447,912	132,720,537	26,182,172	28,847,850	105,906,886	117,554,989
Additions during the period	8,183,835	6,867,816	33,283,657	28,082,500	8,056,710	6,338,767	32,766,640	25,919,218
Depreciation for the period	(8,514,698)	(7,910,999)	(34,629,277)	(32,348,075)	(7,901,627)	(7,273,984)	(32,135,917)	(29,743,321)
Lease termination during the period	(727,606)	(428,463)	(2,959,174)	(1,751,985)	(727,606)	(311,776)	(2,959,174)	(1,274,852)
Exchange differences	(55,904)	33,075	(227,362)	135,244	45,568	(1,074)	185,325	(4,392)
Currency translation difference	-	-	990,640	798,412	-	-	883,870	707,468
At the end of the period	28,415,395	31,130,886	115,906,396	127,636,633	25,655,217	27,599,783	104,647,630	113,159,110

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

16. Right-of-use assets, net (continued)

The Group and the Bank lease office building and cars for its operations. Information about leases for which the Group or the Bank is a lessee is presented below: (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
At the beginning of the period	29,211,791	31,423,321	119,038,048	128,615,653	26,227,117	27,778,230	106,875,502	113,696,295
Additions during the period	2,839,435	2,629,621	11,576,376	10,777,950	2,825,180	2,526,526	11,518,259	10,353,838
Depreciation for the period	(2,983,404)	(2,678,586)	(12,163,338)	(10,984,133)	(2,782,149)	(2,461,295)	(11,342,821)	(10,093,112)
Lease termination during the period	(629,678)	(250,177)	(2,567,197)	(1,024,043)	(629,678)	(244,510)	(2,567,197)	(1,000,205)
Exchange differences	(22,749)	6,707	(92,748)	27,583	14,747	832	60,124	3,390
Currency translation difference	-	-	115,255	223,623	-	-	103,763	198,904
At the end of the period	<u>28,415,395</u>	<u>31,130,886</u>	<u>115,906,396</u>	<u>127,636,633</u>	<u>25,655,217</u>	<u>27,599,783</u>	<u>104,647,630</u>	<u>113,159,110</u>

The Group has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

16. Right-of-use assets, net (continued)

Amounts recognised in the statement of profit or loss and other comprehensive income:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020
US\$	(Unaudited) US\$	KHR'000 (Note 5)	(Unaudited) KHR'000 (Note 5)	US\$	(Unaudited) US\$	KHR'000 (Note 5)	(Unaudited) KHR'000 (Note 5)	
Depreciation expense	8,514,698	7,910,999	34,629,277	32,348,075	7,901,627	7,273,984	32,135,917	29,743,321
Interest on lease liabilities	1,464,547	1,602,877	5,956,313	6,554,164	1,320,519	1,424,098	5,370,551	5,823,136
Gain on pre-termination of leases	(10,622)	(19,342)	(43,200)	(79,089)	(10,622)	(19,342)	(43,200)	(79,089)
	<u>9,968,623</u>	<u>9,494,534</u>	<u>40,542,390</u>	<u>38,823,150</u>	<u>9,211,524</u>	<u>8,678,740</u>	<u>37,463,268</u>	<u>35,487,368</u>

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020
US\$	(Unaudited) US\$	KHR'000 (Note 5)	(Unaudited) KHR'000 (Note 5)	US\$	(Unaudited) US\$	KHR'000 (Note 5)	(Unaudited) KHR'000 (Note 5)	
Depreciation expense	2,983,404	2,678,586	12,163,338	10,984,133	2,782,149	2,461,295	11,342,821	10,093,112
Interest on lease liabilities	492,709	526,513	2,008,775	2,159,371	445,797	467,763	1,817,514	1,918,421
Gain on pre-termination of leases	(10,442)	(15,340)	(42,572)	(62,749)	(10,442)	(15,340)	(42,572)	(62,749)
	<u>3,465,671</u>	<u>3,189,759</u>	<u>14,129,541</u>	<u>13,080,755</u>	<u>3,217,504</u>	<u>2,913,718</u>	<u>13,117,763</u>	<u>11,948,784</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

17. Deferred tax assets, net

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Deferred tax assets	37,102,754	32,324,548	151,342,134	130,752,797	33,709,374	31,015,663	137,500,537	125,458,357
Deferred tax liabilities	(26,465,588)	(21,128,703)	(107,953,134)	(85,465,604)	(24,920,266)	(18,329,716)	(101,649,765)	(74,143,701)
	<u>10,637,166</u>	<u>11,195,845</u>	<u>43,389,000</u>	<u>45,287,193</u>	<u>8,789,108</u>	<u>12,685,947</u>	<u>35,850,772</u>	<u>51,314,656</u>

The movements in net deferred tax assets during the periods were as follows:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
At the beginning of the period	11,195,845	14,814,354	45,287,193	60,368,494	12,685,947	14,007,743	51,314,656	57,081,553
Charged to profit or loss	(420,763)	(1,657,562)	(1,711,243)	(6,777,770)	(3,896,839)	(901,152)	(15,848,444)	(3,684,812)
Currency translation difference	(137,916)	(2,207)	(560,904)	(9,024)	-	-	-	-
Exchange differences	-	-	373,954	352,099	-	-	384,560	340,282
At the end of the period	<u>10,637,166</u>	<u>13,154,585</u>	<u>43,389,000</u>	<u>53,933,799</u>	<u>8,789,108</u>	<u>13,106,591</u>	<u>35,850,772</u>	<u>53,737,023</u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to off-set current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

17. Deferred tax assets, net (continued)

The movements in net deferred tax assets during the periods were as follows: (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At the beginning of the period	11,768,960	14,962,002	47,958,512	61,239,474	9,537,325	14,425,384	38,864,599	59,043,097
Charged to profit or loss	(908,536)	(1,805,210)	(3,704,101)	(7,380,617)	(748,217)	(1,318,793)	(3,050,481)	(5,390,040)
Currency translation difference	(223,258)	(2,207)	(910,223)	(9,024)	-	-	-	-
Exchange differences	-	-	44,812	83,966	-	-	36,654	83,966
At the end of the period	10,637,166	13,154,585	43,389,000	53,933,799	8,789,108	13,106,591	35,850,772	53,737,023

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

17. Deferred tax assets, net (continued)

The components and movements of deferred tax assets and liabilities during the periods were as follows:

Deferred tax assets of the Group:

	Unamortised loan fees	Uneamed revenue	Provision for loan loss	Other provision	Staff bonus	Unrealised exchange loss	Accelerated depreciation	Lease	Others	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 30 September 2021										
As at 1 January 2021	7,560,663	50,295	9,426,856	7,335,254	261,434	814,286	1,602,584	317,209	4,955,890	32,324,548
Charged/(credited) to profit or loss	254,937	(7,457)	1,193,010	(656,730)	1,791,062	147,327	(175,816)	49,548	2,182,402	4,778,206
As at 30 September 2021	7,815,600	42,838	10,619,866	6,678,524	2,052,496	961,613	1,426,768	366,757	7,138,292	37,102,754
<i>In KHR'000 equivalent (Note 5)</i>	<u>31,879,832</u>	<u>174,736</u>	<u>43,318,433</u>	<u>27,241,699</u>	<u>8,372,131</u>	<u>3,922,419</u>	<u>5,819,787</u>	<u>1,496,004</u>	<u>29,117,093</u>	<u>151,342,134</u>
As at 30 September 2020										
As at 1 January 2020	6,641,624	-	7,866,254	6,754,038	426,528	656,882	1,188,937	190,389	4,976,821	28,701,473
Charged/(credited) to profit or loss	492,389	5,018	1,030,578	750,206	(232,017)	137,132	416,953	275,447	(247,626)	2,628,080
As at 30 September 2020 (Unaudited)	7,134,013	5,018	8,896,832	7,504,244	194,511	794,014	1,605,890	465,836	4,729,195	31,329,553
<i>In KHR'000 equivalent (Note 5) (Unaudited)</i>	<u>29,249,453</u>	<u>20,574</u>	<u>36,477,011</u>	<u>30,767,400</u>	<u>797,495</u>	<u>3,255,457</u>	<u>6,584,149</u>	<u>1,909,928</u>	<u>19,389,700</u>	<u>128,451,167</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

17. Deferred tax assets, net (continued)

The components and movements of deferred tax assets and liabilities during the periods were as follows: (continued)

Deferred tax assets of the Bank:

	Unamortised loan fees	Provision for loan loss	Other provision	Staff bonus	Unrealised exchange loss	Accelerated depreciation	Lease	Others	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 30 September 2021									
As at 1 January 2021	7,560,663	9,426,856	7,220,243	261,434	814,286	1,600,742	270,169	3,861,270	31,015,663
Charged/(credited) to profit or loss	254,937	1,193,010	(671,734)	1,791,062	147,118	(176,181)	43,798	111,701	2,693,711
As at 30 September 2021	<u>7,815,600</u>	<u>10,619,866</u>	<u>6,548,509</u>	<u>2,052,496</u>	<u>961,404</u>	<u>1,424,561</u>	<u>313,967</u>	<u>3,972,971</u>	<u>33,709,374</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>31,879,832</u>	<u>43,318,433</u>	<u>26,711,368</u>	<u>8,372,131</u>	<u>3,921,567</u>	<u>5,810,784</u>	<u>1,280,671</u>	<u>16,205,751</u>	<u>137,500,537</u>
As at 30 September 2020									
As at 1 January 2020	6,641,624	7,866,254	6,646,409	416,745	609,664	1,182,635	161,750	4,013,084	27,538,165
Charged/(credited) to profit or loss	492,389	1,030,578	716,540	(222,234)	184,350	421,553	78,287	(169,378)	2,532,085
As at 30 September 2020 (Unaudited)	<u>7,134,013</u>	<u>8,896,832</u>	<u>7,362,949</u>	<u>194,511</u>	<u>794,014</u>	<u>1,604,188</u>	<u>240,037</u>	<u>3,843,706</u>	<u>30,070,250</u>
<i>In KHR'000 equivalent (Note 5) (Unaudited)</i>	<u>29,249,453</u>	<u>36,477,011</u>	<u>30,188,091</u>	<u>797,495</u>	<u>3,255,457</u>	<u>6,577,171</u>	<u>984,152</u>	<u>15,759,195</u>	<u>123,288,025</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

17. Deferred tax assets, net (continued)

Deferred tax liabilities of the Group:

	Accelerated depreciation US\$	Unrealised exchange US\$	Others US\$	Total US\$
As at 30 September 2021				
As at 1 January 2021	295,901	-	20,832,761	21,128,703
Charged to profit or loss	46,750	875	5,289,301	5,336,885
As at 30 September 2021	<u>342,651</u>	<u>875</u>	<u>26,122,062</u>	<u>26,465,588</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>1,397,673</u>	<u>3,569</u>	<u>106,551,891</u>	<u>107,953,134</u>
As at 30 September 2020				
As at 1 January 2020	-	640,179	13,246,940	13,887,119
Charged/(credited) to profit or loss	341,365	(639,106)	4,585,536	4,287,849
As at 30 September 2020 (Unaudited)	<u>341,365</u>	<u>1,073</u>	<u>17,832,476</u>	<u>18,174,968</u>
<i>In KHR'000 equivalent (Note 5) (Unaudited)</i>	<u>1,399,596</u>	<u>4,399</u>	<u>73,113,152</u>	<u>74,517,368</u>

Deferred tax liabilities of the Bank:

	Accelerated depreciation US\$	Unrealised exchange US\$	Others US\$	Total US\$
As at 30 September 2021				
As at 1 January 2021	-	-	18,329,716	18,329,716
Charged to profit or loss	-	-	6,590,550	6,590,550
As at 30 September 2021	<u>-</u>	<u>-</u>	<u>24,920,266</u>	<u>24,920,266</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>-</u>	<u>-</u>	<u>101,649,765</u>	<u>101,649,765</u>
As at 30 September 2020				
As at 1 January 2020	-	639,392	12,891,030	13,530,422
Charged/(credited) to profit or loss	-	(639,392)	4,072,629	3,433,237
As at 30 September 2020 (Unaudited)	<u>-</u>	<u>-</u>	<u>16,963,659</u>	<u>16,963,659</u>
<i>In KHR'000 equivalent (Note 5) (Unaudited)</i>	<u>-</u>	<u>-</u>	<u>69,551,002</u>	<u>69,551,002</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

18. Deposits and placements of other banks and financial institutions

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Current accounts	165,554,566	106,606,626	675,297,075	431,223,802	167,217,768	108,155,568	682,081,276	437,489,273
Savings deposits	50,911,296	47,551,861	207,667,176	192,347,278	49,104,842	46,816,912	200,298,651	189,374,409
Fixed deposits	291,020,152	162,850,972	1,187,071,200	658,732,182	262,252,560	141,792,074	1,069,728,191	573,548,939
	<u>507,486,014</u>	<u>317,009,459</u>	<u>2,070,035,451</u>	<u>1,282,303,262</u>	<u>478,575,170</u>	<u>296,764,554</u>	<u>1,952,108,118</u>	<u>1,200,412,621</u>

The deposits and placements of other banks and financial institutions are analysed as follows:

a) By maturity

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Within six months	294,180,368	195,717,857	1,199,961,721	791,678,732	287,987,016	183,717,176	1,174,699,038	743,135,977
Later than six months but not later than one year	93,109,982	30,105,199	379,795,617	121,775,530	78,941,442	21,860,975	322,002,142	88,427,644
Later than one year but not later than three years	18,590,278	5,648,815	75,829,744	22,849,457	10,041,326	5,648,815	40,958,569	22,849,457
Later than three years	101,605,386	85,537,588	414,448,369	345,999,543	101,605,386	85,537,588	414,448,369	345,999,543
	<u>507,486,014</u>	<u>317,009,459</u>	<u>2,070,035,451</u>	<u>1,282,303,262</u>	<u>478,575,170</u>	<u>296,764,554</u>	<u>1,952,108,118</u>	<u>1,200,412,621</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

18. Deposits and placements of other banks and financial institutions (continued)

The deposits and placements of other banks and financial institutions are analysed as follows: (continued)

b) By relationship

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Related parties	50,449	72,774	205,781	294,371	1,743,760	1,670,695	7,112,797	6,757,961
Non-related parties	507,435,565	316,936,685	2,069,829,670	1,282,008,891	476,831,410	295,093,859	1,944,995,321	1,193,654,660
	<u>507,486,014</u>	<u>317,009,459</u>	<u>2,070,035,451</u>	<u>1,282,303,262</u>	<u>478,575,170</u>	<u>296,764,554</u>	<u>1,952,108,118</u>	<u>1,200,412,621</u>

c) By interest (per annum)

	The Group		The Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Current accounts	0.00% - 0.20%	Nil	0.00% - 0.20%	Nil
Savings deposits	0.00% - 1.90%	0.00% - 1.90%	0.00% - 0.50%	0.00% - 0.50%
Fixed deposits	0.75% - 7.95%	1.00% - 7.95%	0.75% - 7.95%	1.00% - 7.95%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

19. Deposits from customers

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Current accounts	660,652,203	525,179,976	2,694,800,336	2,124,353,003	653,453,206	515,353,012	2,665,435,627	2,084,602,934
Savings deposits	1,919,075,618	1,866,624,777	7,827,909,446	7,550,497,223	1,887,348,459	1,824,684,515	7,698,494,364	7,380,848,863
Margin deposits	12,398,722	13,134,176	50,574,387	53,127,742	12,397,804	13,134,176	50,570,643	53,127,741
Fixed deposits	2,339,664,215	1,889,347,119	9,543,490,333	7,642,409,096	2,271,387,922	1,827,097,034	9,264,991,334	7,390,607,503
	4,931,790,758	4,294,286,048	20,116,774,502	17,370,387,064	4,824,587,391	4,180,268,737	19,679,491,968	16,909,187,041

The deposits from customers are analysed as follows:

a) By maturity

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Within six months	3,546,601,087	3,120,269,849	14,466,585,834	12,621,491,539	3,488,867,032	3,048,458,637	14,231,088,624	12,331,015,187
Later than six months but not later than one year	732,483,507	618,538,572	2,987,800,225	2,501,988,524	712,735,762	601,304,341	2,907,249,173	2,432,276,059
Later than one year but not later than three years	476,011,695	405,355,305	1,941,651,704	1,639,662,209	458,148,751	387,858,729	1,868,788,755	1,568,888,559
Later than three years	176,694,469	150,122,322	720,736,739	607,244,792	164,835,846	142,647,030	672,365,416	577,007,236
	4,931,790,758	4,294,286,048	20,116,774,502	17,370,387,064	4,824,587,391	4,180,268,737	19,679,491,968	16,909,187,041

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

19. Deposits from customers (continued)

The deposits from customers are analysed as follows: (continued)

b) By relationship

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Related parties	7,419,541	18,251,604	30,264,308	73,827,738	11,477,344	19,478,074	46,816,086	78,788,809
Non-related parties	4,924,371,217	4,276,034,444	20,086,510,194	17,296,559,326	4,813,110,047	4,160,790,663	19,632,675,882	16,830,398,232
	<u>4,931,790,758</u>	<u>4,294,286,048</u>	<u>20,116,774,502</u>	<u>17,370,387,064</u>	<u>4,824,587,391</u>	<u>4,180,268,737</u>	<u>19,679,491,968</u>	<u>16,909,187,041</u>

c) By interest rate

	The Group		The Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Current accounts	0.00% - 0.20%	Nil	0.00% - 0.20%	Nil
Margin deposits	Nil	Nil	Nil	Nil
Savings deposits	0.00% - 15.00%	0.00% - 15.00%	0.00% - 0.50%	0.00% - 0.50%
Fixed deposits	0.50% - 11.65%	0.50% - 12.00%	0.50% - 8.25%	0.50% - 8.25%

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

20. Other liabilities

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Accrued annual leave	21,682,699	20,063,310	88,443,729	81,156,089	21,270,120	19,626,620	86,760,819	79,389,678
Accrued bonuses	8,119,103	11,046,280	33,117,821	44,682,203	6,876,663	10,454,999	28,049,908	42,290,471
Fund transfers	40,209,680	16,060,460	164,015,285	64,964,561	40,180,089	16,026,656	163,894,583	64,827,824
Tax payables	2,279,517	1,563,901	9,298,150	6,325,980	2,232,499	1,478,413	9,106,363	5,980,181
Others	19,286,781	15,017,157	78,670,780	60,744,399	19,149,732	14,822,194	78,111,758	59,955,774
	<u>91,577,780</u>	<u>63,751,108</u>	<u>373,545,765</u>	<u>257,873,232</u>	<u>89,709,103</u>	<u>62,408,882</u>	<u>365,923,431</u>	<u>252,443,928</u>

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Current	62,927,016	44,050,514	256,679,299	178,184,329	61,153,272	42,782,263	249,444,196	173,054,254
Non-current	28,650,764	19,700,594	116,866,466	79,688,903	28,555,831	19,626,619	116,479,235	79,389,674
	<u>91,577,780</u>	<u>63,751,108</u>	<u>373,545,765</u>	<u>257,873,232</u>	<u>89,709,103</u>	<u>62,408,882</u>	<u>365,923,431</u>	<u>252,443,928</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

21. Borrowings

The Group and the Bank have entered into borrowing agreements with various lenders. The repayments of principal and interest are made either on quarterly, semi-annual or annual basis based on the repayment schedule for each of the borrowing agreements. The Group and the Bank did not pledged any collaterals for borrowings.

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Unsecured:								
Current	151,438,605	124,629,071	617,718,070	504,124,592	134,153,744	104,886,698	547,213,122	424,266,693
Non-current	361,643,699	417,769,845	1,475,144,648	1,689,879,023	351,810,716	402,466,218	1,435,035,910	1,627,975,852
	<u>513,082,304</u>	<u>542,398,916</u>	<u>2,092,862,718</u>	<u>2,194,003,615</u>	<u>485,964,460</u>	<u>507,352,916</u>	<u>1,982,249,032</u>	<u>2,052,242,545</u>

The borrowings are analysed as follows:

a) By relationship

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Related parties	-	-	-	-	-	-	-	-
Non-related parties	513,082,304	542,398,916	2,092,862,718	2,194,003,615	485,964,460	507,352,916	1,982,249,032	2,052,242,545
	<u>513,082,304</u>	<u>542,398,916</u>	<u>2,092,862,718</u>	<u>2,194,003,615</u>	<u>485,964,460</u>	<u>507,352,916</u>	<u>1,982,249,032</u>	<u>2,052,242,545</u>

b) By interest rate

	The Group		The Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Annual interest rates	<u>2.00% - 14.50%</u>	<u>2.00% - 14.50%</u>	<u>2.00% - 7.69%</u>	<u>2.00% - 8.00%</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

22. Subordinated debts

These are subordinated debts from non-related parties. The subordinated debts are approved by the NBC to be included as a Tier II line item in the calculation of the Bank's net worth in accordance with the Prakas No. B7-010-182 of the NBC. The Group and the Bank did not pledge any collaterals for subordinated debts.

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Current	28,975,236	11,408,413	118,189,988	46,147,031	28,975,236	11,408,413	118,189,988	46,147,031
Non-current	141,184,800	155,750,210	575,892,799	630,009,599	141,184,800	155,750,210	575,892,799	630,009,599
	<u>170,160,036</u>	<u>167,158,623</u>	<u>694,082,787</u>	<u>676,156,630</u>	<u>170,160,036</u>	<u>167,158,623</u>	<u>694,082,787</u>	<u>676,156,630</u>

The subordinated debts are analysed as follows:

a) By relationship

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Related parties	-	-	-	-	-	-	-	-
Non-related parties	170,160,036	167,158,623	694,082,787	676,156,630	170,160,036	167,158,623	694,082,787	676,156,630
	<u>170,160,036</u>	<u>167,158,623</u>	<u>694,082,787</u>	<u>676,156,630</u>	<u>170,160,036</u>	<u>167,158,623</u>	<u>694,082,787</u>	<u>676,156,630</u>

b) By interest rate

	The Group		The Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Annual interest rates	<u>5.76% - 8.48%</u>	<u>5.38% - 8.48%</u>	<u>5.76% - 8.48%</u>	<u>5.38% - 8.48%</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

23. Lease liabilities

Analysis of the Group's and the Bank's lease liabilities follows:

	The Group				The Bank			
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$	US\$	KHR'000	KHR'000	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)			(Note 5)	(Note 5)
Undiscounted lease liabilities								
Less than one year	10,920,200	10,261,902	44,543,496	41,509,394	10,216,953	9,655,602	41,674,951	39,056,910
One to five years	18,928,663	20,581,294	77,210,016	83,251,334	17,818,369	18,888,896	72,681,127	76,405,584
More than five years	4,059,244	3,816,462	16,557,656	15,437,589	852,726	655,929	3,478,269	2,653,233
Total undiscounted lease liabilities	33,908,107	34,659,658	138,311,168	140,198,317	28,888,048	29,200,427	117,834,347	118,115,727
Present value of lease liabilities								
Current	10,595,561	10,309,865	43,219,293	41,703,404	9,917,862	9,711,879	40,454,959	39,284,551
Non-current	17,631,523	18,308,037	71,918,983	74,056,010	15,778,023	16,060,506	64,358,556	64,964,746
Total present value of lease liabilities	28,227,084	28,617,902	115,138,276	115,759,414	25,695,885	25,772,385	104,813,515	104,249,297

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

23. Lease liabilities (continued)

The Group and the Bank lease office building for its operations. Information about leases for which the Group or the Bank is a lessee is presented below:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
At the beginning of the period	28,617,902	30,915,939	115,759,414	125,982,451	25,772,385	27,789,168	104,249,297	113,240,860
Additions during the period	7,927,312	6,803,970	32,240,378	27,821,434	7,804,814	6,276,353	31,742,179	25,664,008
Payment for the period	(8,914,335)	(8,530,953)	(36,254,600)	(34,883,067)	(8,460,186)	(7,881,774)	(34,407,576)	(32,228,574)
Lease termination during the period	(741,647)	(442,432)	(3,016,278)	(1,809,104)	(741,647)	(325,745)	(3,016,278)	(1,331,971)
Interest	1,464,547	1,602,877	5,956,313	6,554,164	1,320,519	1,424,098	5,370,551	5,823,136
Exchange differences	(126,695)	(10,770)	(515,269)	(44,039)	-	-	-	-
Currency translation difference	-	-	968,318	(902,075)	-	-	875,342	689,151
At the end of the period	<u>28,227,084</u>	<u>30,338,631</u>	<u>115,138,276</u>	<u>122,719,764</u>	<u>25,695,885</u>	<u>27,282,100</u>	<u>104,813,515</u>	<u>111,856,610</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

23. Lease liabilities (continued)

The Group and the Bank lease office building for its operations. Information about leases for which the Group or the Bank is a lessee is presented below: (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At the beginning of the period	28,690,929	30,317,995	116,915,536	122,636,291	25,994,707	27,220,573	105,928,431	111,413,805
Additions during the period	2,747,196	2,602,280	11,200,318	10,665,934	2,690,349	2,500,639	10,968,553	10,247,768
Payment for the period	(2,978,772)	(2,850,117)	(12,144,453)	(11,688,214)	(2,794,848)	(2,652,397)	(11,394,595)	(10,877,028)
Lease termination during the period	(640,120)	(520,565)	(2,609,769)	(2,128,121)	(640,120)	(254,478)	(2,609,769)	(1,040,988)
Interest	492,709	526,513	2,008,775	2,159,371	445,797	467,763	1,817,514	1,918,421
Exchange differences	(84,858)	262,525	(345,966)	1,071,824	-	-	-	-
Currency translation difference	-	-	113,835	2,679	-	-	103,381	194,632
At the end of the period	<u>28,227,084</u>	<u>30,338,631</u>	<u>115,138,276</u>	<u>122,719,764</u>	<u>25,695,885</u>	<u>27,282,100</u>	<u>104,813,515</u>	<u>111,856,610</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

23. Lease liabilities (continued)

Amounts recognised in the statement of cash flows follow:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Total cash outflow for leases payments	8,914,335	8,530,953	36,254,600	34,883,067	8,460,186	7,881,774	34,407,576	32,228,574

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Total cash outflow for leases payments	2,978,772	2,850,117	12,144,453	11,688,214	2,794,848	2,652,397	11,394,595	10,877,028

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits

Note	The Group				The Bank				
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
Retirement benefits	(a)	12,059,441	11,010,471	49,190,460	44,537,355	11,472,423	10,498,190	46,796,012	42,465,178
Career development benefits	(b)	2,448,704	1,307,172	9,988,264	5,287,511	2,437,811	1,307,172	9,943,831	5,287,511
Seniority indemnity benefits	(c)	7,951,617	6,036,412	32,434,645	24,417,286	7,824,671	5,976,401	31,916,834	24,174,542
		<u>22,459,762</u>	<u>18,354,055</u>	<u>91,613,369</u>	<u>74,242,152</u>	<u>21,734,905</u>	<u>17,781,763</u>	<u>88,656,677</u>	<u>71,927,231</u>

	The Group				The Bank			
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Current	2,448,704	1,307,172	9,988,264	5,287,511	2,437,811	1,307,172	9,943,831	5,287,511
Non-current	<u>20,011,058</u>	<u>17,046,883</u>	<u>81,625,105</u>	<u>68,954,641</u>	<u>19,297,094</u>	<u>16,474,591</u>	<u>78,712,846</u>	<u>66,639,720</u>
	<u>22,459,762</u>	<u>18,354,055</u>	<u>91,613,369</u>	<u>74,242,152</u>	<u>21,734,905</u>	<u>17,781,763</u>	<u>88,656,677</u>	<u>71,927,231</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(a) Retirement benefits

The unfunded defined benefit plan expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the Bank's long term deposit interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan obligation is calculated by reference to the future salaries of plan participants in accordance with the Group's minimum and maximum salary per position. As such, an increase in the salary of the plan participants will increase the plan's obligation.

The Group's Budgeting and Control Division is responsible in calculating, and the Management and the Board are responsible for assessing the reasonableness and its approval, of the present value of the defined benefit obligation. The latest calculation were carried out as at 30 September 2021. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

- (i) The amounts recognised in the statement of financial position are determined as follows:

	The Group				The Bank			
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Present value of defined benefit obligation	12,059,441	11,010,471	49,190,460	44,537,355	11,472,423	10,498,190	46,796,012	42,465,178
Fair value of plan assets	-	-	-	-	-	-	-	-
Net liability recognised in statement of financial position	12,059,441	11,010,471	49,190,460	44,537,355	11,472,423	10,498,190	46,796,012	42,465,178

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(a) Retirement benefits (continued)

(ii) The movements in the defined benefit obligation over the periods were as follow:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
At the beginning of the period	11,010,471	9,723,367	44,537,355	39,622,721	10,498,190	9,143,295	42,465,178	37,258,926
Current service cost	653,928	623,996	2,659,525	2,551,520	628,500	595,922	2,556,110	2,436,725
Interest cost	604,021	499,844	2,456,553	2,043,862	575,902	478,828	2,342,193	1,957,928
Benefits paid	(110,370)	(92,796)	(448,875)	(379,443)	(110,370)	(92,796)	(448,875)	(379,443)
Settlement loss	(10,766)	90,287	(43,785)	369,184	(10,766)	90,287	(43,784)	369,184
Remeasurement gain arising during the period	(57,140)	289,677	(232,389)	1,184,489	(96,737)	245,858	(393,429)	1,005,313
Currency translation difference	(30,703)	(19,081)	(124,869)	(78,022)	(12,296)	(5,139)	(50,008)	(21,013)
Exchange differences	-	-	386,945	258,394	-	-	368,627	243,025
At the end of the period	12,059,441	11,115,294	49,190,460	45,572,705	11,472,423	10,456,255	46,796,012	42,870,645

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(a) Retirement benefits (continued)

(ii) The movements in the defined benefit obligation over the periods were as follows (continued):

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
At the beginning of the period	11,764,847	10,886,297	47,941,752	44,557,614	11,187,032	10,239,342	45,587,154	41,909,626
Current service cost	211,394	204,736	861,853	839,681	214,643	201,377	875,100	825,798
Interest cost	209,286	151,576	853,259	621,884	194,283	159,478	792,092	654,022
Benefits paid	-	(44,328)	-	(181,548)	-	(44,328)	-	(181,548)
Settlement loss	(3,464)	42,850	(14,123)	175,499	(3,464)	42,850	(14,123)	175,499
Remeasurement gain arising during the period	(107,687)	(117,688)	(439,040)	(478,782)	(117,212)	(142,060)	(477,873)	(578,556)
Currency translation difference	(14,935)	(8,149)	(60,890)	(33,387)	(2,859)	(404)	(11,656)	(1,680)
Exchange differences	-	-	47,649	71,744	-	-	45,318	67,484
At the end of the period	<u>12,059,441</u>	<u>11,115,294</u>	<u>49,190,460</u>	<u>45,572,705</u>	<u>11,472,423</u>	<u>10,456,255</u>	<u>46,796,012</u>	<u>42,870,645</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(a) Retirement benefits (continued)

(iii) The amounts recognised in the statement of profit or loss are as follows:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
Current service cost	653,928	623,996	2,659,525	2,551,520	628,500	595,922	2,556,110	2,436,725
Interest cost	604,021	499,844	2,456,553	2,043,862	575,902	478,828	2,342,192	1,957,928
Settlement (gain)/loss	(10,766)	90,287	(43,785)	369,185	(10,766)	90,287	(43,784)	369,182
	<u>1,247,183</u>	<u>1,214,127</u>	<u>5,072,293</u>	<u>4,964,567</u>	<u>1,193,636</u>	<u>1,165,037</u>	<u>4,854,518</u>	<u>4,763,835</u>

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
Current service cost	211,394	204,736	861,853	839,681	214,643	201,377	875,100	825,798
Interest cost	209,286	151,576	853,259	621,884	194,283	159,478	792,092	654,022
Settlement (gain)/loss	(3,464)	42,850	(14,122)	175,500	(3,464)	42,850	(14,123)	175,496
	<u>417,216</u>	<u>399,162</u>	<u>1,700,990</u>	<u>1,637,065</u>	<u>405,462</u>	<u>403,705</u>	<u>1,653,069</u>	<u>1,655,316</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(a) Retirement benefits (continued)

(iv) The principal assumptions used to determine estimated costs and obligations are as follows:

	<u>30 September 2021</u>	<u>31 December 2020</u>
Salary growth rate	3.50%	3.46%
Inflation rate	1.20%	1.20%
Discount rates	7.25%	7.00%

Mortality rate (*) and staff turnover rate (**)

(*) Mortality rate table is as follows:

Age	30 September 2021		31 December 2020	
	Mortality rate (% per annum)		Mortality rate (% per annum)	
	Females	Males	Females	Males
18-29	0 - 0.49	0 - 0.42	0 - 0.49	0 - 0.42
30-39	0 - 0.10	0 - 0.32	0 - 0.10	0 - 0.32
40-49	-	-	-	-
50-59	-	0 - 6.67	-	0 - 6.67
60	-	-	-	-

(**) Staff turnover rate table is as follows:

Age	30 September 2021		31 December 2020	
	Staff turnover rate (% per annum)		Staff turnover rate (% per annum)	
	Females	Males	Females	Males
18-29	2.3 - 9.10	4.29 - 9.24	2.3 - 9.10	4.29 - 9.24
30-39	1.68 - 4.68	2.74 - 5.76	1.68 - 4.68	2.74 - 5.76
40-49	0 - 6.67	0 - 4.38	0 - 6.67	0 - 4.38
50-59	-	0 - 8.33	-	0 - 8.33
60	-	-	-	-

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(a) Retirement benefits (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation					
			Increase in assumption		Decrease in assumption			
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Salary growth rate	1.00%	1.00%	Increase by	20.35%	20.80%	Decrease by	16.39%	16.67%
Discount rate	1.00%	1.00%	Decrease by	16.33%	16.61%	Increase by	20.30%	20.75%
Inflation rate	1.00%	1.00%	Increase by	20.39%	20.84%	Decrease by	16.42%	16.69%
Mortality rate	0.10%	0.10%	Decrease by	1.87%	1.91%	Increase by	0.08%	0.09%
Staff turnover rate	1.00%	1.00%	Decrease by	12.38%	12.73%	Increase by	6.94%	7.39%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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24. Employee benefits (continued)

(b) Career development benefits

Movements in career development benefits were as follows:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At the beginning of the period	1,307,172	2,083,726	5,287,511	8,491,183	1,307,172	2,083,726	5,287,511	8,491,183
Additions (Note 30)	1,153,574	975,962	4,691,585	3,990,709	1,142,677	975,962	4,647,267	3,990,709
Benefits paid	(3,636)	(2,084,347)	(14,788)	(8,522,895)	(3,636)	(2,084,347)	(14,788)	(8,522,895)
Currency translation difference	(8,406)	(2,784)	(34,187)	(11,384)	(8,402)	(2,784)	(34,171)	(11,384)
Exchange differences	-	-	58,143	39,871	-	-	58,012	39,871
At the end of the period	2,448,704	972,557	9,988,264	3,987,484	2,437,811	972,557	9,943,831	3,987,484

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(b) Career development benefits (continued)

Movements in career development benefits were as follow:

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
At the beginning of the period	2,070,259	675,575	8,436,305	2,765,128	2,039,983	675,575	8,312,931	2,765,129
Additions (Note 30)	383,825	297,984	1,564,855	1,222,525	403,213	297,984	1,643,899	1,222,525
Benefits paid	(1,373)	(668)	(5,598)	(15,234)	(1,373)	(668)	(5,598)	(15,234)
Currency translation difference	(4,007)	(334)	(16,337)	(1,381)	(4,012)	(334)	(16,357)	(1,381)
Exchange differences	-	-	9,039	16,446	-	-	8,956	16,445
At the end of the period	2,448,704	972,557	9,988,264	3,987,484	2,437,811	972,557	9,943,831	3,987,484

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(c) Seniority indemnity benefits

Movements in Seniority indemnity benefits were as follows:

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
At the beginning of the period	6,036,412	6,498,800	24,417,286	26,482,610	5,976,401	6,440,456	24,174,542	26,244,858
Additions (Note 30)	5,913,314	4,835,325	24,049,448	19,771,644	5,763,793	4,706,125	23,441,346	19,243,345
Benefits paid	(3,934,595)	(3,784,118)	(16,001,998)	(15,473,259)	(3,865,825)	(3,690,484)	(15,722,310)	(15,090,389)
Currency translation difference	(63,514)	(21,008)	(258,311)	(85,902)	(49,698)	(21,014)	(202,122)	(85,926)
Exchange differences	-	-	228,220	173,803	-	-	225,378	171,953
At the end of the period	<u>7,951,617</u>	<u>7,528,999</u>	<u>32,434,645</u>	<u>30,868,896</u>	<u>7,824,671</u>	<u>7,435,083</u>	<u>31,916,834</u>	<u>30,483,841</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

24. Employee benefits (continued)

(c) Seniority indemnity benefits (continued)

Movements in Seniority indemnity benefits were as follows:

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
At the beginning of the period	11,764,846	-	11,010,471	-	11,187,032	-	10,498,190	-
Additions (Note 30)	1,858,733	875,326	7,578,054	3,602,967	1,808,185	817,411	7,371,970	3,365,726
Benefits paid	(8,729)	(45,148)	(35,588)	(207,044)	(8,577)	(19,943)	(34,968)	(103,570)
Currency translation difference	(35,800)	(920)	(145,957)	(3,883)	(27,436)	(978)	(111,857)	(4,119)
Exchange differences	-	-	36,981,965	54,816	-	-	35,137,258	54,043
At the end of the period	<u>13,579,050</u>	<u>829,258</u>	<u>55,388,945</u>	<u>3,446,856</u>	<u>12,959,204</u>	<u>796,490</u>	<u>52,860,593</u>	<u>3,312,080</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

25. Share capital and share premium

As at 30 September 2021, the authorised share capital comprised 433,163,019 ordinary shares (2020: 433,163,019) at par value of US\$1 each. All issued shares are fully paid by the following shareholders and their respective interest in the Bank are:

Share capital

	As at 30 September 2021			As at 31 December 2020		
	Number of shares	US\$	% of shareholding	Number of shares	US\$	% of shareholding
ACLEDA Financial Trust	111,492,719	111,492,719	25.7392%	111,492,719	111,492,719	25.7392%
ASA Plc.	89,878,026	89,878,026	20.7492%	107,204,547	107,204,547	24.7492%
SMBC	78,259,310	78,259,310	18.0669%	78,259,310	78,259,310	18.0669%
COFIBRED S.A	52,530,223	52,530,223	12.1271%	52,530,223	52,530,223	12.1271%
ORIX Corporation	52,530,223	52,530,223	12.1271%	52,530,223	52,530,223	12.1271%
Triodos Microfinance Fund	10,938,339	10,938,339	2.5252%	10,938,339	10,938,339	2.5252%
Triodos Fair Share Fund	9,354,157	9,354,157	2.1595%	9,354,157	9,354,157	2.1595%
Triodos Sustainable Finance Foundation	6,508,636	6,508,636	1.5026%	6,508,636	6,508,636	1.5026%
Public Shareholders	21,671,386	21,671,386	5.0031%	4,344,865	4,344,865	1.0031%
	<u>433,163,019</u>	<u>433,163,019</u>	<u>100%</u>	<u>433,163,019</u>	<u>433,163,019</u>	<u>100%</u>
<i>In KHR'000 equivalent (Note 5)</i>		<u>1,766,871,955</u>			<u>1,752,144,412</u>	

Share premium

The share premium mainly represents the excess amount received by the Bank over the par value of its shares pursuant to the issuance of shares, net of transaction costs directly distributable to the issuance.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

25. Share capital and share premium (continued)

On 25 May 2020, the Bank was successfully listed on the CSX. The number of new issued shares are 4,344,865 shares with a par value of KHR4,000 (US\$0.98) per share, at an offering price of KHR16,200 (US\$3.97) per share. The Bank received the proceeds from the IPO amounting to US\$17,082,105 and incurred IPO costs of US\$1,031,025, resulting in share premium of US\$11,706,215 (KHR47,749,651 thousand). On 23 November 2020, the shareholders approved the amendment to the Memorandum of Association (“MAA”) relating capital increase from IPO. The MAA was subsequently approved by the NBC and MOC on 29 March 2021 and on 12 May 2021, respectively.

On 10 June 2021, the Board of Directors approved the distribution of cash dividends amounting to US\$42,493,292 or at the rate of US\$0.0981 per share against the Bank’s unrestricted retained earnings. As at 30 September 2021, the Bank paid cash dividends due to all Public Shareholders amounting to US\$426,231. Dividend put on hold for the institutional shareholders which were retained as part of the Bank’s retained earnings and still subject to the approval of the NBC for distribution, amounted to US\$42,067,061.

On 15 June 2021, 11,488 actual shareholders of ASA Plc., one of the institutional shareholders of the Bank, has legalized all its share holdings of 107,204,547 shares or 24.7492% of the Bank’s outstanding shares in accordance with the relevant measures, laws and regulations of SERC. After legalization, 4% of the Bank’s share capital or 17,326,521 were floated on the CSX. The remaining 20.7492% legalized shares shall be maintained by ASA Plc. in accordance with the set plan.

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26. Interest income

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Loans and advances	424,131,178	378,090,088	1,724,941,501	1,546,010,370	396,307,723	351,075,635	1,611,783,509	1,435,548,272
Financial investments	436,831	1,353,815	1,776,592	5,535,750	436,832	1,353,815	1,776,596	5,535,750
Deposits and placements with other banks:								
- National Bank of Cambodia	111,112	-	451,893	-	105,887	-	430,642	-
- Banks outside Cambodia	117,567	426,847	478,145	1,745,377	147,745	429,236	600,880	1,755,147
- Banks inside Cambodia	1,060,025	370,206	4,311,121	1,513,772	1,052,075	340,344	4,278,789	1,391,665
	<u>425,856,713</u>	<u>380,240,956</u>	<u>1,731,959,252</u>	<u>1,554,805,269</u>	<u>398,050,262</u>	<u>353,199,030</u>	<u>1,618,870,416</u>	<u>1,444,230,834</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

26. Interest income (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Loans and advances	145,173,718	127,372,056	591,873,248	522,328,645	136,158,230	118,116,970	555,117,104	484,378,043
Financial investments	238,651	104,676	972,982	435,515	240,969	104,676	982,430	435,515
Deposits and placements with other banks:								
- National Bank of Cambodia	111,112	-	453,002	-	105,887	-	431,702	-
- Banks outside Cambodia	48,004	83,897	195,712	345,112	62,415	86,443	254,466	355,522
- Banks inside Cambodia	459,422	97,903	1,873,064	401,960	459,421	83,243	1,873,059	341,923
	<u>146,030,907</u>	<u>127,658,532</u>	<u>595,368,008</u>	<u>523,511,232</u>	<u>137,026,922</u>	<u>118,391,332</u>	<u>558,658,761</u>	<u>485,511,003</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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27. Interest expense

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Deposits and placements of other banks and financial institutions:								
Fixed deposits	8,384,782	5,992,966	34,100,908	24,505,238	7,330,881	5,239,072	29,814,693	21,422,565
Savings deposits	39,044	29,570	158,792	120,912	20,476	18,377	83,276	75,144
Current accounts	176	-	716	-	176	-	716	-
Deposits from customers:								
Fixed deposits	78,802,045	65,154,990	320,487,917	266,418,754	75,824,033	62,151,203	308,376,342	254,136,269
Savings deposits	4,979,317	4,417,861	20,250,882	18,064,634	4,251,620	3,467,551	17,291,339	14,178,816
Current accounts	74,265	39,204	302,036	160,305	74,265	39,204	302,036	160,305
Subordinated debts	8,763,445	9,045,166	35,640,931	36,985,684	8,763,445	9,045,166	35,640,929	36,985,684
Borrowings	22,751,625	26,461,462	92,530,858	108,200,918	20,642,950	23,116,558	83,954,878	94,523,606
Interest expenses on lease	1,464,547	1,602,877	5,956,313	6,554,164	1,320,519	1,424,098	5,370,551	5,823,136
	<u>125,259,246</u>	<u>112,744,096</u>	<u>509,429,353</u>	<u>461,010,609</u>	<u>118,228,365</u>	<u>104,501,229</u>	<u>480,834,760</u>	<u>427,305,525</u>

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27. Interest expense (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Deposits and placements of other banks and financial institutions:								
Fixed deposits	3,184,782	2,103,675	12,984,356	8,625,263	2,793,051	1,849,343	11,387,269	7,582,301
Savings deposits	17,368	10,885	70,809	44,621	8,800	5,728	35,878	23,498
Current accounts	72	-	294	-	72	-	294	-
Deposits from customers:								
Fixed deposits	28,860,942	22,121,078	117,666,061	90,711,291	27,840,194	21,066,297	113,504,471	86,386,598
Savings deposits	1,670,272	1,492,529	6,809,699	6,120,503	1,461,544	1,161,017	5,958,715	4,761,238
Current accounts	37,679	12,086	153,617	49,582	37,679	12,086	153,617	49,582
Subordinated debts	2,957,987	3,086,470	12,059,713	12,656,328	2,957,987	3,086,470	12,059,713	12,656,328
Borrowings	7,564,587	7,926,879	30,840,821	32,524,216	7,033,683	6,928,955	28,676,325	28,429,623
Interest expenses on leases	492,709	526,513	2,008,775	2,159,371	445,797	467,763	1,817,514	1,918,421
	<u>44,786,398</u>	<u>37,280,115</u>	<u>182,594,145</u>	<u>152,891,175</u>	<u>42,578,807</u>	<u>34,577,659</u>	<u>173,593,796</u>	<u>141,807,589</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

28. Fee and commission income

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Commission fees	11,499,208	11,969,513	46,767,279	48,943,339	11,092,719	11,611,345	45,114,088	47,478,790
ATM Fee	6,413,614	5,262,602	26,084,168	21,518,780	6,342,826	5,202,410	25,796,273	21,272,654
Early loan redemption fees	5,420,241	4,939,438	22,044,120	20,197,362	4,017,939	3,930,873	16,340,958	16,073,340
Commission fee collected for assurance agency	2,825,896	3,411,123	11,492,919	13,948,082	2,682,739	3,246,664	10,910,700	13,275,609
Deposit fee charged	1,893,564	1,253,268	7,701,125	5,124,613	1,760,281	1,237,249	7,159,063	5,059,111
Training fees	938,342	914,471	3,816,237	3,739,272	19,272	19,185	78,379	78,447
Fee income from guarantee	484,826	827,774	1,971,787	3,384,768	483,789	827,380	1,967,570	3,383,157
Others	2,903,305	5,362,041	11,807,742	21,925,384	2,812,844	5,284,905	11,439,836	21,609,977
	<u>32,378,996</u>	<u>33,940,230</u>	<u>131,685,377</u>	<u>138,781,600</u>	<u>29,212,409</u>	<u>31,360,011</u>	<u>118,806,867</u>	<u>128,231,085</u>

For the nine-month period ended 30 September 2021, there were settlement fees amounting to KHR2,974,900 (equivalent to US\$729) and US\$5,284 (30 September 2020: KHR4,831,100 (equivalent to US\$1,178) and US\$11,210) for operations of cash settlement agents.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

28. Fee and commission income (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Commission fees	3,459,885	3,940,452	14,105,951	16,160,683	3,288,438	3,818,500	13,406,962	15,660,604
ATM fees	2,295,238	1,845,098	9,357,685	7,565,111	2,269,926	1,824,138	9,254,488	7,479,169
Early loan redemption fees	2,009,012	1,902,017	8,190,742	7,795,572	1,506,485	1,508,451	6,141,939	6,182,591
Commission fees collected for assurance agency	914,274	944,690	3,727,495	3,877,636	866,381	903,312	3,532,235	3,707,703
Training fees	308,557	235,966	1,257,987	968,936	6,438	6,386	26,248	26,189
Fee income from guarantee	195,824	223,174	798,374	916,186	195,774	223,174	798,171	916,184
Deposit fees charged	78,785	110,658	321,206	459,336	65,979	104,730	268,996	435,036
Others	1,205,593	2,148,598	4,915,204	8,804,897	1,173,622	2,119,019	4,784,857	8,683,664
	<u>10,467,168</u>	<u>11,350,653</u>	<u>42,674,644</u>	<u>46,548,357</u>	<u>9,373,043</u>	<u>10,507,710</u>	<u>38,213,896</u>	<u>43,091,140</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

29. Other income, net

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Foreign exchange gain	8,215,653	7,339,841	33,413,061	30,012,610	8,198,595	7,329,169	33,343,686	29,968,972
Recovery from loans and advances written off	3,848,598	3,494,575	15,652,248	14,289,317	2,961,140	2,885,027	12,042,956	11,796,875
Dividends on Fair value through P&L	116,614	174,479	474,269	713,445	116,614	174,479	474,269	713,445
(Loss)/gain on disposals of property and equipment and lease	(270,789)	146,376	(1,101,299)	598,531	(265,619)	108,460	(1,080,272)	443,493
Others	1,055,826	821,940	4,294,044	3,360,913	888,682	537,075	3,614,270	2,196,100
	<u>12,965,902</u>	<u>11,977,211</u>	<u>52,732,323</u>	<u>48,974,816</u>	<u>11,899,412</u>	<u>11,034,210</u>	<u>48,394,909</u>	<u>45,118,885</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

29. Other income, net (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Foreign exchange gain	2,865,430	2,060,056	11,682,358	8,455,248	2,857,465	2,053,804	11,649,885	8,429,657
Recovery from loans and advances written off	1,087,783	1,100,740	4,434,891	4,515,289	806,961	766,670	3,289,980	3,147,623
Gain on disposals of property and equipment and lease	165,431	46,826	674,462	192,068	170,068	17,768	693,367	73,198
Others	504,597	249,342	2,057,243	1,024,042	431,977	191,651	1,761,170	786,781
	<u>4,623,241</u>	<u>3,456,964</u>	<u>18,848,954</u>	<u>14,186,647</u>	<u>4,266,471</u>	<u>3,029,893</u>	<u>17,394,402</u>	<u>12,437,259</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

30. General and administrative expenses

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Salaries and wages	82,801,780	77,742,805	336,754,839	317,890,330	76,433,570	70,963,582	310,855,329	290,170,087
Other employee expense	29,345,244	25,244,375	119,347,107	103,224,249	28,855,008	24,515,731	117,353,318	100,244,824
Depreciation charges	15,235,897	15,860,195	61,964,393	64,852,337	13,504,181	14,385,150	54,921,504	58,820,878
Repair and maintenance	8,833,036	8,635,930	35,923,957	35,312,318	8,392,288	8,242,126	34,131,435	33,702,053
Depreciation of right-of-use assets	8,514,698	7,910,999	34,629,277	32,348,075	7,901,627	7,273,984	32,135,917	29,743,321
Seniority indemnity (Note 24(c))	5,913,314	4,835,325	24,049,448	19,771,644	5,763,793	4,706,125	23,441,346	19,243,345
Utilities	4,053,064	4,005,528	16,483,811	16,378,604	3,793,323	3,704,991	15,427,445	15,149,708
Office supplies	3,722,160	3,939,031	15,138,025	16,106,698	3,358,234	3,460,748	13,657,938	14,150,999
Amortisation charges	2,950,927	2,595,839	12,001,420	10,614,386	2,627,619	2,352,042	10,686,526	9,617,500
Communication	2,931,755	2,862,166	11,923,448	11,703,397	2,188,839	2,129,024	8,902,008	8,705,579
Travelling expenses	1,251,062	1,511,608	5,088,069	6,180,965	1,113,454	1,289,889	4,528,417	5,274,356
Retirement benefit (Note 24(a))	1,247,183	1,214,127	5,072,293	4,964,567	1,193,636	1,165,037	4,854,518	4,763,835
Career development expense (Note 24(b))	1,153,574	975,962	4,691,585	3,990,709	1,142,677	975,962	4,647,267	3,990,709
License fees	826,444	877,264	3,361,148	3,587,132	805,503	847,380	3,275,981	3,464,937
Others	10,186,943	8,916,204	41,430,298	36,458,356	9,235,033	7,488,562	37,558,880	30,620,731
	178,967,081	167,127,358	727,859,118	683,383,767	166,308,785	153,500,333	676,377,829	627,662,862

As of 30 September 2021, there were salaries and wages expenses of ACLEDA Bank's staff who is responsible for operation of cash settlement agent amounting to US\$ 35,912 (30 September 2020: US\$26,634).

As of 30 September 2021, above expenses include costs incurred for operation of cash settlement agent, consisting of office supplies amounting to US\$158, furniture and fixtures amounting to US\$497 and membership fees amounting to US\$9,500 (KHR38,750,000) (30 September 2020: repairs and maintenance amounting to US\$7,291, office supplies amounting to US\$548, furniture and fixtures amounting to US\$368 and membership fees amounting to US\$9,451 (KHR38,750,000)).

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

30. General and administrative expenses (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	
Salaries and wages	28,058,678	26,330,111	114,395,230	107,972,300	26,027,128	24,056,621	106,112,601	98,648,965
Other employee expense	8,373,732	6,263,314	34,139,705	25,724,577	8,327,036	6,531,213	33,949,326	26,814,037
Depreciation charges	5,112,991	5,235,401	20,845,664	21,471,303	4,541,069	4,852,294	18,513,938	19,898,227
Depreciation of right-of-use assets	2,983,404	2,678,586	12,163,338	10,984,133	2,782,149	2,461,295	11,342,821	10,093,112
Repair and maintenance	2,604,214	3,161,150	10,617,380	12,958,791	2,448,391	3,022,594	9,982,090	12,390,704
Seniority indemnity (Note 24(c))	1,858,733	875,326	7,578,054	3,602,967	1,808,185	817,411	7,371,970	3,365,726
Utilities	1,459,150	1,333,780	5,948,955	5,469,857	1,364,462	1,235,054	5,562,912	5,064,955
Office supplies	1,311,313	1,178,429	5,346,223	4,835,160	1,192,428	1,027,227	4,861,529	4,214,933
Communication	1,027,781	884,830	4,190,263	3,629,934	773,186	615,017	3,152,279	2,523,888
Amortisation charges	942,305	956,129	3,841,777	3,919,450	837,650	883,336	3,415,099	3,620,773
Travelling expenses	446,318	495,458	1,819,638	2,032,025	404,378	419,441	1,648,649	1,720,317
Retirement benefit (Note 24(a))	417,216	399,162	1,700,990	1,637,065	405,462	403,705	1,653,069	1,655,316
Career development expense (Note 24(b))	383,825	297,984	1,564,855	1,222,525	403,213	297,984	1,643,899	1,222,525
License fees	277,972	295,795	1,133,292	1,212,994	271,066	283,877	1,105,136	1,164,154
Others	3,643,280	2,082,606	14,853,654	8,556,776	3,308,005	1,615,184	13,486,737	6,639,729
	<u>58,900,912</u>	<u>52,468,061</u>	<u>240,139,018</u>	<u>215,229,857</u>	<u>54,893,808</u>	<u>48,522,253</u>	<u>223,802,055</u>	<u>199,037,361</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

31. Taxation

(a) Current income tax liabilities

	The Group				The Bank			
	30 September 2021	31 December 2020 (Unaudited)	30 September 2021	31 December 2020 (Unaudited)	30 September 2021	31 December 2020 (Unaudited)	30 September 2021	31 December 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Current income tax liabilities	27,301,109	30,292,370	111,361,224	122,532,637	25,827,606	27,950,334	105,350,805	113,059,101

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At the beginning of the period	30,292,370	30,459,303	122,532,637	124,121,660	27,950,334	29,175,560	113,059,101	118,890,407
Income tax expense	26,195,876	25,360,191	106,538,628	103,697,821	24,770,882	23,681,747	100,743,177	96,834,663
Income tax paid	(29,187,137)	(33,990,127)	(118,704,086)	(138,985,629)	(26,893,610)	(32,641,758)	(109,376,312)	(133,472,148)
Exchange difference	-	-	994,045	666,553	-	-	924,839	630,829
At the end of the period	27,301,109	21,829,367	111,361,224	89,500,405	25,827,606	20,215,549	105,350,805	82,883,751

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

31. Taxation (continued)

(a) Current income tax liabilities (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At the beginning of the period	19,482,436	16,240,928	79,390,927	66,474,118	17,404,408	14,545,383	70,922,963	59,534,253
Income tax expense	8,863,863	7,639,508	36,137,969	31,344,272	8,441,959	7,021,901	34,417,867	28,812,512
Income tax paid	(1,045,190)	(2,077,716)	(4,261,240)	(8,687,255)	(18,761)	(1,351,735)	(76,489)	(5,714,984)
Currency translation difference	-	26,647	-	108,800	-	-	-	-
Exchange difference	-	-	93,568	260,470	-	-	86,464	251,970
At the end of the period	<u>27,301,109</u>	<u>21,829,367</u>	<u>111,361,224</u>	<u>89,500,405</u>	<u>25,827,606</u>	<u>20,215,549</u>	<u>105,350,805</u>	<u>82,883,751</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

31. Taxation (continued)

(b) Income tax expense

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Current income tax	26,195,876	25,360,191	106,538,628	103,697,821	24,770,882	23,681,747	100,743,177	96,834,663
Deferred tax expense	420,763	1,657,562	1,711,243	6,777,770	3,896,839	901,152	15,848,444	3,684,812
	<u>26,616,639</u>	<u>27,017,753</u>	<u>108,249,871</u>	<u>110,475,591</u>	<u>28,667,721</u>	<u>24,582,899</u>	<u>116,591,621</u>	<u>100,519,475</u>

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Current income tax	8,863,863	7,639,508	36,137,969	31,344,272	8,441,959	7,021,901	34,417,867	28,812,512
Deferred tax expense	908,536	1,805,210	3,704,102	7,380,617	748,217	1,318,793	3,050,481	5,390,040
	<u>9,772,399</u>	<u>9,444,718</u>	<u>39,842,071</u>	<u>38,724,889</u>	<u>9,190,176</u>	<u>8,340,694</u>	<u>37,468,348</u>	<u>34,202,552</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

31. Taxation (continued)

c) Reconciliation between income tax expense and accounting profit

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Profit before income tax	146,738,713	125,383,196	596,786,347	512,691,887	146,484,861	121,138,492	595,753,930	495,335,295
Tax calculated at domestic tax rates applicable to profits in the respective countries	29,183,214	25,355,448	118,688,131	103,678,427	29,296,972	24,227,698	119,150,785	99,067,057
Effect of non-deductible expense	(2,566,575)	1,662,305	(10,438,260)	6,797,164	(629,251)	355,201	(2,559,164)	1,452,418
	<u>26,616,639</u>	<u>27,017,753</u>	<u>108,249,871</u>	<u>110,475,591</u>	<u>28,667,721</u>	<u>24,582,899</u>	<u>116,591,621</u>	<u>100,519,475</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

31. Taxation (continued)

c) Reconciliation between income tax expense and accounting profit (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Profit before income tax	48,696,872	44,065,332	198,537,147	180,671,048	46,649,019	40,662,047	190,188,050	166,749,970
Tax calculated at domestic tax rates applicable to profits in the respective countries	9,600,185	8,984,072	39,139,954	36,834,099	9,329,804	8,132,409	38,037,611	33,349,992
Effect of non-deductible expense	172,214	460,646	702,117	1,890,790	(139,628)	208,285	(569,263)	852,560
	<u>9,772,399</u>	<u>9,444,718</u>	<u>39,842,071</u>	<u>38,724,889</u>	<u>9,190,176</u>	<u>8,340,694</u>	<u>37,468,348</u>	<u>34,202,552</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

31. Taxation (continued)

c) Reconciliation between income tax expense and accounting profit (continued)

Having been successfully listed on the CSX, the Bank is entitled to a reduction of 50% on the tax on profit for a period of 3 years after listing (proportion based on percentage of listed shares taking 20.0001% as a base in accordance with the Prakas No. 183 on the implementation guidance on the incentive on tax on profit for the IPO enterprise) and waiver of other tax liabilities, including tax on profit and withholding taxes for the period from year N-3 to N-10, where N is the IPO year ("N-3 to N-10"), in accordance with the Sub-decree No. 01 of the Royal Government of Cambodia ("RGC") dated 4 January 2019, and temporary postponement on the prepayment of profit tax for a period of 3 years after listing in accordance with Prakas No. 855 of the Ministry of Economy and Finance ("MEF") dated 24 July 2015. The Bank shall fulfil the forms and submit to the GDT through the Securities and Exchange Regulator of Cambodia ("SERC") in order to be granted tax incentives.

On 28 May 2020, the Bank submitted a letter to the SERC requesting for their assistance in facilitating with the GDT for the written approval on tax incentive related to the waiver of the the Bank's tax liabilities for the period from N-3 to N-10. Subsequently on 20 October 2020, the SERC submitted a letter to the GDT requesting for a written approval for tax incentive for the period from N-3 to N-10. The actual amounts of tax liabilities to be waived will be determined by the GDT.

On 08 January 2021, the Bank received a letter of approval from the GDT for the temporary postponement of the Bank's prepayment of profit tax from November 2020 until the end of the tax incentive period.

On 09 August 2021, the Bank received a letter of approval from the GDT regarding the request for the Bank's tax incentive on income for 3 years beginning 2020 to 2022 in accordance with Prakas No.183 and its annex on the implementing guidelines on the incentive on tax on income for IPO enterprises.

d) Other tax matters

The Bank's and its subsidiaries' tax returns are subject to periodic examination by the respective tax authorities.

Some areas of tax laws and regulations may be open to different interpretation; therefore tax amounts reported in the interim financial statements could be changed at a later date, upon final determination of the respective tax authorities.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

32. Earnings per share

The following shows the Bank's profit used in the basic and diluted EPS computations for the periods presented:

	For the nine-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Profit attributable to shareholders	120,364,518	98,365,443	489,522,496	402,216,296
Weighted average numbers of shares	433,163,019	430,863,729	433,163,019	430,863,729
Basic earnings per share	0.28	0.23	1.13	0.93
Diluted earnings per share	0.28	0.23	1.13	0.93
	For the three-month period ended			
	30 September 2021 US\$	30 September 2020 (Unaudited) US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 (Unaudited) KHR'000 (Note 5)
Profit attributable to shareholders	38,964,512	34,620,614	158,858,315	141,946,159
Weighted average numbers of shares	433,163,019	433,163,019	433,163,019	433,163,019
Basic earnings per share	0.09	0.08	0.37	0.33
Diluted earnings per share	0.09	0.08	0.37	0.33

The Bank has no dilutive potential ordinary shares as at each of the period end. As such, the diluted earnings per share are equivalent to the basic earnings per share.

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33. Cash and cash equivalents

	The Group				The Bank			
	For the nine-month period ended				For the nine-month period ended			
	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)	30 September 2021	30 September 2020 (Unaudited)
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Cash on hand (Note 7)	460,952,438	458,596,003	1,880,224,995	1,880,243,612	445,861,928	446,471,106	1,818,670,804	1,830,531,535
Deposits and placements with other banks:								
<i>Balances with the National Bank of Cambodia:</i>								
- Current accounts	464,834,973	294,301,614	1,896,061,855	1,206,636,617	435,173,639	265,410,846	1,775,073,273	1,088,184,469
- Negotiable certificate of deposits, maturities of three months or less	687,180,127	614,403,929	2,803,007,738	2,519,056,109	687,180,127	614,403,929	2,803,007,738	2,519,056,109
<i>Balances with other banks:</i>								
- Current accounts	184,600,667	59,654,120	752,986,121	244,581,892	182,484,895	54,786,272	744,355,887	224,623,715
- Savings accounts	-	533,207	-	2,186,149	-	533,207	-	2,186,149
- Fixed deposits, maturities of three months or less	53,934,898	251,480,720	220,000,448	1,031,070,952	56,442,539	250,011,125	230,229,117	1,025,045,612
	<u>1,851,503,103</u>	<u>1,678,969,593</u>	<u>7,552,281,157</u>	<u>6,883,775,331</u>	<u>1,807,143,128</u>	<u>1,631,616,485</u>	<u>7,371,336,819</u>	<u>6,689,627,589</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

34. Commitment and contingencies

The Group and the Bank had the contractual amounts of the Group's and the Bank's off-balance sheet financial instruments that commit it to extend credit to customers, guarantee and other facilities as follows:

(a) Loan commitment, guarantee and other financial liabilities

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Unused portion of overdrafts	170,204,282	120,937,607	694,263,266	489,192,620	169,833,801	120,108,962	692,752,074	485,840,751
Bank guarantees	45,958,439	47,038,166	187,464,473	190,269,381	45,731,357	46,831,662	186,538,205	189,434,073
Letters of credit	16,092,555	7,862,818	65,641,532	31,805,099	16,092,555	7,862,818	65,641,532	31,805,099
	<u>232,255,276</u>	<u>175,838,591</u>	<u>947,369,271</u>	<u>711,267,100</u>	<u>231,657,713</u>	<u>174,803,442</u>	<u>944,931,811</u>	<u>707,079,923</u>

No material losses are anticipated as a result of these transactions.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

34. Commitments and contingencies (continued)

(b) Capital expenditure commitments

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Not later than 1 year	5,277,222	4,601,832	21,525,789	18,614,410	4,659,693	4,589,155	19,006,888	18,563,132
Later than 1 but not later than 5 years	147,244	146,498	600,608	592,584	-	-	-	-
	<u>5,424,466</u>	<u>4,748,330</u>	<u>22,126,397</u>	<u>19,206,994</u>	<u>4,659,693</u>	<u>4,589,155</u>	<u>19,006,888</u>	<u>18,563,132</u>

The balances of these commitments are related to the purchases of property and equipment and intangible assets of the Bank amounting to US\$4,659,693, the construction contract to build AIB's building and purchases of other equipment amounting to US\$4,254, the purchases of computer software of ABL amounting to US\$147,244 and data backup system dell for DC and DR, upgrade IBM and QR/Laos ATM pool project amounting to US\$613,275.

(c) Other commitments

On 30 May 2016, the Bank guaranteed to IFC to secure the borrowing obtained by its subsidiary, AIB, amounting to US\$13,000,000 maturing on 15 June 2026. As at 30 September 2021, it was remained US\$9,373,190, due to repayment.

The Bank has made allowance for impairment loss of US\$317,646 (2020: US\$370,448) with respect to this guarantee.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

35. Reserves

	The Group										
	General reserves		Regulatory reserves		Currency translation reserves		Transactions with non-controlling interest		Other reserves	Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2021	460,207,698	1,861,540,136	64,527,752	261,014,758	(21,641,214)	(87,538,711)	-	-	13,692,814	503,094,236	2,048,708,997
Other comprehensive income:											
Other comprehensive income - currency translation difference	-	-	-	-	-	-	-	-	6,261,573	-	6,261,573
Total other comprehensive income for the period	-	-	-	-	-	-	-	-	6,261,573	-	6,261,573
Transactions with owners:											
Transfers from retained earnings to general reserves	64,103,889	260,710,517	-	-	-	-	-	-	-	64,103,889	260,710,517
Transfer from retained earnings to regulatory reserves	-	-	25,439,645	103,463,036	-	-	-	-	-	25,439,645	103,463,036
Reserve NCI	-	-	-	-	-	-	3,028,319	12,316,173	-	3,028,319	12,316,173
Currency translation difference - foreign subsidiaries	-	-	-	-	(10,257,648)	(41,717,854)	-	-	-	(10,257,648)	(41,717,854)
Currency translation differences	-	16,416,308	-	2,499,218	-	(858,893)	-	36,340	(1,076,083)	-	17,016,890
Total transactions with owners:	<u>64,103,889</u>	<u>277,126,825</u>	<u>25,439,645</u>	<u>105,962,254</u>	<u>(10,257,648)</u>	<u>(42,576,747)</u>	<u>3,028,319</u>	<u>12,352,513</u>	<u>(1,076,083)</u>	<u>82,314,205</u>	<u>351,788,762</u>
As at 30 September 2021	<u>524,311,587</u>	<u>2,138,666,961</u>	<u>89,967,397</u>	<u>366,977,012</u>	<u>(31,898,862)</u>	<u>(130,115,458)</u>	<u>3,028,319</u>	<u>12,352,513</u>	<u>18,878,304</u>	<u>585,408,441</u>	<u>2,406,759,332</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

35. Reserves (continued)

	The Group										
	General reserves		Regulatory reserves		Currency translation reserves		Transactions with non-controlling interest		Other reserves	Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	KHR'000	US\$	KHR'000
	(Note 5)		(Note 5)		(Note 5)		(Note 5)	(Note 5)		(Note 5)	
As at 1 January 2020	398,373,767	1,623,373,099	38,630,578	157,419,606	(22,255,619)	(90,691,647)	-	-	17,984,208	414,748,726	1,708,085,266
Other comprehensive income: (Unaudited)											
Other comprehensive income - currency translation difference	-	-	-	-	-	-	-	-	4,101,202	-	4,101,202
Total other comprehensive income for the period (Unaudited)	-	-	-	-	-	-	-	-	4,101,202	-	4,101,202
Transactions with owners: (Unaudited)											
Conversion of retained earnings to share capital	(4,451,864)	(18,203,672)	-	-	-	-	-	-	-	(4,451,864)	(18,203,672)
Transfers from retained earnings to general reserves	73,869,323	302,051,662	-	-	-	-	-	-	-	73,869,323	302,051,662
Transfer from retained earnings to regulatory reserves	-	-	18,313,646	74,884,498	-	-	-	-	-	18,313,646	74,884,498
Currency translation difference - foreign subsidiaries	-	-	-	-	1,343,081	5,491,858	-	-	-	1,343,081	5,491,858
Currency translation differences	-	10,722,935	-	1,167,215	-	(541,617)	-	-	(1,329,842)	-	10,018,691
Total transactions with owners: (Unaudited)	69,417,459	294,570,925	18,313,646	76,051,713	1,343,081	4,950,241	-	-	(1,329,842)	89,074,186	374,243,037
As at 30 September 2020 (Unaudited)	467,791,226	1,917,944,024	56,944,224	233,471,319	(20,912,538)	(85,741,406)	-	-	20,755,568	503,822,912	2,086,429,505

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35. Reserves (continued)

	The Bank						
	General reserves		Regulatory reserves		Other reserves	Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Balance at 1 January 2021	455,413,631	1,842,148,137	55,327,925	223,801,459	13,408,214	510,741,556	2,079,357,810
Other comprehensive income:							
Other comprehensive income-currency translation difference	-	-	-	-	6,121,069	-	6,121,069
Total other comprehensive income for the period	-	-	-	-	6,121,069	-	6,121,069
Transactions with owners:							
Transfers from retained earnings to general reserves	55,327,925	225,018,671	-	-	-	55,327,925	225,018,671
Transfer from retained earnings to regulatory reserves	-	-	30,064,005	122,270,308	-	30,064,005	122,270,308
Currency translation differences	-	16,147,999	-	2,241,918	(1,029,819)	-	17,360,098
Total transactions with owners:	55,327,925	241,166,670	30,064,005	124,512,226	(1,029,819)	85,391,930	364,649,077
As at 30 September 2021	510,741,556	2,083,314,807	85,391,930	348,313,685	18,499,464	596,133,486	2,450,127,956
As at 1 January 2020	388,464,324	1,582,992,120	37,245,288	151,774,549	17,601,987	425,709,612	1,752,368,656
Other comprehensive income: (Unaudited)							
Other comprehensive income-currency translation difference	-	-	-	-	4,003,175	-	4,003,175
Total other comprehensive income for the period (Unaudited)	-	-	-	-	4,003,175	-	4,003,175
Transactions with owners: (Unaudited)							
Transfers from retained earnings to general reserves	67,924,603	277,743,702	-	-	-	67,924,603	277,743,702
Transfer from retained earnings to regulatory reserves	-	-	17,107,339	69,951,909	-	17,107,339	69,951,909
Currency translation differences	-	10,458,779	-	1,119,313	(1,295,259)	-	10,282,833
Total transactions with owners: (Unaudited)	67,924,603	288,202,481	17,107,339	71,071,222	(1,295,259)	85,031,942	357,978,444
As at 30 September 2020 (Unaudited)	456,388,927	1,871,194,601	54,352,627	222,845,771	20,309,903	510,741,554	2,114,350,275

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36. Related party transactions and balances

(a) Related parties and relationships

The related parties of and their relationships with the Bank are as follows:

Related parties	Relationship
ACLEDA Bank Plc.	Holding company
Subsidiaries of the Bank as disclosed in Note 13	Subsidiaries
Shareholders as disclosed in Note 25	Shareholders
Key management personnel	The key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly. The key management personnel of the Group and the Bank include all Directors of the Group and the Bank and members of senior management of the Group and the Bank.

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36. Related party transactions and balances (continued)

(b) Related parties balances

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
i). Loans and advances								
Key management personnel	14,858,278	13,988,651	60,606,916	56,584,093	14,054,299	12,996,169	57,327,486	52,569,504
Subsidiaries	-	-	-	-	-	6,440,590	-	26,052,187
	<u>14,858,278</u>	<u>13,988,651</u>	<u>60,606,916</u>	<u>56,584,093</u>	<u>14,054,299</u>	<u>19,436,759</u>	<u>57,327,486</u>	<u>78,621,691</u>
ii). Balances with related parties								
Shareholder	600,415	412,162	2,449,093	1,667,195	600,415	412,162	2,449,093	1,667,195
Subsidiaries	-	-	-	-	2,512,886	502,678	10,250,062	2,033,333
	<u>600,415</u>	<u>412,162</u>	<u>2,449,093</u>	<u>1,667,195</u>	<u>3,113,301</u>	<u>914,840</u>	<u>12,699,155</u>	<u>3,700,528</u>
iii). Receivables from/(payables to) related parties								
Key management deposit								
Other payables	(62,102)	(28,375)	(253,314)	(114,777)	(24,525)	(28,375)	(100,037)	(114,777)
Shareholders								
Other payables	(13,090)	(500)	(53,394)	(2,023)	(13,090)	(500)	(53,394)	(2,023)
Subsidiaries								
Other receivables	-	-	-	-	54,047	169,544	220,457	685,806
Other payables	-	-	-	-	(73,859)	(2,187)	(301,271)	(8,846)
	<u>(75,192)</u>	<u>(28,875)</u>	<u>(306,708)</u>	<u>(116,800)</u>	<u>(57,427)</u>	<u>138,482</u>	<u>(234,245)</u>	<u>560,160</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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36. Related party transactions and balances (continued)

(b) Related parties balances (continued)

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
iv). Deposits from related parties								
Key management personnel	5,129,235	5,206,782	20,922,150	21,061,433	4,456,918	4,513,852	18,179,769	18,258,531
Shareholders								
Current accounts	179,175	12,867,384	730,854	52,048,568	179,175	12,867,384	730,854	52,048,568
Saving accounts	28,490	99,712	116,211	403,335	28,490	99,712	116,211	403,335
Fixed deposits	2,133,090	150,500	8,700,874	608,773	2,133,090	150,500	8,700,874	608,773
Subsidiaries								
Current accounts	-	-	-	-	1,728,326	1,637,224	7,049,842	6,622,571
Saving accounts	-	-	-	-	87,373	180,135	356,394	728,646
Fixed deposits	-	-	-	-	4,607,732	1,699,962	18,794,939	6,876,346
	<u>7,469,990</u>	<u>18,324,378</u>	<u>30,470,089</u>	<u>74,122,109</u>	<u>13,221,104</u>	<u>21,148,769</u>	<u>53,928,883</u>	<u>85,546,770</u>
v). Borrowings from related parties								
Shareholders	-	-	-	-	-	-	-	-

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36. Related party transactions and balances (continued)

(c) Related parties transactions

	The Group				The Bank			
	For nine-month period ended				For nine-month period ended			
	30 September 2021 US\$	30 September 2020 US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 KHR'000 (Note 5)
i). Interest income from related parties								
Loans and advances to key management	879,261	781,458	3,575,954	3,203,978	811,950	749,104	3,302,201	3,071,326
Deposit from shareholder	-	10,751	-	44,079	-	10,751	-	44,079
Deposits with subsidiary	-	-	-	-	30,178	2,546	122,734	10,439
Loan to subsidiary	-	-	-	-	167,205	285,417	680,023	1,170,210
	<u>879,261</u>	<u>792,209</u>	<u>3,575,954</u>	<u>3,248,057</u>	<u>1,009,333</u>	<u>1,047,818</u>	<u>4,104,958</u>	<u>4,296,054</u>
ii). Fee and commission income from related parties								
Shareholders	21,047	24,897	85,599	102,078	21,047	24,897	85,599	102,078
Subsidiaries	-	-	-	-	8,228	3,801	33,464	15,584
	<u>21,047</u>	<u>24,897</u>	<u>85,599</u>	<u>102,078</u>	<u>29,275</u>	<u>28,698</u>	<u>119,063</u>	<u>117,662</u>
iii). Interest expenses to related parties								
Deposits of key management	118,232	105,741	480,850	433,538	107,058	99,885	435,405	409,529
Borrowing from shareholders	-	44,373	-	181,929	-	-	-	-
Deposits of shareholders	18,419	176,002	74,910	721,609	18,419	176,002	74,910	721,609
Deposits of subsidiaries	-	-	-	-	139,979	70,564	569,295	289,313
	<u>136,651</u>	<u>326,116</u>	<u>555,760</u>	<u>1,337,076</u>	<u>265,456</u>	<u>346,451</u>	<u>1,079,610</u>	<u>1,420,451</u>
iv). Fee and remuneration expenses to related parties								
Board of Directors	452,287	516,615	1,839,451	2,118,122	260,813	308,028	1,060,726	1,262,915
Key management	7,140,912	6,817,160	29,042,089	27,950,356	5,889,349	5,463,785	23,951,982	22,401,519
Subsidiary	-	-	-	-	1,792,185	1,623,055	7,288,816	6,654,526
	<u>7,593,199</u>	<u>7,333,775</u>	<u>30,881,540</u>	<u>30,068,478</u>	<u>7,942,347</u>	<u>7,394,868</u>	<u>32,301,524</u>	<u>30,318,960</u>
v). Other commitments								
ECL on financial guarantee on AIB's debt from IFC	-	-	-	-	(52,802)	(48,554)	(214,746)	(199,071)

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

36. Related party transactions and balances (continued)

(c) Related parties transactions (continued)

	The Group				The Bank			
	For three-month period ended				For three-month period ended			
	30 September 2021 US\$	30 September 2020 US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 KHR'000 (Note 5)	30 September 2021 US\$	30 September 2020 US\$	30 September 2021 KHR'000 (Note 5)	30 September 2020 KHR'000 (Note 5)
i). Interest income from related parties								
Loans and advances to key management	248,379	305,568	1,014,573	1,256,160	245,281	295,001	1,001,525	1,212,682
Deposit from shareholder	-	10,397	-	42,630	-	10,397	-	42,630
Deposits with subsidiary	-	-	-	-	14,411	2,546	58,720	10,439
Loan to subsidiary	-	-	-	-	-	95,834	1,171	394,247
	<u>248,379</u>	<u>315,965</u>	<u>1,014,573</u>	<u>1,298,790</u>	<u>259,692</u>	<u>403,778</u>	<u>1,061,416</u>	<u>1,659,998</u>
ii). Fee and commission income from related parties								
Shareholders	7,015	10,865	28,629	44,645	7,015	10,865	28,629	44,645
Subsidiaries	-	-	-	-	250	1,149	1,074	4,729
	<u>7,015</u>	<u>10,865</u>	<u>28,629</u>	<u>44,645</u>	<u>7,265</u>	<u>12,014</u>	<u>29,703</u>	<u>49,374</u>
iii). Interest expenses to related parties								
Deposits of key management	39,199	(68,514)	159,976	(279,688)	35,925	(69,467)	146,605	(283,629)
Borrowing from shareholders	-	-	-	310	-	-	-	-
Deposits of shareholders	14,488	71,241	58,950	292,822	14,488	71,241	58,950	292,822
Deposits of subsidiaries	-	-	-	-	56,895	23,377	231,974	96,177
	<u>53,687</u>	<u>2,727</u>	<u>218,926</u>	<u>13,444</u>	<u>107,308</u>	<u>25,151</u>	<u>437,529</u>	<u>105,370</u>
iv). Fee and remuneration expenses to related parties								
Board of Directors	124,549	105,117	508,835	433,861	71,427	50,198	291,819	207,617
Key management	1,869,214	850,270	7,638,995	3,527,875	1,497,638	433,534	6,121,635	1,812,702
Subsidiary	-	-	-	-	645,058	657,930	2,631,480	2,704,269
	<u>1,993,763</u>	<u>955,387</u>	<u>8,147,830</u>	<u>3,961,736</u>	<u>2,214,123</u>	<u>1,141,662</u>	<u>9,044,934</u>	<u>4,724,588</u>
v). Other commitments								
ECL on financial guarantee on AIB's debt from IFC	-	-	-	-	(19,530)	-	(79,662)	-

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management

(a) Introduction and overview

The Group and the Bank is the leading and first listed bank in Cambodia and currently has the largest branch networks and self-services which offers multiple products and services to its customer such as credits, deposits, funds transfers, cash management, trade finance, ACLEDA card, credit and debit card, and digital services including internet banking, ACLEDA mobile (mobile banking app), e-commerce payment gateway, ACLEDA ATM/POS, and term deposit machine. As disclosed on Note 12, the Bank's four subsidiaries are as follows:

- a. ACLEDA Bank Lao Ltd.,
- b. ACLEDA Securities Plc.,
- c. ACLEDA Institute of Business, and
- d. ACLEDA MFI Myanmar Co., Ltd.

In the competitive business environment along with the rapid evolution and development of technology and difference or change in laws and jurisdictions, the Group and the Bank need to have effective risk management in place in order to manage and ensure all risks are within the risk appetite and tolerance. This also provides reasonable assurance regarding the achievement of the Group's and the Bank's objectives.

The established risk management framework comprises of core components such as (1) effective governance and oversight by the Board of Directors and senior management; (2) effective implementation of risk appetite and tolerance; (3) effective implementation of risk management processes; and (4) effective technology and data infrastructure. It must be integrated into the day-to-day management of the business and operations to provide transparent and consistent management of risks across the Bank and the Group.

The Group and the Bank instill proactive risk management by embedding accountability and risk ownership culture in managing risks for all levels, which includes the Group's and the Bank's Board of Directors, senior management, and employees. This culture is supported by (1) the Bank's employee's policies (ethics and human resource management, code of conduct, conflict of interest, remuneration and nomination, whistle blower's protection, or detailed of misconduct etc.); (2) alignment of compensation policies with the Bank's risk appetite and tolerance limits; and (3) availability of risk management training throughout the Bank and the Group.

Risk management within the Bank and the Group is managed by a three-line model, supported by sufficient numbers of personnel skilled in the management of risks within all areas in the three-line model.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

(b) Objective and principles

The objectives of the Group's and the Bank's risk management are:

- To ensure risks are within the risk appetite and tolerance and to provide reasonable assurance regarding the achievement of objectives.
- To manage risk effectively and to identify the risk before it occurs and minimize the potential risk properly and timely.
- To manage risk in a way that optimally balances managing risk while adding value to the Group and the Bank.

Risk appetite is defined as the amount and type of risk, on a broad level, the Group and the Bank are willing to accept in pursuit of long-term shareholder value. Risk tolerance refers to the variation amount of maximum risks which can be accepted, taking into account the appropriate measure to reduce the risk.

The Bank's and the Group's risk appetite and tolerance statement is prepared in accordance with its business strategy and the role of the Bank in the financial system.

The Board of Directors approves the Bank's and the Group's risk appetite and tolerance statement with considering the most significant risk which the Bank is exposed and provides an outline of the approach to manage these risks.

The risk management policy defines risk categories in line with the categories identified by the Basel Committee on Banking Supervision "Basel" and the nature of the Bank's business context. The policy sets risk tolerance/internal targets per individual risk category.

At all times the Bank and the Group shall adhere to the prudential ratios and requirements as stipulated by the superintendent.

At all times, unless specifically mentioned otherwise, the Bank and the Group shall adhere to the risk tolerance/internal targets, as set by the Board in the risk management policy, in order to limit potential loss.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

(b) Objective and principles (continued)

The Group's and the Bank's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange rate risk, and interest rate risk. Equity risk and commodity risk are not applicable given that the Group and the Bank does not hold any equity and commodity position.), and liquidity risk.

The Group and the Bank hold the following financial assets and financial liabilities:

	The Group				The Bank			
	30September 2021 US\$	31December 2020 US\$	30September 2021 KHR'000 (Note 5)	31December 2020 KHR'000 (Note 5)	30September 2021 US\$	31December 2020 US\$	30September 2021 KHR'000 (Note 5)	31December 2020 KHR'000 (Note 5)
Financial assets								
Cash on hand	460,952,438	412,759,051	1,880,224,995	1,669,610,361	445,861,928	400,816,126	1,818,670,804	1,621,301,230
Deposits and placements with other banks	732,554,597	534,653,146	2,988,090,201	2,162,671,976	703,380,666	507,629,407	2,869,089,737	2,053,360,951
Statutory deposits	394,647,203	360,377,008	1,609,765,941	1,457,724,997	392,192,561	356,753,756	1,599,753,456	1,443,068,943
Financial investments	703,959,960	566,674,523	2,871,452,677	2,292,198,446	703,959,960	566,674,523	2,871,452,677	2,292,198,446
Loans and advances, net	4,997,329,194	4,471,300,618	20,384,105,782	18,086,411,000	4,829,330,552	4,292,649,159	19,698,839,322	17,363,765,848
Other assets	7,754,738	6,921,852	31,631,576	27,998,891	7,707,503	6,923,222	31,438,905	28,004,433
Total financial assets	7,297,198,130	6,352,686,198	29,765,271,172	25,696,615,671	7,082,433,170	6,131,446,193	28,889,244,901	24,801,699,851
Financial liabilities								
Deposits and placements of other banks and financial institutions	507,486,014	317,009,459	2,070,035,451	1,282,303,262	478,575,170	296,764,554	1,952,108,118	1,200,412,621
Deposits from customers	4,931,790,758	4,294,286,048	20,116,774,502	17,370,387,064	4,824,587,391	4,180,268,737	19,679,491,968	16,909,187,041
Lease liabilities	28,227,084	28,617,902	115,138,276	115,759,414	25,695,885	25,772,385	104,813,515	104,249,297
Borrowings	513,082,304	542,398,916	2,092,862,718	2,194,003,615	485,964,460	507,352,916	1,982,249,032	2,052,242,545
Subordinated debts	170,160,036	167,158,623	694,082,787	676,156,630	170,160,036	167,158,623	694,082,787	676,156,630
Other liabilities	55,987,694	28,699,228	228,373,804	116,088,377	55,827,933	28,488,959	227,722,139	115,237,839
Total financial liabilities	6,206,733,890	5,378,170,176	25,317,267,538	21,754,698,362	6,040,810,875	5,205,806,174	24,640,467,559	21,057,485,973
Net financial assets	1,090,464,240	974,516,022	4,448,003,634	3,941,917,309	1,041,622,295	925,640,019	4,248,777,342	3,744,213,878

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk

Credit risk is the risk that a counterparty would fail to meet its obligations in accordance with agreed terms. While loans are the most obvious source of credit risk, other sources of credit risk exist throughout the activities of an institution, including in the banking book and the trading book, in both on and off-balance sheets. Institutions are facing credit risks in various financial instruments other than loans, including acceptance, trade financing, commitment and guarantee, interbank transaction, settlement of transactions, foreign exchange transactions, bonds, equities and financial derivative instruments.

Principles of the credit risk:

- The Board of Directors recognises that the loan book is the main sources of income for the Group and the Bank and, conversely, also constitutes the greatest risk of losses.
- The Board of Directors considers that lending to the lower segments of the market of small business loans, provided the existing policies are implemented properly, carries a credit risk which is smaller than for larger loans as history has shown that losses due to default on these loans have been minimal. The Board of Directors considers the risk return equation favourable for loans provided to the lower segments in the market and considers this the core product of the Group and the Bank.
- The Board of Directors considers that the Management has freedom to adjust, adapt or develop existing products and product lines but requires that new product lines need to be approved by the Board of Directors.
- The day-to-day responsibility for the credit risk lies with the senior management of the Credit Sale Management Division and branches.
- The credit risk is regularly measured by calculating the ECL taking probability of customer defaults, exposure in the event of default and severity of LGD of the customer base where credit scoring is applied for.
- The Board of Directors requires that credit risk is spread across different sectors (like trade, agriculture, services, industrial, infrastructure etc.) and products to avoid undue over exposure to one particular sector or industry.
- Systemic risk is the risk of system wide breakdown of the financial sector. The Board of Directors requires that credit risk on counterparty financial institutions should be subject to the same principles of the prudential assessment and controls as with other forms of lending and prudential position limits should be set to sufficiently protect the Group and the Bank for a systemic risk.

Internal targets of the credit risk:

The internal targets on credit products should be set by the Board Risk Management and IT Committee ("BRIC") and approved by the Board of Directors. The internal targets will be in line with the risk appetite of the Board of Directors.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

The Risk Management Division regularly reviews all internal targets as set and approved by the Board of Directors and advises on any change deemed appropriate.

In order to maintain the credit growth in a prudent and reasonable way and to ensure the maintenance of portfolio quality, various control limits have been imposed to credit products, which must be strictly complied with:

- Loan exposure ratio: defined as the aggregate amount of loan assets in arrears > 30 days minus loan loss reserves divided by the net worth should be less than 25%.
- Ceilings on lending to sectors and by product to put limits on concentration risk.
- The maximum exposure to a single client or group of clients is up to 5% of the net worth.
- Counterparty financial institutions.

(a) Credit risk management

The Boards of Directors has delegated responsibility for oversight of credit risk to its BRIC. Credit Division is responsible for management of the credit risk based on the following:

- Separation of roles between the persons involved in dealing with the clients that are responsible for the credit application and the persons involved in the authorisation of the credits.
- Separation of roles between the persons involved in dealing directly with clients and the credit administration.
- Principle of double authorisation to ensure a good balance of the interests of the clients and objectivity in the risk assessment process.
- Timely and full documentation of the agreements made with the client together with all needed information, which is relevant in the assessment and control phase of the credit process.
- Careful credit control systems, with periodical reviews, through which timely signals can be derived for relevant information regarding risk management.
- Independent control to ensure conformity with approved procedures and regulations in the credit process (formal control) but also monitoring the quality of risk aspects and credit control (material control).
- The Group and the Bank will maintain a diversified loan assets portfolio in terms of industry sector, geographical area, and currency and loan size.
- Loan analysis will strongly focus on the client's ability and willingness to repay the loan through character and cash flow based on assessment and in applying green-lining methodology.

The Group and the Bank's total exposure to a single client or group of clients (one obligor principle) acting in concert shall not exceed 5% of the Bank's net worth. "Exposure" includes the aggregate of (i) the face amount of the assets of the Borrower with respect to which such Person is the obligor and (ii) any claim of

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(a) Credit risk management (continued)

such Person against the Borrower comprising any commitment to provide funds or credit to, or on behalf of such Person including, but not limited to, loan guarantees, letters of credit and derivatives..

(b) Internal targets and mitigation policies

The Group and the Bank operates and provides loans and advances to individuals or enterprises within the Kingdom of Cambodia, Lao PDR, and the Republic of the Union of Myanmar. The Group and the Bank manage limits and controls concentration of credit risk whenever they are identified. Large exposure is defined by the NBC as overall exposure to any individual beneficiary which exceeds 10% of the net worth.

The Bank is required, under the conditions of Prakas No. B7-06-226 of the NBC, to maintain at all times a maximum ratio of 20% between the Bank's overall credit exposure to any individual beneficiary and the Bank's net worth. The aggregation of large credit exposure must not exceed 300% of the Bank's net worth.

The Group and the Bank employ a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans and advances to customers, which is common practice. The Group and the Bank implement guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types to secure for loans and advances to customers are:

- Mortgages over residential properties (land, building and other properties);
- Charges over business assets such as land and buildings;
- Cash in the form of margin deposits.

(c) Maximum exposure to credit risk before collateral held or other credit enhancements

For financial assets reflected in the balance sheet, the exposure to credit risk equals their carrying amount. For financial guarantees and similar contract granted, it is the maximum amount that the Group and the Bank would have to pay if the guarantees were called upon. For credit related commitments and contingents that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(c) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Credit exposure for on-balance sheet financial assets:								
Cash on hand	460,952,438	412,759,051	1,880,224,995	1,669,610,361	445,861,928	400,816,126	1,818,670,804	1,621,301,230
Deposits and placements with other banks	732,554,597	534,653,146	2,988,090,201	2,162,671,976	703,380,666	507,629,407	2,869,089,737	2,053,360,951
Statutory deposits	394,647,203	360,377,008	1,609,765,941	1,457,724,997	392,192,561	356,753,756	1,599,753,456	1,443,068,943
Financial investments	703,959,960	566,674,523	2,871,452,677	2,292,198,446	703,959,960	566,674,523	2,871,452,677	2,292,198,446
Loans and advances, net	4,997,329,194	4,471,300,618	20,384,105,782	18,086,411,000	4,829,330,552	4,292,649,159	19,698,839,322	17,363,765,848
Other assets	7,754,738	6,921,852	31,631,576	27,998,891	7,707,503	6,923,222	31,438,905	28,004,433
	<u>7,297,198,130</u>	<u>6,352,686,198</u>	<u>29,765,271,172</u>	<u>25,696,615,671</u>	<u>7,082,433,170</u>	<u>6,131,446,193</u>	<u>28,889,244,901</u>	<u>24,801,699,851</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitment	170,204,282	120,937,607	694,263,266	489,192,620	169,833,801	120,108,962	692,752,074	485,840,751
Bank guarantees	45,958,439	47,038,166	187,464,473	190,269,381	45,731,357	46,831,662	186,538,205	189,434,073
Letters of credit	16,092,555	7,862,818	65,641,532	31,805,099	16,092,555	7,862,818	65,641,532	31,805,099
Foreign exchange spot transactions	-	-	-	-	-	-	-	-
	<u>232,255,276</u>	<u>175,838,591</u>	<u>947,369,271</u>	<u>711,267,100</u>	<u>231,657,713</u>	<u>174,803,442</u>	<u>944,931,811</u>	<u>707,079,923</u>
Total maximum credit risk exposure	<u>7,529,453,406</u>	<u>6,528,524,789</u>	<u>30,712,640,443</u>	<u>26,407,882,771</u>	<u>7,314,090,883</u>	<u>6,306,249,635</u>	<u>29,834,176,712</u>	<u>25,508,779,774</u>

The above table represents a worst case scenario of credit risk exposure to the Group and the Bank as at 30 September 2021 and 31 December 2020, without taking into account any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(c) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

As shown above, 66.37% for the Group and 66.03% for the Bank of total maximum exposure is derived from loans and advances to customers (2020: 68.49% and 68.07% for the Group and for the Bank respectively).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from its loans and advances on the followings. Significant credit risk exposure is arising from loans and advances, net. In order to mitigate the exposure of credit risk arising from loans and advances, net, all loan size limits approved by the Credit Department must not exceed 75% of estimated saleable value of the pledged collateral. As at 30 September 2021, approximately 96.48% (2020: 98.59%) of these loans and advances, net, are collateralised.

(d) Concentration of financial assets with credit risk exposure

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group and the Bank analysed the concentration of credit risk by geographic purpose and industry sector on the succeeding pages:

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) *Geographical sector*

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty as at 30 September 2021 and 31 December 2020 are as follows:

	The Group								Total US\$
	Cambodia US\$	France US\$	Germany US\$	Lao US\$	Singapore US\$	USA US\$	Myanmar US\$	Other US\$	
As at 30 September 2021									
Credit exposure for on-balance sheet financial assets:									
Cash on hand	445,889,273	-	-	11,999,484	-	-	3,063,681	-	460,952,438
Deposits and placements with other banks	491,589,710	372,709	220,997	59,201,014	1,330,201	165,300,113	283,088	14,256,765	732,554,597
Statutory deposits	392,437,719	-	-	2,209,484	-	-	-	-	394,647,203
Financial investments	703,959,960	-	-	-	-	-	-	-	703,959,960
Loans and advances, net	4,829,346,683	-	-	150,199,358	-	-	17,783,153	-	4,997,329,194
Other assets	7,695,892	-	-	58,846	-	-	-	-	7,754,738
	<u>6,870,919,237</u>	<u>372,709</u>	<u>220,997</u>	<u>223,668,186</u>	<u>1,330,201</u>	<u>165,300,113</u>	<u>21,129,922</u>	<u>14,256,765</u>	<u>7,297,198,130</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitment	169,833,801	-	-	370,481	-	-	-	-	170,204,282
Bank guarantees	45,731,357	-	-	227,082	-	-	-	-	45,958,439
Letters of credit	16,092,555	-	-	-	-	-	-	-	16,092,555
Foreign exchange spot transactions	-	-	-	-	-	-	-	-	-
	<u>231,657,713</u>	<u>-</u>	<u>-</u>	<u>597,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,255,276</u>
Total maximum credit risk exposure	<u>7,102,576,950</u>	<u>372,709</u>	<u>220,997</u>	<u>224,265,749</u>	<u>1,330,201</u>	<u>165,300,113</u>	<u>21,129,922</u>	<u>14,256,765</u>	<u>7,529,453,406</u>
In KHR'000 equivalent (Note 5)	<u>28,971,411,379</u>	<u>1,520,280</u>	<u>901,447</u>	<u>914,779,990</u>	<u>5,425,890</u>	<u>674,259,161</u>	<u>86,188,952</u>	<u>58,153,344</u>	<u>30,712,640,443</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) *Geographical sector (continued)*

	The Group								
	Cambodia US\$	France US\$	Germany US\$	Lao US\$	Singapore US\$	USA US\$	Myanmar US\$	Other US\$	Total US\$
As at 31 December 2020									
Credit exposure for on-balance sheet financial assets:									
Cash on hand	400,829,300	-	-	11,624,911	-	-	304,840	-	412,759,051
Deposits and placements with other banks	269,022,932	631,569	568,916	20,612,267	263,969	232,975,901	4,823,475	5,754,117	534,653,146
Statutory deposits	357,000,974	-	-	3,376,034	-	-	-	-	360,377,008
Financial investments	566,674,523	-	-	-	-	-	-	-	566,674,523
Loans and advances, net	4,286,426,601	-	-	140,902,367	-	-	43,971,650	-	4,471,300,618
Other assets	6,774,532	-	-	147,320	-	-	-	-	6,921,852
	<u>5,886,728,862</u>	<u>631,569</u>	<u>568,916</u>	<u>176,662,899</u>	<u>263,969</u>	<u>232,975,901</u>	<u>49,099,965</u>	<u>5,754,117</u>	<u>6,352,686,198</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitment	120,108,962	-	-	828,645	-	-	-	-	120,937,607
Bank guarantees	46,831,662	-	-	206,504	-	-	-	-	47,038,166
Letters of credit	7,862,818	-	-	-	-	-	-	-	7,862,818
	<u>174,803,442</u>	<u>-</u>	<u>-</u>	<u>1,035,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,838,591</u>
Total maximum credit risk exposure	<u>6,061,532,304</u>	<u>631,569</u>	<u>568,916</u>	<u>177,698,048</u>	<u>263,969</u>	<u>232,975,901</u>	<u>49,099,965</u>	<u>5,754,117</u>	<u>6,528,524,789</u>
In KHR'000 equivalent (Note 5)	<u>24,518,898,170</u>	<u>2,554,697</u>	<u>2,301,265</u>	<u>718,788,604</u>	<u>1,067,755</u>	<u>942,387,520</u>	<u>198,609,358</u>	<u>23,275,403</u>	<u>26,407,882,772</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) *Geographical sector (continued)*

	The Bank								Total US\$
	Cambodia US\$	France US\$	Germany US\$	Lao US\$	Singapore US\$	USA US\$	Myanmar US\$	Other US\$	
As at 30 September 2021									
Credit exposure for on-balance sheet financial assets:									
Cash on hand	445,861,928	-	-	-	-	-	-	-	445,861,928
Deposits and placements with other banks	489,939,554	372,709	220,997	32,469,631	1,330,201	165,300,113	46,745	13,700,716	703,380,666
Statutory deposits	392,192,561	-	-	-	-	-	-	-	392,192,561
Financial investments	703,959,960	-	-	-	-	-	-	-	703,959,960
Loans and advances, net	4,829,330,552	-	-	-	-	-	-	-	4,829,330,552
Other assets	7,666,343	-	-	91	-	-	41,069	-	7,707,503
	<u>6,868,950,898</u>	<u>372,709</u>	<u>220,997</u>	<u>32,469,722</u>	<u>1,330,201</u>	<u>165,300,113</u>	<u>87,814</u>	<u>13,700,716</u>	<u>7,082,433,170</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitment	169,833,801	-	-	-	-	-	-	-	169,833,801
Bank guarantees	45,731,357	-	-	-	-	-	-	-	45,731,357
Letters of credit	16,092,555	-	-	-	-	-	-	-	16,092,555
Foreign exchange spot transactions	-	-	-	-	-	-	-	-	-
	<u>231,657,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,657,713</u>
Total maximum credit risk exposure	<u>7,100,608,611</u>	<u>372,709</u>	<u>220,997</u>	<u>32,469,722</u>	<u>1,330,201</u>	<u>165,300,113</u>	<u>87,814</u>	<u>13,700,716</u>	<u>7,314,090,883</u>
In KHR'000 equivalent (Note 5)	<u>28,963,382,524</u>	<u>1,520,280</u>	<u>901,447</u>	<u>132,443,996</u>	<u>5,425,890</u>	<u>674,259,161</u>	<u>358,193</u>	<u>55,885,221</u>	<u>29,834,176,712</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) *Geographical sector (continued)*

	The Bank								Total US\$
	Cambodia US\$	France US\$	Germany US\$	Lao US\$	Singapore US\$	USA US\$	Myanmar US\$	Other US\$	
As at 31 December 2020									
Credit exposure for on-balance sheet financial assets:									
Cash on hand	400,816,126	-	-	-	-	-	-	-	400,816,126
Deposits and placements with other banks	267,444,421	631,569	568,916	499,861	263,969	232,975,901	46,873	5,197,897	507,629,407
Statutory deposits	356,753,756	-	-	-	-	-	-	-	356,753,756
Financial investments	566,674,523	-	-	-	-	-	-	-	566,674,523
Loans and advances, net	4,292,649,159	-	-	-	-	-	-	-	4,292,649,159
Other assets	6,756,356	-	-	-	-	-	166,866	-	6,923,222
	<u>5,891,094,341</u>	<u>631,569</u>	<u>568,916</u>	<u>499,861</u>	<u>263,969</u>	<u>232,975,901</u>	<u>213,739</u>	<u>5,197,897</u>	<u>6,131,446,193</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitment	120,108,962	-	-	-	-	-	-	-	120,108,962
Bank guarantees	46,831,662	-	-	-	-	-	-	-	46,831,662
Letters of credit	7,862,818	-	-	-	-	-	-	-	7,862,818
	<u>174,803,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,803,442</u>
Total maximum credit risk exposure	<u>6,065,897,783</u>	<u>631,569</u>	<u>568,916</u>	<u>499,861</u>	<u>263,969</u>	<u>232,975,901</u>	<u>213,739</u>	<u>5,197,897</u>	<u>6,306,249,635</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>24,536,556,532</u>	<u>2,554,697</u>	<u>2,301,265</u>	<u>2,021,938</u>	<u>1,067,755</u>	<u>942,387,520</u>	<u>864,574</u>	<u>21,025,493</u>	<u>25,508,779,774</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) *Industry sectors*

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) at carrying amount as at 30 September 2021 and 31 December 2020 based on the industry sectors of the counterparty are as follows:

	The Group							Total US\$
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Other US\$	
As at 30 September 2021								
Credit exposure for on-balance sheet financial assets:								
Cash on hand	460,952,438	-	-	-	-	-	-	460,952,438
Deposits and placements with other banks	732,554,597	-	-	-	-	-	-	732,554,597
Statutory deposits	-	-	-	-	-	-	394,647,203	394,647,203
Financial investments	-	-	-	-	-	-	703,959,960	703,959,960
Loans and advances, net	5,908,899	1,660,260,136	1,270,478,052	195,755,359	161,678,361	1,002,064,178	701,184,209	4,997,329,194
Other assets	4,203,984	-	-	-	-	-	3,550,754	7,754,738
	<u>1,203,619,918</u>	<u>1,660,260,136</u>	<u>1,270,478,052</u>	<u>195,755,359</u>	<u>161,678,361</u>	<u>1,002,064,178</u>	<u>1,803,342,126</u>	<u>7,297,198,130</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitment	-	-	-	-	-	-	170,204,282	170,204,282
Bank guarantees	-	-	-	-	-	-	45,958,439	45,958,439
Letters of credit	-	-	-	-	-	-	16,092,555	16,092,555
Foreign exchange spot transactions	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	232,255,276	232,255,276
Total maximum credit risk exposure	<u>1,203,619,918</u>	<u>1,660,260,136</u>	<u>1,270,478,052</u>	<u>195,755,359</u>	<u>161,678,361</u>	<u>1,002,064,178</u>	<u>2,035,597,402</u>	<u>7,529,453,406</u>
In KHR'000 equivalent (Note 5)	<u>4,909,565,646</u>	<u>6,772,201,095</u>	<u>5,182,279,974</u>	<u>798,486,109</u>	<u>659,486,035</u>	<u>4,087,419,782</u>	<u>8,303,201,803</u>	<u>30,712,640,444</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) *Industry sectors (continued)*

	The Group							Total US\$
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Other US\$	
As at 31 December 2020								
Credit exposure for on-balance sheet financial assets:								
Cash on hand	412,759,051	-	-	-	-	-	-	412,759,051
Deposits and placements with other banks	534,653,146	-	-	-	-	-	-	534,653,146
Statutory deposits	-	-	-	-	-	-	360,377,008	360,377,008
Financial investments	566,520,994	-	-	-	-	-	153,529	566,674,523
Loans and advances, net	22,672,936	1,511,327,042	1,086,409,481	160,232,558	130,933,136	888,839,788	670,885,677	4,471,300,618
Other assets	3,787,686	-	-	-	-	-	3,134,166	6,921,852
	<u>1,540,393,813</u>	<u>1,511,327,042</u>	<u>1,086,409,481</u>	<u>160,232,558</u>	<u>130,933,136</u>	<u>888,839,788</u>	<u>1,034,550,380</u>	<u>6,352,686,198</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitment	-	-	-	-	-	-	120,937,607	120,937,607
Bank guarantees	-	-	-	-	-	-	47,038,166	47,038,166
Letters of credit	-	-	-	-	-	-	7,862,818	7,862,818
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,838,591</u>	<u>175,838,591</u>
Total maximum credit risk exposure	<u>1,540,393,813</u>	<u>1,511,327,042</u>	<u>1,086,409,481</u>	<u>160,232,558</u>	<u>130,933,136</u>	<u>888,839,788</u>	<u>1,210,388,971</u>	<u>6,528,524,789</u>
In KHR'000 equivalent (Note 5)	<u>6,230,892,974</u>	<u>6,113,317,885</u>	<u>4,394,526,351</u>	<u>648,140,697</u>	<u>529,624,535</u>	<u>3,595,356,942</u>	<u>4,896,023,388</u>	<u>26,407,882,772</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) *Industry sectors (continued)*

	The Bank							Total US\$
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Other US\$	
As at 30 September 2021								
Credit exposure for on-balance sheet financial assets:								
Cash on hand	445,861,928	-	-	-	-	-	-	445,861,928
Deposits and placements with other banks	703,380,666	-	-	-	-	-	-	703,380,666
Statutory deposits	-	-	-	-	-	-	392,192,561	392,192,561
Financial investments	-	-	-	-	-	-	703,959,960	703,959,960
Loans and advances, net	5,908,899	1,591,179,063	1,231,961,008	188,791,639	154,736,953	970,247,682	686,505,308	4,829,330,552
Other assets	4,186,258	-	-	-	-	-	3,521,245	7,707,503
	<u>1,159,337,751</u>	<u>1,591,179,063</u>	<u>1,231,961,008</u>	<u>188,791,639</u>	<u>154,736,953</u>	<u>970,247,682</u>	<u>1,786,179,074</u>	<u>7,082,433,170</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitment	-	-	-	-	-	-	169,833,801	169,833,801
Bank guarantees	-	-	-	-	-	-	45,731,357	45,731,357
Letters of credit	-	-	-	-	-	-	16,092,555	16,092,555
Foreign exchange spot transactions	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	231,657,713	231,657,713
Total maximum credit risk exposure	<u>1,159,337,751</u>	<u>1,591,179,063</u>	<u>1,231,961,008</u>	<u>188,791,639</u>	<u>154,736,953</u>	<u>970,247,682</u>	<u>2,017,836,787</u>	<u>7,314,090,883</u>
In KHR'000 equivalent (Note 5)	<u>4,728,938,686</u>	<u>6,490,419,398</u>	<u>5,025,168,952</u>	<u>770,081,095</u>	<u>631,172,031</u>	<u>3,957,640,295</u>	<u>8,230,756,254</u>	<u>29,834,176,711</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) *Industry sectors (continued)*

	The Bank							Total US\$
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Other US\$	
As at 31 December 2020								
Credit exposure for on-balance sheet financial assets:								
Cash on hand	400,816,126	-	-	-	-	-	-	400,816,126
Deposits and placements with other banks, net	507,629,407	-	-	-	-	-	-	507,629,407
Statutory deposits	-	-	-	-	-	-	356,753,756	356,753,756
Financial investments	566,520,994	-	-	-	-	-	153,529	566,674,523
Loans and advances, net	22,672,936	1,433,948,336	1,056,238,093	159,289,851	124,058,057	848,241,547	648,200,339	4,292,649,159
Other assets	3,832,887	-	-	-	-	-	3,090,335	6,923,222
	<u>1,501,472,350</u>	<u>1,433,948,336</u>	<u>1,056,238,093</u>	<u>159,289,851</u>	<u>124,058,057</u>	<u>848,241,547</u>	<u>1,008,197,959</u>	<u>6,131,446,193</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitment	-	-	-	-	-	-	120,108,962	120,108,962
Bank guarantees	-	-	-	-	-	-	46,831,662	46,831,662
Letters of credit	-	-	-	-	-	-	7,862,818	7,862,818
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,803,442</u>	<u>174,803,442</u>
Total maximum credit risk exposure	<u>1,501,472,350</u>	<u>1,433,948,336</u>	<u>1,056,238,093</u>	<u>159,289,851</u>	<u>124,058,057</u>	<u>848,241,547</u>	<u>1,183,001,401</u>	<u>6,306,249,635</u>
In KHR'000 equivalent (Note 5)	<u>6,073,455,656</u>	<u>5,800,321,019</u>	<u>4,272,483,086</u>	<u>644,327,447</u>	<u>501,814,841</u>	<u>3,431,137,058</u>	<u>4,785,240,667</u>	<u>25,508,779,774</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(e) Write-off policy

Financial instruments can be written off under the judgment of the Management Credit Committee in case when the Group and the Bank lose control on its contractual rights over that facility or when all or part of the facility is deemed uncollectable; this is particularly the case when there is no realistic prospect of recovery for the counterparty or when the Group and the Bank have lost control over its contractual rights on the facility due to any decision of a court of law. Circumstances where a facility should be written off also include, but are not limited to:

- a) All forms of securities or collateral have been called and realized but proceeds failed to cover the entire outstanding amount of the facility;
- b) The Group and the Bank are unable to collect, or there is no longer reasonable assurance that the Group and the Bank will collect all amounts due according to the contractual terms of the facility's agreement;
- c) The counterparty has become bankrupt or is undergoing other forms of financial restructuring the consequence of which it is unlikely that it may service the facility;
- d) The facility has been classified under loss category.

(f) Credit quality of financial assets

CIFRS 9 introduces the concept of ECL of which the Group and the Bank expect to experience on an account over either a 12-month horizon (Stage 1) or a lifetime horizon (Stage 2 & 3). The change in approach to provisioning introduced by CIFRS 9 is designed to:

- Ensure a timely recognition of credit losses, which is more reflective than the previous Incurred Loss Model;
- Distinguish between financial instruments that have significantly deteriorated in credit quality and those that have not; and
- Provide a better estimate of ECLs given the macroeconomic environment.

The Group and the Bank apply a three-stage approach based on the change in credit quality since initial recognition:

3-Stage approach	Stage 1	Stage 2	Stage 3
	Performing	Underperforming	Nonperforming
Recognition of expected credit losses	12 months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
Basis of calculation of profit revenue	On gross carrying amount	On gross carrying amount	On net carrying amount

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Recognition of ECL

Financial assets will be classified and recognised into three different categories which are:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI
- Financial assets measured at FVPL.

Financial assets and debts that are measured at amortised cost or through other comprehensive income will be subjected to impairment assessment.

The Group and the Bank measured ECL by using the general approach and the simplified approach.

The general approach consists of segregating the customers into three different stages according to the staging criteria by assessing the credit risk. 12-month ECL will be computed for stage 1, while lifetime ECL will be computed for stage 2 and stage 3. At each reporting date, the Group and the Bank will assess credit risk of each account as compared to the risk level at origination date.

Below is a table showing a summary of credit risk status and period for ECL calculation by stages:

Long-term facilities (more than one year)

Stages	Credit Risk Status	Grades	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} < 30$	Performing
2	Credit risk increased significantly	Special Mention	$30 \leq \text{DPD} < 90$	Underperforming
3	Credit impaired assets	Substandard	$90 \leq \text{DPD} < 180$	Nonperforming
		Doubtful	$180 \leq \text{DPD} < 360$	
		Loss	$\text{DPD} \geq 360$	

Short-term facilities (one year or less)

Stages	Credit Risk Status	Grades	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} \leq 14$	Performing
2	Credit risk increased significantly	Special Mention	$15 \leq \text{DPD} \leq 30$	Underperforming
3	Credit impaired assets	Substandard	$31 \leq \text{DPD} \leq 60$	Nonperforming
		Doubtful	$61 \leq \text{DPD} \leq 90$	
		Loss	$\text{DPD} \geq 91$	

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

- (f) Credit quality of financial assets (continued)

Recognition of ECL (continued)

The Group and the Bank will use the day past due (“DPD”) information and NBC’s classification for staging criteria. Also, the Group and the Bank will incorporate credit scoring or more forward looking elements in the future when information is more readily available. Upon the implementation of credit scoring system, it the risk level drops by two or more notches as compared to the risk level at origination, the accounts have to be classified under stage 2.

As for financial assets that are short term in nature, simplified approach will be adopted where no staging criteria is required. In this case, it will be either performing (stage1) or non-performing (stage 3).

Credit classification for financial assets

The Bank follows the mandatory loan classification and provisioning as required by the NBC’s Prakas No.B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on Credit Risk Grading and Impairment Provisioning. Loans and advances, and other financial assets are classified into five classifications as described below:

CLASSES/CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
1- NORMAL Timely repayment of an outstanding facility classified in this class is not in doubt. Repayment is steadily made according with the contractual terms and the facility does not exhibit any potential weakness in repayment capacity, business, cash flow and financial position of the counterparty.	- Punctual	- Punctual

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

CLASSES/ CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
<p>2- SPECIAL MENTION A facility in this class is currently protected and may not be past due but it exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect repayment by the counterparty at a future date, and warrant close attention by the Bank. Examples of such weaknesses include, but are not limited to a declining trend in the operations of the counterparty or in its financial position, adverse economic and market conditions that all might affect its profitability and its future repayment capacity, or deteriorating conditions on the collateral. This class has clearly its own rational and should not be used as a compromise between Normal and Substandard.</p>	<ul style="list-style-type: none"> - When any facility is past due from 30 days to 89 days. - When interest payments for 30 to 89 days have been capitalized, refinanced, or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for maximum 30 days. - When interest payments for maximum 30 days have been capitalized, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for maximum 30 days, or the current account has been inactive for maximum 30 days, or the net inflows on the current account have not been enough to cover capitalized interests for maximum 30 days.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

CLASSES/CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
<p>3- SUB-STANDARD</p> <p>A facility in this class exhibits noticeable weakness and is not adequately protected by the current business or financial position of the counterparty and his repayment capacity. In essence, the primary source of repayment is not sufficient to service the debt and the Bank must look to secondary sources such as the realization of the collateral, in relation with the counterparty. Factors leading to a Substandard classification include:</p> <ul style="list-style-type: none"> ▪ Inability of the counterparty to meet the contractual repayments' terms, ▪ Unfavourable economic and market conditions that would affect the business and profitability of the counterparty in the future, ▪ Weakened financial condition and/or inability of the counterparty to generate enough cash flow to service the payments. ▪ Difficulties experienced by the counterparty in repaying other facilities granted by the bank or by other institutions when the information is available. ▪ Breach of financial covenants by the counterparty. 	<ul style="list-style-type: none"> - When any facility is past due from 90 days to 179 days. - When interest payments for 90 to 179 days have been capitalized, refinanced, or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for maximum 60 days. - When interest payments for maximum 60 days have been capitalized, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for maximum 60 days, or the current account has been inactive for maximum 60 days. - The overdraft that has had no net inflow for 60 days must be modified into a term loan.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

CLASSES/CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
<p>4- DOUBTFUL A facility classified in this category faces similar but more severe weaknesses than one classified as Substandard such that its full collection on the basis of existing facts, conditions or collateral value is highly questionable or improbable. The prospect of loss is high, even if the exact amount remains undetermined for now.</p>	<ul style="list-style-type: none"> - When any facility is past due from 180 days to 359 days. - When interest payment for 180 to 359 days have been capitalized or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for maximum 90 days. - When interest payment for maximum 90 days have been capitalized or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for maximum 90 days, or the current account has been inactive for maximum 90 days.
<p>5- LOSS A facility is classified Loss when it is not collectable, and little or nothing can be done to recover the outstanding amount from the counterparty.</p>	<ul style="list-style-type: none"> - When any facility is past due from 360 days. - When interest payment for 360 days or more have been capitalized or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for maximum 180 days. - When interest payment for maximum 180 days have been capitalized or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for maximum 180 days, or the current account has been inactive for maximum 180 days.

With regard to facilities with repayments on a quarterly, semi-annual or longer basis, facilities must be classified as Substandard or worse depending on the situation of the counterparty as soon as a default occurs. For the purpose of the table above, the default will be considered as having occurred 5 working days after the payment due date. The classification as substandard will be allowed only in case where the counterparty has clearly demonstrated that its inability to pay in due time is only temporary.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Facilities that are classified Substandard, Doubtful or Loss will be considered as "non-performing" facilities. Other facilities will be considered as "performing".

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances at amortised cost	30 September 2021			31 December 2020	
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total	Total
	US\$	US\$	US\$	US\$	US\$
The Group					
Normal	4,865,829,871	-	-	4,865,829,871	4,375,262,025
Special mention	-	39,932,984	-	39,932,984	26,470,310
Substandard	-	-	44,661,655	44,661,655	32,985,705
Doubtful	-	-	32,429,973	32,429,973	50,125,889
Loss	-	-	55,876,219	55,876,219	21,799,236
	<u>4,865,829,871</u>	<u>39,932,984</u>	<u>132,967,847</u>	<u>5,038,730,702</u>	<u>4,506,643,165</u>
ECL allowance	(20,986,527)	(4,335,242)	(16,079,739)	(41,401,508)	(35,342,547)
Carrying amount	<u>4,844,843,344</u>	<u>35,597,742</u>	<u>116,888,108</u>	<u>4,997,329,194</u>	<u>4,471,300,618</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>19,762,115,999</u>	<u>145,203,190</u>	<u>476,786,593</u>	<u>20,384,105,782</u>	<u>18,086,411,000</u>
The Bank					
Normal	4,694,940,060	-	-	4,694,940,060	4,198,757,317
Special mention	-	36,157,542	-	36,157,542	23,945,494
Substandard	-	-	41,812,136	41,812,136	31,773,683
Doubtful	-	-	30,768,195	30,768,195	48,178,299
Loss	-	-	55,425,943	55,425,943	21,203,755
	<u>4,694,940,060</u>	<u>36,157,542</u>	<u>128,006,274</u>	<u>4,859,103,876</u>	<u>4,323,858,548</u>
ECL allowance	(11,565,576)	(3,484,703)	(14,723,045)	(29,773,324)	(31,209,389)
Carrying amount	<u>4,683,374,484</u>	<u>32,672,839</u>	<u>113,283,229</u>	<u>4,829,330,552</u>	<u>4,292,649,159</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>19,103,484,521</u>	<u>133,272,510</u>	<u>462,082,291</u>	<u>19,698,839,322</u>	<u>17,363,765,848</u>

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37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Financial investments at amortised cost	30 September 2021			31 December 2020	
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total	Total
	US\$	US\$	US\$	US\$	US\$
The Group					
Normal	703,959,960	-	-	703,959,960	566,520,994
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
Total gross carrying amount	703,959,960	-	-	703,959,960	566,520,994
ECL allowance	-	-	-	-	-
Carrying amount – fair value	703,959,960	-	-	703,959,960	566,520,994
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,871,452,677</u>	<u>-</u>	<u>-</u>	<u>2,871,452,677</u>	<u>2,291,577,421</u>
The Bank					
Normal	703,959,960	-	-	703,959,960	566,520,994
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
Total gross carrying amount	703,959,960	-	-	703,959,960	566,520,994
ECL allowance	-	-	-	-	-
Carrying amount – fair value	703,959,960	-	-	703,959,960	566,520,994
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,871,452,677</u>	<u>-</u>	<u>-</u>	<u>2,871,452,677</u>	<u>2,291,577,421</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Cash and deposit and placement with other banks	30 September 2021			31 December 2020	
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total	Total
	US\$	US\$	US\$	US\$	US\$
The Group					
Normal	1,194,260,452	-	-	1,194,260,452	947,994,641
Special Mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>1,194,260,452</u>	<u>-</u>	<u>-</u>	<u>1,194,260,452</u>	<u>947,994,641</u>
ECL allowance	<u>(753,417)</u>	<u>-</u>	<u>-</u>	<u>(753,417)</u>	<u>(582,444)</u>
Carrying amount	<u>1,193,507,035</u>	<u>-</u>	<u>-</u>	<u>1,193,507,035</u>	<u>947,412,197</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>4,868,315,196</u>	<u>-</u>	<u>-</u>	<u>4,868,315,196</u>	<u>3,832,282,337</u>
The Bank					
Normal	1,149,900,478	-	-	1,149,900,478	908,587,076
Special Mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>1,149,900,478</u>	<u>-</u>	<u>-</u>	<u>1,149,900,478</u>	<u>908,587,076</u>
ECL allowance	<u>(657,884)</u>	<u>-</u>	<u>-</u>	<u>(657,884)</u>	<u>(141,543)</u>
Carrying amount	<u>1,149,242,594</u>	<u>-</u>	<u>-</u>	<u>1,149,242,594</u>	<u>908,445,533</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>4,687,760,541</u>	<u>-</u>	<u>-</u>	<u>4,687,760,541</u>	<u>3,674,662,181</u>

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37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Statutory deposits	30 September 2021			31 December 2020	
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total	Total
	US\$	US\$	US\$	US\$	US\$
The Group					
Normal	394,647,203	-	-	394,647,203	360,377,008
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>394,647,203</u>	<u>-</u>	<u>-</u>	<u>394,647,203</u>	<u>360,377,008</u>
ECL allowance	-	-	-	-	-
Carrying amount	<u>394,647,203</u>	<u>-</u>	<u>-</u>	<u>394,647,203</u>	<u>360,377,008</u>
<i>In KHR'000 equivalent (Note 4)</i>	<u>1,609,765,941</u>	<u>-</u>	<u>-</u>	<u>1,609,765,941</u>	<u>1,457,724,997</u>
The Bank					
Normal	392,192,561	-	-	392,192,561	356,753,756
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>392,192,561</u>	<u>-</u>	<u>-</u>	<u>392,192,561</u>	<u>356,753,756</u>
ECL allowance	-	-	-	-	-
Carrying amount	<u>392,192,561</u>	<u>-</u>	<u>-</u>	<u>392,192,561</u>	<u>356,753,756</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>1,599,753,456</u>	<u>-</u>	<u>-</u>	<u>1,599,753,456</u>	<u>1,443,068,943</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Other Asset	30 September 2021			31 December 2020	
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total	Total
	US\$	US\$	US\$	US\$	US\$
The Group					
Normal	7,766,464	-	-	7,766,464	6,921,852
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>7,766,464</u>	<u>-</u>	<u>-</u>	<u>7,766,464</u>	<u>6,921,852</u>
ECL allowance	(11,726)	-	-	(11,726)	(199,393)
Carrying amount	<u>7,754,738</u>	<u>-</u>	<u>-</u>	<u>7,754,738</u>	<u>6,722,459</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>31,631,576</u>	<u>-</u>	<u>-</u>	<u>31,631,576</u>	<u>27,192,347</u>
The Bank					
Normal	7,716,158	-	-	7,716,158	6,923,222
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>7,716,158</u>	<u>-</u>	<u>-</u>	<u>7,716,158</u>	<u>6,923,222</u>
ECL allowance	(8,655)	-	-	(8,655)	(197,045)
Carrying amount	<u>7,707,503</u>	<u>-</u>	<u>-</u>	<u>7,707,503</u>	<u>6,726,177</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>31,438,905</u>	<u>-</u>	<u>-</u>	<u>31,438,905</u>	<u>27,207,386</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Financial guarantee contracts	30 September 2021			31 December 2020	
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total	Total
	US\$	US\$	US\$	US\$	US\$
The Group					
Normal	45,958,438	-	-	45,958,438	47,038,166
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
Total gross carrying amount	45,958,438	-	-	45,958,438	47,038,166
ELC allowance	(31,511)	-	-	(31,511)	(154,907)
Carrying amount – fair value	45,926,927	-	-	45,926,927	46,883,259
<i>In KHR'000 equivalent (Note 5)</i>	187,335,935	-	-	187,335,935	189,642,783
The Bank					
Normal	55,202,930	-	-	55,202,930	56,978,543
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
Total gross carrying amount	55,202,930	-	-	55,202,930	56,978,543
ECL allowance	(349,141)	-	-	(349,141)	(525,324)
Carrying amount – fair value	54,853,789	-	-	54,853,789	56,453,219
<i>In KHR'000 equivalent (Note 5)</i>	223,748,605	-	-	223,748,605	228,353,271

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

- (g) Amounts arising from ECL

Significant increase in credit risk

The Group and the Bank consider that a significant increase in credit risk occurs no later than when an asset is more than or equal to 30 days past due for long-term facilities or more than or equal to 15 days past due for short-term facilities. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group and the Bank determine a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Group and the Bank monitor the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes past due;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and,
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

- (g) Amounts arising from ECL (continued)

Definition of default

The Bank considers a financial asset to be in default, aligning the NBC Prakas on Credit Risk Grading & Impairment Provisioning as stated in Article 17 and Article 19, when:

- 1) The default definition / non-performing facilities (“NPL”) definition for long-term facilities where original tenure is more than a year as follow:

Day Past Due	Classification	Default Indicator
$0 \leq \text{DPD} < 30$	Normal	Not Default / Performing
$30 \leq \text{DPD} < 90$	Special Mention	
$90 \leq \text{DPD} < 180$	Substandard	Default / Non-performing
$180 \leq \text{DPD} < 360$	Doubtful	
$\text{DPD} \geq 360$	Loss	

- 2) The default definition / non-performing facilities definition for short-term facilities where original tenure is less than or equal to a year as follow:

Day Past Due	Classification	Default Indicator
$0 \leq \text{DPD} \leq 14$	Normal	Not Default / Performing
$15 \leq \text{DPD} \leq 30$	Special Mention	
$31 \leq \text{DPD} \leq 60$	Substandard	Default / Non-performing
$61 \leq \text{DPD} \leq 90$	Doubtful	
$\text{DPD} \geq 91$	Loss	

- 3) In addition to the classification according to day past due information, the Bank also performs manual classification when there is a sign of deterioration in the credit profile, the Bank might classify the loan into substandard, doubtful or loss even though the DPD is less than 90 days for long term and less than 30 days for short term.

Incorporation of forward-looking information

The Group and the Bank incorporate forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Group and the Bank formulate three economic scenarios: a base case, which is the median scenario assigned a 55% probability of occurring, and two less likely scenarios, 20% for one upside and 25% for

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

one downside, each assigned a 20% probability of occurring. The base case is aligned with information used by the Group and the Bank for other purposes such as strategic planning and budgeting.

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group and the Bank operate, supranational organisations such as the International Monetary Fund, and selected private-sector and academic forecasters.

The Group and the Bank have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments in accordance with each country and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The economic scenarios of the Bank's portfolio used as at 30 September 2021 included the following key indicators for Cambodia for the years ending 2021 to 2025:

Exposure	2021	2022	2023	2024	2025
1- Small Loan					
- Credits (Exports) Year-on-Year Change					
Base	13.38%	13.80%	13.77%	15.09%	15.09%
Upside	27.68%	28.10%	28.06%	29.38%	29.38%
Downside	-0.92%	-0.49%	-0.53%	0.79%	0.79%
- Cambodia GDP at Constant 2000 Price (in KHR billions) Year-on-Year Change					
Base	4.00%	5.70%	6.30%	7.16%	7.16%
Upside	4.39%	6.09%	6.69%	7.55%	7.55%
Downside	3.61%	5.31%	5.91%	6.77%	6.77%
- Domestic credit to private sector (% of GDP)					
Base	101.05%	103.26%	104.41%	67.97%	67.97%
Upside	57.09%	59.30%	60.46%	24.01%	24.01%
Downside	145.00%	147.21%	148.37%	111.92%	111.92%

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37. Financial risk management (continued)

37.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

Exposure	2021	2022	2023	2024	2025
2- Medium Loan					
- Credits (Exports) Year-on-Year Change					
Base	13.38%	13.80%	13.70%	15.09%	15.09%
Upside	27.68%	28.06%	29.38%	29.38%	29.38%
Downside	-0.92%	-0.49%	-0.53%	0.79%	0.79%
- Cambodia GDP at Constant 2000 Price (in KHR billions) Year-on-Year Change					
Base	4.00%	5.70%	6.30%	7.16%	7.16%
Upside	4.39%	6.09%	6.69%	7.55%	7.55%
Downside	3.61%	5.31%	5.91%	6.77%	6.77%
- Debits (Imports)					
Base	21,145	21,326	21,481	12,841	12,841
Upside	14,837	15,018	15,173	6,533	6,533
Downside	27,453	27,634	27,790	19,149	19,149
3- Staff Loan					
- Total Unemployment Cambodia					
Base	0.20%	0.21%	0.22%	0.44%	0.44%
Upside	-0.23%	-0.22%	-0.21%	-0.01%	-0.01%
Downside	0.64%	0.65%	0.66%	0.88%	0.88%
- Cambodia CPI All Items 2006=100					
Base	183.74	183.98	184.09	163.46	163.46
Upside	164.95	165.19	165.31	144.67	144.67
Downside	202.52	202.76	202.88	182.25	182.25
4- Overdraft					
- Cambodia CPI All Items 2006=100					
Base	183.74	183.98	184.09	162.44	162.44
Upside	165.00	165.25	165.36	143.71	143.71
Downside	202.47	202.71	202.83	181.17	181.17
5- Home Improvement Loan					
- Cambodia GDP at Constant 2000 Price (in KHR billions) Year-on-Year Change					
Base	4%	5.7%	6.3%	6.96%	6.96%
Upside	5.65%	7.35%	7.95%	8.61%	8.61%
Downside	2.35%	4.05%	4.65%	5.30%	5.30%

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

- (g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing available historical data over the past 7 years.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 2(f)(iv).

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Modified financial assets (continued)

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants.

Loss allowance

During the period, the allowance for/(reversal of) impairment loss recognised on the profit or loss were as follows:

Type	The Group				The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Deposit and placements with banks	185,803	(7,786)	755,661	(31,744)	516,714	96,083	2,101,476	391,730
Loans and advances to customers	18,569,245	20,852,357	75,521,119	85,015,059	6,409,136	16,204,462	26,065,956	66,065,592
Other assets	(187,638)	(50,540)	(763,124)	(206,051)	(188,384)	(52,869)	(766,158)	(215,547)
	<u>18,567,410</u>	<u>20,794,031</u>	<u>75,513,656</u>	<u>84,777,264</u>	<u>6,737,466</u>	<u>16,247,676</u>	<u>27,401,274</u>	<u>66,241,775</u>
Financial guarantee contracts	(123,235)	(54,156)	(501,197)	(220,794)	(176,022)	(132,082)	(715,881)	(538,498)
Total	<u>18,444,175</u>	<u>20,739,875</u>	<u>75,012,459</u>	<u>84,556,470</u>	<u>6,561,444</u>	<u>16,115,594</u>	<u>26,685,393</u>	<u>65,703,277</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

The following tables show balance of the loss allowance by class of financial instrument:

Loans and advances at amortised cost	30 September 2021				31 December 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
The Group								
As at 1 January	11,905,498	3,303,698	20,133,351	35,342,547	24,627,422	344,453	8,263,701	33,235,576
Allowance for/(reversal of) impairment loss during the	9,081,029	1,031,544	8,456,672	18,569,245	(12,721,922)	2,959,245	30,615,034	20,852,357
Written off during the period	-	-	(9,270,722)	(9,270,722)	-	-	(18,676,459)	(18,676,459)
Currency translation difference	-	-	(3,239,562)	(3,239,562)	-	-	(68,927)	(68,927)
At 30 September	<u>20,986,527</u>	<u>4,335,242</u>	<u>16,079,739</u>	<u>41,401,508</u>	<u>11,905,500</u>	<u>3,303,698</u>	<u>20,133,349</u>	<u>35,342,547</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>85,604,044</u>	<u>17,683,452</u>	<u>65,589,255</u>	<u>168,876,751</u>	<u>48,157,748</u>	<u>13,363,458</u>	<u>81,439,397</u>	<u>142,960,602</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

The following tables show balance of the loss allowance by class of financial instrument: (continued)

Loans and advances at amortised cost	30 September 2021				31 December 2020			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Bank								
As at 1 January	10,839,155	2,906,941	17,463,293	31,209,389	24,066,137	286,202	7,837,241	32,189,580
Allowance for/(reversal of) impairment loss during the period	726,421	577,762	5,104,953	6,409,136	(13,226,982)	2,620,739	26,810,704	16,204,462
Written off during the period	-	-	(7,112,093)	(7,112,093)	-	-	(17,158,054)	(17,158,054)
Currency translation difference	-	-	(733,108)	(733,108)	-	-	(26,599)	(26,599)
At 30 September	<u>11,565,576</u>	<u>3,484,703</u>	<u>14,723,045</u>	<u>29,773,324</u>	<u>10,839,155</u>	<u>2,906,941</u>	<u>17,463,293</u>	<u>31,209,389</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>47,175,983</u>	<u>14,214,104</u>	<u>60,055,301</u>	<u>121,445,388</u>	<u>43,844,382</u>	<u>11,758,576</u>	<u>70,639,020</u>	<u>126,241,978</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Measurement of ECL (continued)

Loss allowance (continued)

Financial guarantee contracts	30 September 2021			31 December 2020	
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Total US\$
The Group					
At 1 January	154,907	-	-	154,907	207,479
Reversal of allowance for impairment loss during the period	(123,235)	-	-	(123,235)	(54,156)
Currency translation difference	(161)	-	-	(161)	1,584
At 30 September	31,511	-	-	31,511	154,907
<i>In KHR'000 equivalent (Note 5)</i>	128,533	-	-	128,533	626,599
The Bank					
At 1 January	525,324	-	-	525,324	655,822
Reversal of allowance for impairment loss during the period	(176,022)	-	-	(176,022)	(132,082)
Currency translation difference	(161)	-	-	(161)	1,584
At 30 September	349,141	-	-	349,141	525,324
<i>In KHR'000 equivalent (Note 5)</i>	1,424,146	-	-	1,424,146	2,124,936

(h) Covid-19 Outbreak and Impact on ECL

The Covid-19 outbreak on the economic growth resulting the economic variables that are used in the models are out of the bounds for which CIFRS 9 models have been built and recalibrated to operate. Furthermore, the current government support programs and regulatory on loan restructuring, designed to mitigate the adverse impact of Covid-19 and related economic consequences, have partially been factored into the modelling. This results CIFRS 9 models under the current economic conditions could not measure the accurate outcomes. Hence, the post-model overlays based on a sensitive analysis and the Group's and the Bank's senior management's judgment are necessary to reflect ECL in a way to avoid underestimation or overestimation in these conditions.

Models will be recalibrated over time in order to overcome observed impacts of Covid-19. The recalibration and re-modelling exercise in 2020 has not fully absorbed the impact yet by leaving small loan, home improvement, and medium loan exposures to be re-calibrated again in 2021. Meanwhile, even though Cambodia's economy is gradually recovering and is projected to grow 4 percent in 2021 after contracting 3.1 percent in 2020, the recovery remains uneven and volatile, due in part to the reintroduction of a domestic lockdowns to control the spread of COVID-19. Therefore, we anticipate significant post-model adjustments over 2021.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.1 Credit risk (continued)

(h) Covid-19 Outbreak and Impact on ECL (continued)

The Group and the Bank also perform the identification and periodic review of customers experiencing increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues, or have extended those deferrals, given limitations in the available credit information on these customers.

Economic forecasts are subject to high degree of uncertainty in the current environment. This have resulted the forecasts and economic models may not be applicable. This requires a greater reliance on the forecast by the NBC, Ministry of Economics and Finance, World Bank, or Asia Development Bank to incorporate into the analysis and assessment of ECL outcomes.

The Group and the Bank also generate three economic scenarios to reflect economic conditions, starting with baseline, good, and bad. Each scenario is consistent with a probability of 55%, 20% and 25%, according to the decision of the Group's and the Bank's senior management since Covid-19 outbreak in March 2020.

37.2 Market risk

The Group and the Bank are exposed to several market risks, which is the risk of changes in the level or volatility of market rates or prices such as interest rates, foreign currency exchange rates, commodity prices and equity prices that could adversely affect the Group's and the Bank's future earnings, capital, or ability to meet business objectives.

The primary categories of market risk for the Group and the Bank are:

- (i) Interest rate risk: can lead to losses when there is an imbalance between assets and liabilities on which interest rates change periodically or at different intervals.
- (ii) Foreign exchange rate risk: can lead to losses when there is an imbalance between assets and liabilities in any particular currency.
- (iii) Commodity risk and equity risk are not applicable at the moment given that the Group and the Bank does not hold any commodity or equity position.

The BRIC is established by the Board of Directors to assist in the effective discharge of its responsibilities for risk management and to regularly review Management's ability to assess and manage the Bank's risks. Market risks are managed based on the following principles and internal targets.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

Principles of the market risk:

- In line with sound banking principles the Group and the Bank will actively manage currencies and interest rate risk positions to hedge positions by matching assets and liabilities.
- The Group and the Bank shall not engage in activities to derive income from proprietary trading or speculation on the movements of exchange rates, interest rates or value of securities.
- The position limits as set by the central banks are meant to limit the adverse impact of market risk and are not meant to create an opportunity for proprietary trading.
- The day to day responsibility for market risk lies with the senior management of the treasury group.

Internal targets of the market risk:

- The regulatory limits on foreign exchange currency mismatch per currency and cumulative should be observed at all times.
- The Bank will have, at all times, internal targets that are lower than the regulatory limits to allow for a safety margin to ensure permanent full compliance with regulatory limits.
- Setting the level of the internal targets is at the discretion of the Assets and Liabilities Committee ("ALCO") and needs to be both 1) stated and motivated in the ALCO minutes and 2) formally approved by the President & Group Managing Director.
- Relevant divisions and departments should regularly assess and monitor the perceived risks of non-compliance to the targets. Any breaches of internal targets should be reported to the ALCO and President & Group Managing Directors.
- Any change in level of internal targets will need to be reported by e-mail to the Chair of the BRIC on the same day the change has been made.
- At all time, the Bank will have a contingency plan to be executed when it is perceived by the President & Group Managing Director that the safety margin may not be sufficient and there is a risk that the regulatory limit on foreign exchange currency mismatch could be reached. Such contingency plan should be sufficient to ensure that the regulatory limits on foreign exchange currency mismatch will not be breached.

As at 30 September 2021, the Group and the Bank did not have financial instruments carried at fair value (31 December 2020: nil). The Group uses derivative financial instruments such as foreign exchange contract and interest rate swaps to hold its risk exposures.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) *Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of the changes in the market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise.

The Group's and the Bank's interest rate risk arise from borrowings and subordinated debt . Borrowings issued at variable rates expose the Group and the Bank to cash flow interest rate risk. The Group and the Bank manage cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates and recognising the interest expense based on that fixed interest rate. The Group and the Bank raise borrowings at floating rates and swaps them into fixed rate that are lower than those available if the Group and the Bank borrowed at fixed rates directly. Under the interest rate swaps, the Group agreed with other parties to exchange, at specified intervals (primarily semi-annually), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional amounts.

The table below summarises the Group's and the Bank's exposure to interest rate risks. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Group						Total US\$
	Up to 1 month US\$	1-3 months US\$	3-12 months US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	
As at 30 September 2021							
Financial assets							
Cash on hand	-	-	-	-	-	460,952,438	460,952,438
Deposits and placements with other banks, net	205,635,500	23,690,120	29,780,338	-	-	473,448,639	732,554,597
Statutory deposits	-	43,316,302	-	-	-	351,330,901	394,647,203
Financial investments	348,063,249	354,731,627	888,380	-	-	276,704	703,959,960
Loans and advances, net							
- Performing	119,082,129	231,762,254	905,854,293	3,051,239,394	597,824,785	-	4,905,762,855
- Non performing	-	-	-	-	-	132,967,847	132,967,847
- Loss allowance	-	-	-	-	-	(41,401,508)	(41,401,508)
Other assets	-	-	-	-	-	7,754,738	7,754,738
Total financial assets	672,780,878	653,500,303	936,523,011	3,051,239,394	597,824,785	1,385,329,759	7,297,198,130
Financial liabilities							
Deposits and placements of other banks and financial institutions	57,989,151	4,868,061	156,832,545	39,616,981	79,650,000	168,529,276	507,486,014
Deposits from customers	2,125,082,430	346,488,143	1,167,771,885	632,394,267	17,035,361	643,018,672	4,931,790,758
Lease liabilities	1,255,968	1,788,139	7,551,455	16,121,706	1,509,816	-	28,227,084
Borrowings	2,279,635	2,471,198	143,553,914	357,190,621	4,453,077	3,133,859	513,082,304
Subordinated debts	-	10,986,490	14,735,441	106,106,532	35,078,268	3,253,305	170,160,036
Other liabilities	-	-	-	-	-	55,987,694	55,987,694
Total financial liabilities	2,186,607,184	366,602,031	1,490,445,240	1,151,430,107	137,726,522	873,922,806	6,206,733,890
Net interest sensitivity gap	(1,513,826,306)	286,898,272	(553,922,229)	1,899,809,287	460,098,263	511,406,953	1,090,464,240
In KHR'000 equivalent (Note 5)	(6,174,897,502)	1,170,258,051	(2,259,448,772)	7,749,322,082	1,876,740,815	2,086,028,960	4,448,003,634
Unused portion of overdrafts	-	-	-	-	-	170,204,282	170,204,282
Guarantees, acceptances and other financial facilities	-	-	-	-	-	62,050,994	62,050,994
Foreign exchange spot transactions	-	-	-	-	-	-	-
Net interest sensitivity gap	-	-	-	-	-	232,255,276	232,255,276
In KHR'000 equivalent (Note 5)	-	-	-	-	-	947,369,271	947,369,271

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Group						Total US\$
	Up to 1 month US\$	1 - 3 months US\$	3 - 12 months US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	
As at 31 December 2020							
Financial assets							
Cash on hand	-	-	-	-	-	412,759,051	412,759,051
Deposits and placements with other banks, net	234,738,355	4,076,310	-	-	-	295,838,481	534,653,146
Statutory deposits	-	-	43,316,302	-	-	317,060,706	360,377,008
Financial investments	566,138,442	-	372,497	-	-	163,584	566,674,523
Loans and advances, net							
- Performing	114,672,830	239,865,582	845,044,589	2,744,589,864	454,249,545	-	4,398,422,410
- Non performing	-	-	-	-	-	108,220,753	108,220,753
- Loss allowance	-	-	-	-	-	(35,342,545)	(35,342,545)
Other assets	-	-	-	-	-	6,921,852	6,921,852
Total financial assets	915,549,627	243,941,892	888,733,388	2,744,589,864	454,249,545	1,105,621,882	6,352,686,198
Financial liabilities							
Deposits and placements of other banks and financial institutions	68,526,232	8,347,174	40,716,070	18,855,000	71,556,029	109,008,954	317,009,459
Deposits from customers	1,998,279,203	254,562,597	923,043,532	532,634,286	21,296,683	564,469,747	4,294,286,048
Lease liabilities	1,722,414	1,483,344	7,104,107	16,334,766	1,973,271	-	28,617,902
Borrowings	1,784,756	74,857,377	121,085,450	332,042,951	5,860,858	6,767,524	542,398,916
Subordinated debts	-	-	10,973,591	98,753,000	56,997,210	434,822	167,158,623
Other liabilities	-	-	-	-	-	28,699,228	28,699,228
Total financial liabilities	2,070,312,605	339,250,492	1,102,922,750	998,620,003	157,684,051	709,380,275	5,378,170,176
Net interest sensitivity gap	(1,154,762,978)	(95,308,600)	(214,189,362)	1,745,969,861	296,565,494	396,241,607	974,516,022
<i>In KHR'000 equivalent (Note 5)</i>	<u><u>(4,671,016,246)</u></u>	<u><u>(385,523,287)</u></u>	<u><u>(866,395,969)</u></u>	<u><u>7,062,448,088</u></u>	<u><u>1,199,607,423</u></u>	<u><u>1,602,797,300</u></u>	<u><u>3,941,917,309</u></u>
Unused portion of overdrafts	-	-	-	-	-	120,937,607	120,937,607
Guarantees, acceptances and other financial facilities	-	-	-	-	-	54,900,984	54,900,984
Net interest sensitivity gap	-	-	-	-	-	175,838,591	175,838,591
<i>In KHR'000 equivalent (Note 5)</i>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>711,267,100</u></u>	<u><u>711,267,100</u></u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Bank						Total US\$
	Up to 1 month US\$	1 - 3 months US\$	3 - 12 months US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	
As at 30 September 2021							
Financial assets							
Cash on hand	-	-	-	-	-	445,861,928	445,861,928
Deposits and placements with other banks, net	206,135,500	23,690,120	29,780,338	-	-	443,774,708	703,380,666
Statutory deposits	-	43,316,302	-	-	-	348,876,259	392,192,561
Financial investments	348,063,249	354,731,627	888,380	-	-	276,704	703,959,960
Loans and advances, net							
- Performing	111,598,511	218,004,645	858,129,270	2,953,989,603	589,375,573	-	4,731,097,602
- Non performing	-	-	-	-	-	128,006,274	128,006,274
- Loss allowance	-	-	-	-	-	(29,773,324)	(29,773,324)
Other assets	-	-	-	-	-	7,707,503	7,707,503
Total financial assets	665,797,260	639,742,694	888,797,988	2,953,989,603	589,375,573	1,344,730,052	7,082,433,170
Financial liabilities							
Deposits and placements of other banks and financial institutions	54,153,270	3,396,727	140,556,543	31,144,125	79,650,000	169,674,505	478,575,170
Deposits from customers	2,091,020,446	341,405,214	1,137,871,817	609,728,996	10,434,651	634,126,267	4,824,587,391
Lease liabilities	1,185,975	1,715,759	7,016,128	15,204,508	573,515	-	25,695,885
Borrowings	241,457	523,577	130,706,017	348,118,673	3,692,044	2,682,692	485,964,460
Subordinated debts	-	10,986,490	14,735,441	106,106,532	35,078,268	3,253,305	170,160,036
Other liabilities	-	-	-	-	-	55,827,933	55,827,933
Total financial liabilities	2,146,601,148	358,027,767	1,430,885,946	1,110,302,834	129,428,478	865,564,702	6,040,810,875
Net interest sensitivity gap	(1,480,803,888)	281,714,927	(542,087,958)	1,843,686,769	459,947,095	479,165,350	1,041,622,295
<i>In KHR000 equivalent (Note 5)</i>	<u>(6,040,199,059)</u>	<u>1,149,115,187</u>	<u>(2,211,176,781)</u>	<u>7,520,398,332</u>	<u>1,876,124,201</u>	<u>1,954,515,462</u>	<u>4,248,777,342</u>
Unused portion of overdrafts	-	-	-	-	-	169,833,801	169,833,801
Guarantees, acceptances and other financial facilities	-	-	-	-	-	61,823,912	61,823,912
Foreign exchange spot transactions	-	-	-	-	-	-	-
Net interest sensitivity gap	-	-	-	-	-	231,657,713	231,657,713
<i>In KHR000 equivalent (Note 5)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>944,931,811</u>	<u>944,931,811</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Bank						Total US\$
	Up to 1 month US\$	1 - 3 months US\$	3 - 12 months US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	
As at 31 December 2020							
Financial assets							
Cash on hand	-	-	-	-	-	400,816,126	400,816,126
Deposits and placements with other banks, net	234,700,199	3,000,000	-	-	-	269,929,208	507,629,407
Statutory deposits	-	-	43,316,302	-	-	313,437,454	356,753,756
Financial investments	566,138,442	-	372,497	-	-	163,584	566,674,523
Loans and advances, net							
- Performing	105,939,266	220,918,625	787,952,910	2,656,562,739	451,329,271	-	4,222,702,811
- Non performing	-	-	-	-	-	101,155,737	101,155,737
- Loss allowance	-	-	-	-	-	(31,209,389)	(31,209,389)
Other assets	-	-	-	-	-	6,923,222	6,923,222
Total financial assets	906,777,907	223,918,625	831,641,709	2,656,562,739	451,329,271	1,061,215,942	6,131,446,193
Financial liabilities							
Deposits and placements of other banks and financial institutions	67,683,651	6,356,000	22,429,557	18,855,000	71,556,029	109,884,317	296,764,554
Deposits from customers	1,955,317,026	246,232,704	896,537,310	511,760,130	17,564,763	552,856,804	4,180,268,737
Lease liabilities	1,620,943	1,443,572	6,647,364	15,123,119	937,387	-	25,772,385
Borrowings	193,560	71,157,818	107,238,207	318,846,331	3,753,850	6,163,150	507,352,916
Subordinated debts	-	-	10,973,591	98,753,000	56,997,210	434,822	167,158,623
Other liabilities	-	-	-	-	-	28,488,959	28,488,959
Total financial liabilities	2,024,815,180	325,190,094	1,043,826,029	963,337,580	150,809,239	697,828,052	5,205,806,174
Net interest sensitivity gap	(1,118,037,273)	(101,271,469)	(212,184,320)	1,693,225,159	300,520,032	363,387,890	925,640,019
<i>In KHR'000 equivalent (Note 5)</i>	<u>(4,522,460,769)</u>	<u>(409,643,092)</u>	<u>(858,285,574)</u>	<u>6,849,095,768</u>	<u>1,215,603,529</u>	<u>1,469,904,016</u>	<u>3,744,213,878</u>
Unused portion of overdrafts	-	-	-	-	-	120,108,962	120,108,962
Guarantees, acceptances and other financial facilities	-	-	-	-	-	54,694,480	54,694,480
Net interest sensitivity gap	-	-	-	-	-	174,803,442	174,803,442
<i>In KHR'000 equivalent (Note 5)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,079,923</u>	<u>707,079,923</u>

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) *Interest rate risk (continued)*

Fair value sensitivity analysis for fixed-rate instruments

The Group and the Bank do not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect statement of profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

Statement of profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates. The change of 25 basis points ("bp") in interest rates of borrowings at the reporting date would not have material effect on statement of profit or loss of the Group and the Bank.

(ii) *Foreign exchange risk*

The Group operates in Cambodia, Lao PDR, and Republic of the Union of Myanmar and transacts in many currencies. It is exposed to various currency risks, primarily with respect to Khmer Riel, Euro, Thai Baht, LAK, JPY, AUD, VND, CAD, Kyats and others.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's and the Bank's functional currency.

Management monitors their foreign exchange risk against functional currencies. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group use forward contracts.

The table below summarises the Group's and the Bank's exposure to foreign currency exchange rate risk as at 30 September 2021 and 31 December 2020. Included in the table are the financial instruments at carrying amount by currency in US\$ equivalent.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group							Total
	In US\$ equivalent							
	KHR	USD	THB	EUR	AUD	LAK	Others	
As at 30 September 2021								
Financial assets								
Cash on hand	117,054,401	309,448,672	17,765,466	2,603,974	455,812	8,690,363	4,933,750	460,952,438
Deposits and placements with other banks, net	161,404,719	541,401,543	5,531,314	594,084	87,377	22,237,345	1,298,215	732,554,597
Statutory deposits	57,367,002	335,322,397	371,500	-	-	1,586,304	-	394,647,203
Financial investments	147,759,496	556,200,464	-	-	-	-	-	703,959,960
Loans and advances, net	666,986,786	4,139,722,116	22,669,607	-	-	150,167,532	17,783,153	4,997,329,194
Other assets	267,801	7,429,201	6	-	-	57,730	-	7,754,738
Total financial assets	1,150,840,205	5,889,524,393	46,337,893	3,198,058	543,189	182,739,274	24,015,118	7,297,198,130
Financial liabilities								
Deposits and placements of other banks and financial institutions	39,117,246	437,586,002	213,181	-	-	30,569,585	-	507,486,014
Deposits from customers	1,000,187,085	3,785,730,635	44,378,443	2,879,512	-	97,098,274	1,516,809	4,931,790,758
Lease liabilities	-	27,690,115	93,455	-	-	334,211	109,303	28,227,084
Borrowings	40,526,504	454,909,528	-	-	-	12,949,802	4,696,470	513,082,304
Subordinated debts	-	170,160,036	-	-	-	-	-	170,160,036
Other liabilities	4,820,950	50,882,783	14,333	15,153	3,645	68,919	181,911	55,987,694
Total financial liabilities	1,084,651,785	4,926,959,099	44,699,412	2,894,665	3,645	141,020,791	6,504,493	6,206,733,890
Net on-balance sheet position	66,188,420	962,565,294	1,638,481	303,393	539,544	41,718,483	17,510,625	1,090,464,240
<i>In KHR'000 equivalent (Note 5)</i>	269,982,565	3,926,303,834	6,683,364	1,237,540	2,200,800	170,169,692	71,425,839	4,448,003,634
Unused portion of overdrafts	3,275,296	166,263,089	295,416	-	-	370,481	-	170,204,282
Guarantees, acceptances and other financial facilities	6,489,498	52,393,569	2,540,966	15,620	-	225,718	385,623	62,050,994
Foreign exchange spot transactions	-	-	-	-	-	-	-	-
Credit commitment	9,764,794	218,656,658	2,836,382	15,620	-	596,199	385,623	232,255,276
<i>In KHR'000 equivalent (Note 5)</i>	39,830,595	891,900,508	11,569,602	63,714	-	2,431,896	1,572,956	947,369,271

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group							Total
	In US\$ equivalent							
	KHR	USD	THB	EUR	AUD	LAK	Others	
As at 31 December 2020								
Financial assets								
Cash on hand	103,488,247	284,892,098	12,247,160	2,967,502	226,620	7,446,734	1,490,690	412,759,051
Deposits and placements with other banks, net	78,882,898	431,103,914	4,323,331	1,200,340	78,488	15,945,738	3,118,437	534,653,146
Statutory deposits	43,584,672	313,941,072	662,559	-	-	2,188,705	-	360,377,008
Financial investments	32,362,619	534,311,904	-	-	-	-	-	566,674,523
Loans and advances net	605,355,296	3,653,522,729	27,594,434	-	-	140,856,509	43,971,650	4,471,300,618
Other assets	112,607	6,661,885	23,341	-	-	124,019	-	6,921,852
Total financial assets	863,786,339	5,224,433,602	44,850,825	4,167,842	305,108	166,561,705	48,580,777	6,352,686,198
Financial liabilities								
Deposits and placements of other banks and financial institutions	34,696,856	260,231,181	272,131	-	-	21,809,291	-	317,009,459
Deposits from customers	731,620,195	3,415,853,729	39,841,991	3,824,001	-	94,515,122	8,631,010	4,294,286,048
Lease liabilities	-	27,913,335	141,356	-	-	410,237	152,974	28,617,902
Borrowings	40,101,721	477,440,120	-	-	-	10,910,412	13,946,663	542,398,916
Subordinated debts	-	167,158,623	-	-	-	-	-	167,158,623
Other liabilities	1,156,153	27,287,797	34,800	112,286	-	96,196	11,996	28,699,228
Total financial liabilities	807,574,925	4,375,884,785	40,290,278	3,936,287	-	127,741,258	22,742,643	5,378,170,176
Net on-balance sheet position	56,211,414	848,548,817	4,560,547	231,555	305,108	38,820,447	25,838,134	974,516,022
<i>In KHR'000 equivalent (Note 5)</i>	227,375,170	3,432,379,965	18,447,413	936,640	1,234,162	157,028,708	104,515,251	3,941,917,309
Unused portion of overdrafts	2,331,747	116,705,275	1,071,940	-	-	828,645	-	120,937,607
Guarantees, acceptances and other financial facilities	5,551,196	45,784,145	2,810,817	349,515	-	205,141	200,170	54,900,984
Credit commitment	7,882,943	162,489,420	3,882,757	349,515	-	1,033,786	200,170	175,838,591
<i>In KHR'000 equivalent (Note 5)</i>	31,886,504	657,269,704	15,705,752	1,413,788	-	4,181,664	809,688	711,267,100

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Bank							Total
	In US\$ equivalent							
	KHR	USD	THB	EUR	AUD	LAK	Others	
As at 30 September 2021								
Financial assets								
Cash on hand	117,050,129	307,946,341	15,853,184	2,603,184	455,528	3,239	1,950,323	445,861,928
Deposits and placements with other banks, net	161,404,718	539,261,611	964,646	594,084	87,377	-	1,068,230	703,380,666
Statutory deposits	57,121,844	335,070,717	-	-	-	-	-	392,192,561
Financial investments	147,759,496	556,200,464	-	-	-	-	-	703,959,960
Loans and advances net	666,986,786	4,139,674,159	22,669,607	-	-	-	-	4,829,330,552
Other assets	267,801	7,439,696	6	-	-	-	-	7,707,503
Total financial assets	1,150,590,774	5,885,592,988	39,487,443	3,197,268	542,905	3,239	3,018,553	7,082,433,170
Financial liabilities								
Deposits and placements of other banks and financial institutions	39,117,246	438,448,228	1,009,696	-	-	-	-	478,575,170
Deposits from customers	1,000,687,647	3,784,456,168	36,564,064	2,879,512	-	-	-	4,824,587,391
Lease liabilities	-	25,695,885	-	-	-	-	-	25,695,885
Borrowings	40,526,504	445,437,956	-	-	-	-	-	485,964,460
Subordinated debts	-	170,160,036	-	-	-	-	-	170,160,036
Other liabilities	4,820,431	50,803,122	13,190	15,153	3,645	-	172,392	55,827,933
Total financial liabilities	1,085,151,828	4,915,001,395	37,586,950	2,894,665	3,645	-	172,392	6,040,810,875
Net on-balance sheet position	65,438,946	970,591,593	1,900,493	302,603	539,260	3,239	2,846,161	1,041,622,295
<i>In KHR'000 equivalent (Note 5)</i>	266,925,461	3,959,043,107	7,752,111	1,234,318	2,199,642	13,212	11,609,491	4,248,777,342
Unused portion of overdrafts	3,275,296	166,263,089	295,416	-	-	-	-	169,833,801
Guarantees, acceptances and other financial facilities	6,489,498	52,392,205	2,540,966	15,620	-	-	385,623	61,823,912
Foreign exchange spot transactions	-	-	-	-	-	-	-	-
Credit commitment	9,764,794	218,655,294	2,836,382	15,620	-	-	385,623	231,657,713
<i>In KHR'000 equivalent (Note 5)</i>	39,830,595	891,894,944	11,569,602	63,714	-	-	1,572,956	944,931,811

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Bank							Total
	In US\$ equivalent							
	KHR	USD	THB	EUR	AUD	LAK	Others	
As at 31 December 2020								
Financial assets								
Cash on hand	103,480,325	283,028,828	9,927,044	2,965,106	226,023	3,227	1,185,573	400,816,126
Deposits and placements with other banks, net	78,882,898	426,153,616	613,723	1,200,340	78,488	-	700,342	507,629,407
Statutory deposits	43,337,454	313,416,302	-	-	-	-	-	356,753,756
Financial investments	32,362,619	534,311,904	-	-	-	-	-	566,674,523
Loans and advances net	605,355,297	3,659,699,428	27,594,434	-	-	-	-	4,292,649,159
Other assets	111,994	6,811,221	7	-	-	-	-	6,923,222
Total financial assets	863,530,587	5,223,421,299	38,135,208	4,165,446	304,511	3,227	1,885,915	6,131,446,193
Financial liabilities								
Deposits and placements of other banks and financial institutions	34,696,856	261,794,286	273,412	-	-	-	-	296,764,554
Deposits from customers	731,889,478	3,411,404,278	33,150,980	3,824,001	-	-	-	4,180,268,737
Lease liabilities	-	25,772,385	-	-	-	-	-	25,772,385
Borrowings	40,101,721	467,251,195	-	-	-	-	-	507,352,916
Subordinated debts	-	167,158,623	-	-	-	-	-	167,158,623
Other liabilities	1,150,276	27,196,955	29,335	112,286	-	-	107	28,488,959
Total financial liabilities	807,838,331	4,360,577,722	33,453,727	3,936,287	-	-	107	5,205,806,174
Net on-balance sheet position	55,692,256	862,843,577	4,681,481	229,159	304,511	3,227	1,885,808	925,640,019
<i>In KHR'000 equivalent (Note 5)</i>	225,275,176	3,490,202,269	18,936,591	926,948	1,231,747	13,053	7,628,094	3,744,213,878
Unused portion of overdrafts	2,331,747	116,705,275	1,071,940	-	-	-	-	120,108,962
Guarantees, acceptances and other financial facilities	5,551,196	45,782,782	2,810,817	349,515	-	-	200,170	54,694,480
Credit commitment	7,882,943	162,488,057	3,882,757	349,515	-	-	200,170	174,803,442
<i>In KHR'000 equivalent (Note 5)</i>	31,886,504	657,264,191	15,705,752	1,413,788	-	-	809,688	707,079,923

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. FINANCIAL RISK MANAGEMENT (continued)

37.2 Market risk (continued)

(ii) *Foreign exchange risk (continued)*

Sensitivity analysis

The Group and the Bank is exposed to changes in US dollar and other foreign currencies exchange rate. Due to a reasonably possible strengthening (weakening) of the US dollar against foreign currencies, the Group and the Bank's exposure to other foreign exchange movement is not material.

37.3 Liquidity risk

Liquidity risk is the risk that the Group and the Bank is unable to meet its obligations or payment or offset positions in a given economic and financial context and specific market situation. Typically, it is the risk of loss arising from situation where 1) the Group and the Bank do not have enough cash and/or cash equivalents to meet the needs of depositors, borrowers, and contingent liabilities, 2) the sale of non-liquid assets are lower than market price, and 3) non-liquid assets would not be sold at the desired time due to the lack of buyers.

The objective of the Group's liquidity risk management is to ensure that the Group can meet its cash obligations in a timely and cost-effective manner. To the date of this report, the Group's liquidity and funding management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both normal business and stress conditions. Due to its large distribution network and strategic marketing focus, the Group is able to maintain a diversified core deposit base comprising of savings, demand, and fixed deposits. This provides the Group of a large stable funding base.

(a) Liquidity risk management process

The day-to-day responsibility for liquidity risk management and control is delegated to the ALCO which reports monthly to the executive committee.

For day-to-day liquidity management, the treasury operations division will ensure sufficient funding to meet its payment and settlement obligations on a timely basis. The process of managing liquidity risk also includes the following:

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

a) Liquidity risk management process (continued)

Principles of the liquidity risk:

- At all times the related senior management of the Treasury Department shall ensure that the Bank's operations can meet its current and future funding needs. The Treasury Department shall stress-test its liquidity position on a daily basis.
- The related senior management of Treasury Department has established a risk control framework and procedures to ensure it maintains sufficient liquidity at all times, including the holding of unencumbered eligible assets, to withstand a range of stress events, including the loss of funding sources such as deposits, borrowings, capital raising that liquidity risk is managed in accordance with the requirements of the Board.
- Stress testing is performed regularly to assess various scenarios includes short, medium and long-term, institution-specific and market-wide stress which may put the Bank's liquidity at risk.
- The Treasury Department identifies, monitors, manages and controls the risk associated daily liquidity as well as short, medium and long-term liquidity as these are key periods for liquidity management. The Treasury Department develops and implements stress tests on the projected cash flows. The outputs are used to inform the Bank's contingency funding plan.
- The Bank incorporates liquidity cost, benefits and risks in the internal pricing, performance measurement, and new products/services approval process for all significant business activities (both on and off balance sheet) in order to align with the benefits from accepting risks of each business unit and liquidity risks affecting the business activities of the Bank.

Internal targets of the liquidity risk:

- The regulatory limit on the Liquidity Coverage Ratio (LCR) should be observed at all times.
- The Bank will have, at all times, an internal targets that is higher than the regulatory limit to allow for a safety margin to ensure permanent full compliance with regulatory limit.
- Setting the level of the internal targets is at the discretion of the ALCO and needs to be both 1) stated and motivated in the ALCO minutes and 2) formally approved by the President & Group Managing Director.
- The risk tolerance/internal targets must be reviewed at least once a year to reflect the financial condition and the funding mobilization capacity.
- Relevant divisions and departments should regularly assess and monitor the perceived risks of non-

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

a) Liquidity risk management process (continued)

Internal targets of the liquidity risk: (continued)

compliance to the targets. Any breaches of internal targets should be reported to the ALCO for remedial actions and President & Group Managing Director for approval.

- Any change level of internal targets will need to be reported by e-mail to the Chair of the BRIC on the same day the change has been made.
- At all time, the Bank will have a contingency plan to be executed when it is perceived by the Bank that the safety margin may not be sufficient and there is a risk that the regulatory limit on liquidity could be breached. Such contingency plan should be sufficient to ensure that the regulatory limits on liquidity will not be breached.
- In case, the Bank experiences a severe liquidity, the Bank must immediately notify NBC and advise the action that is being taken to address the situation.

The Bank has put in place a robust and comprehensive liquidity risk management framework in accordance with National Bank of Cambodia's Prakas No. B7-017-301 dated on 27 September 2017 on Liquidity Risk Management Framework (LRMF), which consists of risk appetite, risk tolerance, policies, early warning indicators, and monitoring mechanism which are reviewed and endorsed by BRIC and approved by the Board. The key elements of the framework are to ensure that the Bank maintains sufficient liquidity at all times, including the holding of unencumbered eligible assets, to withstand a range of stress events, including the loss of funding sources, either internally (as with deposits) or externally (as with borrowings or raising additional capital), and other issues. The Bank ensures that the business activities are mainly funded with stable sources of funding on an ongoing basis.

The Management designs a set of early warning indicators to aid its daily liquidity risk management processes in identifying the emergence of increased risk or vulnerabilities in its liquidity risk position or potential funding needs.

The Bank's contingency liquidity plan (CLP) is in place to alert and to enable the management to act effectively and efficiently during a liquidity crisis and under adverse market conditions. The objective of contingency liquidity plan is to ensure that the bank has a framework for managing the liquidity sufficiently and robustly in the event of liquidity crisis based on the result of liquidity stress testing.

The Group is measuring, monitoring and managing its liquidity positions to comply with the regulatory Liquidity Coverage Ratio (LCR).

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

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AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

a) Liquidity risk management process (continued)

The purpose of the LCR aims at promoting short-term resilience of each institution's liquidity risk profile, ensuring that each institution has an adequate stock of unencumbered liquid assets that can be converted into cash at no or little loss of value in markets, to meet its liquidity needs for a 30-day liquidity stress scenario, and ensuring that prompt corrective actions are taken by the institution's management when the LCR potentially falls below the minimum requirement.

The Bank also uses a range of tools such as liquidity ratio, liquidity gap analysis, safety margin, and monthly cash flow projection to measure, monitor and manage its liquidity positions. In addition, The Bank also performs daily and monthly liquidity stress test in order to identify and quantify its exposures to possible future liquidity stresses, analysing possible impacts on the Bank's cash flows, liquidity position, profitability and solvency.

(b) Funding approach

The Group's main sources of liquidities arise from shareholder's paid-up capital, borrowings, subordinated debts, deposits and placements of other banks and financial institutions and deposits from customers. The sources of liquidity are regularly reviewed via the Management's daily review of maturity of fixed deposits and key depositors. The Group's Borrowings and subordinated debts are also regularly reviewed via Management's daily review of interest and principal repayments and maturity.

(c) Non-derivative cash flows

The table below presents the cash flows payable under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on contractual undiscounted cash flows.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

c) Non-derivative cash flows (continued)

	The Group						
	Up to 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
As at 30 September 2021							
Financial liabilities							
Deposits and placements of other banks and financial institutions	223,760,277	5,904,689	67,849,438	98,287,234	66,400,847	109,719,462	571,921,947
Deposits from customers	2,727,341,046	367,913,533	476,494,035	773,014,390	697,844,874	22,846,065	5,065,453,943
Lease liabilities	1,218,328	1,748,491	2,522,841	5,430,540	18,928,663	4,059,244	33,908,107
Borrowings	2,619,034	6,769,205	66,001,868	100,685,597	393,750,859	8,213,410	578,039,973
Subordinated debts	-	15,610,126	1,187,025	20,095,720	132,803,535	43,659,756	213,356,162
Other liabilities	55,871,698	28,500	87,496	-	-	-	55,987,694
Total financial liabilities (contractual maturity dates)	3,010,810,383	397,974,544	614,142,703	997,513,481	1,309,728,778	188,497,937	6,518,667,826
<i>In KHR'000 equivalent (Note 5)</i>	<u>12,281,095,552</u>	<u>1,623,338,165</u>	<u>2,505,088,086</u>	<u>4,068,857,489</u>	<u>5,342,383,685</u>	<u>768,883,085</u>	<u>26,589,646,062</u>
Assets held for managing liquidity risk (contractual maturity dates)	1,993,933,462	353,583,197	472,222,350	798,075,929	3,832,446,870	1,205,928,702	8,656,190,510
<i>In KHR'000 equivalent (Note 5)</i>	<u>8,133,254,591</u>	<u>1,442,265,861</u>	<u>1,926,194,966</u>	<u>3,255,351,714</u>	<u>15,632,550,783</u>	<u>4,918,983,175</u>	<u>35,308,601,090</u>
As at 31 December 2020							
Financial liabilities							
Deposits and placements of other banks and financial institutions	175,970,349	9,215,069	13,017,546	33,584,422	40,747,725	103,351,755	375,886,866
Deposits from customers	2,531,089,539	272,332,376	336,468,086	653,630,934	592,339,778	25,243,282	4,411,103,995
Lease liabilities	1,170,306	1,535,260	2,503,107	5,053,229	20,581,294	3,816,462	34,659,658
Borrowings	3,385,091	64,831,199	10,292,464	67,477,276	445,672,141	5,985,745	597,643,916
Subordinated debts	-	45,834	4,558,596	16,776,922	127,967,578	69,556,379	218,905,309
Other liabilities	28,620,226	63,785	12,677	2,540	-	-	28,699,228
Total financial liabilities (contractual maturity dates)	2,740,235,511	348,023,523	366,852,476	776,525,323	1,227,308,516	207,953,623	5,666,898,972
<i>In KHR'000 equivalent (Note 5)</i>	<u>11,084,252,642</u>	<u>1,407,755,151</u>	<u>1,483,918,265</u>	<u>3,141,044,932</u>	<u>4,964,462,947</u>	<u>841,172,405</u>	<u>22,922,606,342</u>
Assets held for managing liquidity risk (contractual maturity dates)	1,669,790,702	317,803,320	423,641,084	718,599,200	3,405,850,353	980,859,187	7,516,543,846

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in KHR'000 equivalent (Note 5)

6,754,303,390	1,285,514,429	1,713,628,185	2,906,733,764	13,776,664,678	3,967,575,411	30,404,419,857
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37. Financial risk management (continued)

37.3 Liquidity risk (continued)

c) Non-derivative cash flows (continued)

	The Bank						Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
As at 30 September 2021							
Financial liabilities							
Deposits and placements of other banks and financial institutions	221,515,767	4,350,429	65,395,627	83,539,729	57,210,022	109,719,462	541,731,036
Deposits from customers	2,685,732,293	362,256,555	464,889,910	751,845,771	670,181,600	12,977,808	4,947,883,937
Lease liabilities	1,148,334	1,675,534	2,412,448	4,980,637	17,818,369	852,726	28,888,048
Borrowings	499,382	3,937,702	55,955,402	96,825,760	382,687,754	7,384,088	547,290,088
Subordinated debts	-	15,610,126	1,187,025	20,095,720	132,803,535	43,659,756	213,356,162
Other liabilities	55,751,933	28,500	47,500	-	-	-	55,827,933
Total financial liabilities (contractual maturity dates)	2,964,647,708	387,858,846	589,887,912	957,287,617	1,260,701,280	174,593,840	6,334,977,203
<i>In KHR'000 equivalent (Note 5)</i>	<u>12,092,798,001</u>	<u>1,582,076,233</u>	<u>2,406,152,793</u>	<u>3,904,776,190</u>	<u>5,142,400,521</u>	<u>712,168,273</u>	<u>25,840,372,011</u>
Assets held for managing liquidity risk (contractual maturity dates)	1,940,013,777	335,720,046	446,383,830	760,512,297	3,706,707,727	1,199,378,181	8,388,715,858
<i>In KHR'000 equivalent (Note 5)</i>	<u>7,913,316,196</u>	<u>1,369,402,068</u>	<u>1,820,799,643</u>	<u>3,102,129,659</u>	<u>15,119,660,818</u>	<u>4,892,263,600</u>	<u>34,217,571,984</u>
As at 31 December 2020							
Financial liabilities							
Deposits and placements of other banks and financial institutions	176,671,075	7,124,445	2,186,170	25,015,940	40,747,725	103,351,754	355,097,109
Deposits from customers	2,477,890,696	263,366,379	325,733,156	635,073,701	567,433,640	19,756,459	4,289,254,031
Lease liabilities	1,082,083	1,494,995	2,374,137	4,704,387	18,888,896	655,929	29,200,427
Borrowings	1,442,209	60,301,229	3,999,653	58,135,533	430,242,996	3,753,850	557,875,470
Subordinated debts	-	45,834	4,558,596	16,776,922	127,967,578	69,556,379	218,905,309
Other liabilities	28,434,359	54,600	-	-	-	-	28,488,959
Total financial liabilities (contractual maturity dates)	2,685,520,422	332,387,482	338,851,712	739,706,483	1,185,280,835	197,074,370	5,478,821,304
<i>In KHR'000 equivalent (Note 5)</i>	<u>10,862,930,107</u>	<u>1,344,507,365</u>	<u>1,370,655,175</u>	<u>2,992,112,724</u>	<u>4,794,460,978</u>	<u>797,165,827</u>	<u>22,161,832,176</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

Assets held for managing liquidity risk (contractual maturity dates)	<u>1,622,393,307</u>	<u>296,587,899</u>	<u>398,341,665</u>	<u>685,014,808</u>	<u>3,318,881,281</u>	<u>971,740,867</u>	<u>7,292,959,827</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>6,562,580,927</u>	<u>1,199,698,051</u>	<u>1,611,292,035</u>	<u>2,770,884,898</u>	<u>13,424,874,782</u>	<u>3,930,691,807</u>	<u>29,500,022,500</u>

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(d) Off-balance sheet items

i. *Loan commitments and guarantee*

The dates of the contractual amounts of the Group's and the Bank's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities (Note 34) are summarised in table below:

	The Group					Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
At 30 September 2021						
Unused portion of overdrafts	170,204,282	-	-	-	-	170,204,282
Bank guarantees	3,851,756	4,153,643	23,644,238	13,880,379	428,423	45,958,439
Letters of credit	2,297,096	10,375,478	3,419,981	-	-	16,092,555
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
Gross settled (interest rate swap - cash flow hedges)						
- (inflow)	-	(63,877)	(216,327)	(449,900)	-	(730,104)
- Outflow	-	573,359	2,169,729	2,991,574	-	5,734,662
Net	-	509,482	1,953,402	2,541,674	-	5,004,558
Total	176,353,134	15,038,603	29,017,621	16,422,053	428,423	237,259,834

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(d) Off-balance sheet items (continued)

i. Loan commitments and guarantee (continued)

	The Group					Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
At 31 December 2020						
Unused portion of overdrafts	120,937,607	-	-	-	-	120,937,607
Bank guarantees	2,525,862	8,901,002	20,652,127	14,959,175	-	47,038,166
Letters of credit	2,025,994	5,528,555	308,269	-	-	7,862,818
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
Gross settled (interest rate swap - cash flow hedges)						
- (inflow)	-	(55,905)	(497,068)	(1,022,263)	(7,569)	(1,582,805)
- outflow	-	526,497	2,200,304	4,501,866	12,583	7,241,250
Net	-	470,592	1,703,236	3,479,603	5,014	5,658,445
Total	125,489,463	14,900,149	22,663,632	18,438,778	5,014	181,497,036

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37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(d) Off-balance sheet items (continued)

i. *Loan commitments and guarantee (continued)*

	The Bank					Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
At 30 September 2021						
Unused portion of overdrafts	169,833,801	-	-	-	-	169,833,801
Bank guarantees	3,713,728	4,153,643	23,556,547	13,879,016	428,423	45,731,357
Letters of credit	2,297,096	10,375,478	3,419,981	-	-	16,092,555
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
Gross settled (interest rate swap - cash flow hedges)						
- (inflow)	-	(63,877)	(216,327)	(449,900)	-	(730,104)
- outflow	-	573,359	2,169,729	2,991,574	-	5,734,662
Net	-	509,482	1,953,402	2,541,674	-	5,004,558
Total	175,844,625	15,038,603	28,929,930	16,420,690	428,423	236,662,271

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(d) Off-balance sheet items (continued)

i. *Loan commitments and guarantee (continued)*

	The Bank					Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
At 31 December 2020						
Unused portion of overdrafts	120,108,962	-	-	-	-	120,108,962
Bank guarantees	2,525,862	8,901,002	20,446,986	14,957,812	-	46,831,662
Letters of credit	2,025,994	5,528,555	308,269	-	-	7,862,818
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
Gross settled (interest rate swap - cash flow hedges)						
- (inflow)	-	(55,905)	(497,068)	(1,022,263)	(7,569)	(1,582,805)
- outflow	-	526,497	2,200,304	4,501,866	12,583	7,241,250
Net	-	470,592	1,703,236	3,479,603	5,014	5,658,445
Total	124,660,818	14,900,149	22,458,491	18,437,415	5,014	180,461,887

ii. *Other financial facilities*

Other financial facilities are also included as above based on the earliest contractual date.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(e) COVID-19 pandemic and impact on liquidity

In line with the additional measures of the NBC which provides an additional liquidity to the banking and financial sector to mitigate the impact of COVID-19 pandemic, the Bank has also continued to place greater emphasis on liquidity management with introduced risk management measures and exit strategy to reduce liquidity risk and maintain business continuity such as:

- The Bank has maintained the optimal level of fund or cash-on-hand for operation at headquarters, branches, and ATMs in order to deal with the unprecedented events resulted from the COVID-19 pandemic;
- As part of the implementation of the contingency funding plan, the Bank has signed facility agreements with lenders for long-term loans (senior loans);
- Additionally, the Bank has communicated and negotiated with potential lenders for acquiring long-term loans (senior loans) for the year of 2021 and 2022.

38. Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities disclosed on Note 37. The Group and the Bank have an established framework and policies which provide guidance concerning the practical considerations, principles and analytical approaches for the establishment of prudent valuation for financial instruments measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The valuation of financial instruments are determined by reference to quoted prices in active markets or by using valuation techniques based on observable inputs or unobservable inputs. Management judgment is exercised in the selection and application of appropriate parameters, assumptions and modelling techniques where some or all of the parameter inputs are not observable in deriving fair value.

Valuation adjustment is also an integral part of the valuation process. Valuation adjustment is to reflect the uncertainty in valuations generally for products that are less standardised, less frequently traded and more complex in nature. In making a valuation adjustment, the Group and the Bank follow methodologies that consider factors such as liquidity, bid-offer spread, and unobservable prices and inputs in the market and uncertainties in the assumptions and parameters.

The Group and the Bank continuously enhance its design, validation methodologies and processes to ensure the valuations are reflective. The valuation models are validated both internally and externally, with periodic reviews to ensure the model remains suitable for its intended use.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

38. Fair value of financial instruments (continued)

Determination of fair value:

The Group and the Bank classify its financial instruments measured at fair value according to the following hierarchy, reflecting the significance of the inputs in making the fair value measurements:

Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets; or
- Quoted prices for identical or similar assets and liabilities in non-active markets; or
- Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Financial assets and financial liabilities are classified as Level 1 when the valuation is based on quoted prices for identical assets or liabilities in active markets.

Financial assets and financial liabilities are regarded as being quoted in an active market if the prices are readily available from a published and reliable source and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When fair value is determined using quoted prices of similar assets and liabilities in active markets or quoted prices of identical or similar assets and liabilities in non-active markets, such assets and liabilities are classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank determine fair value based upon valuation techniques that use market parameters as inputs. Most valuation techniques employ observable market data, including but not limited to, yield curves, equity prices, volatilities and foreign exchange rates.

Financial assets and financial liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data. Such inputs are determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters. The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

38. Fair value of financial instruments (continued)

Determination of fair value: (continued)

(a) Financial instruments measured at fair value

The Group and the Bank did not have significant amounts of financial instruments measured at fair value.

(b) Financial instruments not measured at fair value

As at the reporting date, the fair values of financial instruments of the Group and the Bank approximate their carrying amounts.

The estimated fair values are based on the following methodologies and assumptions:

i. Deposits and placements with other banks

Deposits and placements with other banks include current accounts which are non-interest bearing, savings deposits and short-term deposits. The fair value of deposits and placements with other banks approximate their carrying values at the reporting date due to the relatively short maturity of these instruments.

ii. Financial investments

- *Financial investments at FVOCI*

This represents the Bank's investment in Credit Bureau Holding (Cambodia) Ltd. with 5% as equity cash investment and 1% through the Association of Banks in Cambodia. No fair value disclosures are provided for equity investment securities of US\$189,670 (2020: US\$153,529) that are measured at cost because their fair value cannot be reliably measured. The investment is neither redeemable nor transferable and there is no market for them. The Group and the Bank do not intend to dispose these investment.

Bank's Investment in SWIFT amounting \$34,858 is the investment required by the SWIFT SCRL to all swift members, no dividend provided. So, the fair value of investment is the cost of this investment

- *Financial investments at amortised cost*

Financial investments at amortised cost include NCD with the NBC with maturities of less than one year. The fair value of financial investments approximates their carrying values at the reporting date due to the relatively short-term maturity of these instruments.

iii. Loans and advances

The fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses, interest

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

38. Fair value of financial instruments (continued)

(b) Financial instruments not measured at fair value (continued)

iii. Loans and advances (continued)

rates, prepayment rates and primary origination or secondary market spreads. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral.

Input into the models may include data from third party and information obtained from other market participants, which includes observed primary and secondary transactions. Its carrying value approximates to fair value at the reporting date.

iv. Deposits and placements of other banks and financial institutions and deposits from customers

The fair value of deposits and placements of other banks and financial institutions and deposits from customers with maturities of less than one year approximates their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits and placements of other banks and financial institutions and deposits from customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Group and the Bank offered similar interest rate of the instrument with similar maturities and terms.

The estimated fair value of deposits with no stated maturities, which includes non-interest bearing deposits, deposits payable on demand is the amount payable at the reporting date.

v. Statutory deposits

Capital guarantee & reserved requirement represents the minimum reserve required by NBC .These deposit, are not available for use in the Bank's day-to-day operations is refundable should the Bank voluntarily cease its operations in Cambodia. The fair value is the carrying amount as at reporting date.

vi. Other assets and other liabilities

The carrying amounts of other financial assets and other financial liabilities are assumed to approximates their fair values as these items are not materially sensitive to the shift in market interest rates.

vii. Borrowings, subordinated debts and lease liabilities

The fair value of borrowings, subordinated debts and lease liabilities are estimated by discounting the expected future cash flows using the applicable prevailing market interest rates for borrowings with similar risk profiles. However, only the contractual interest rates which are confirmed and provided by all lenders are available at the reporting date instead of the applicable prevailing market interest rates. The Group and the Bank believed that the effective interest rates were not significantly different to the prevailing market interest rates on the ground that there was no change to interest rates following the lenders' consideration on the Group's and the Bank's credit risk profile as at reporting date. On this basis, the fair value of borrowings, subordinated debts and lease liabilities approximates their carrying values at the reporting date.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

39. Capital risk management

The Group and the Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

- To comply with the capital requirement set by the NBC;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of business.

The NBC requires all commercial banks to i) hold minimum capital requirement, ii) maintain the Bank's net worth of at least equal to the minimum capital, and iii) comply with solvency ratio, liquidity coverage ratio and other prudential ratios.

The table below summarises the composition of regulatory capital which follows the requirements of the NBC. These amounts are based on the consolidate and separate financial statements as at 30 September 2021 and for the period then ended.

	The Group			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,766,871,955	1,752,144,412
Share Premium	11,706,215	11,706,215	47,749,651	47,351,640
Retained earnings	174,880,189	143,767,688	713,336,291	581,540,298
General reserves based on NBC Prakas	524,576,552	460,472,664	2,139,747,756	1,862,611,926
Less: Intangible assets	(13,734,172)	(14,666,345)	(56,021,688)	(59,325,366)
Less: Loans to related parties	(14,858,278)	(20,429,241)	(60,606,916)	(82,636,280)
Less: Other losses	(31,898,857)	(21,641,208)	(130,115,438)	(87,538,686)
	<u>1,083,834,668</u>	<u>992,372,792</u>	<u>4,420,961,611</u>	<u>4,014,147,944</u>
Tier 2 complementary capital				
General provision based on NBC Prakas	51,258,330	46,043,738	209,082,728	186,246,920
Subordinated debts (*)	166,906,731	166,723,802	680,812,556	674,397,779
Less: Equity participation in banking or financial institutions	(2,010,000)	(2,010,000)	(8,198,790)	(8,130,450)
	<u>216,155,061</u>	<u>210,757,540</u>	<u>881,696,494</u>	<u>852,514,249</u>
	<u>1,299,989,729</u>	<u>1,203,130,332</u>	<u>5,302,658,105</u>	<u>4,866,662,193</u>

(*) This represents subordinated debts approved by the National Bank of Cambodia and only represent the outstanding principal amount.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

	The Bank			
	30 September 2021 US\$	31 December 2020 US\$	30 September 2021 KHR'000 (Note 5)	31 December 2020 KHR'000 (Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,766,871,955	1,752,144,412
Share Premium	11,706,215	11,706,215	47,749,651	47,351,640
Retained earnings	170,510,485	138,414,769	695,512,268	559,887,741
General reserves based on NBC Prakas	510,741,556	455,413,629	2,083,314,807	1,842,148,129
Less: Intangible assets	(12,710,686)	(13,884,558)	(51,846,888)	(56,163,037)
Less: Loans to related parties	(14,054,299)	(19,436,759)	(57,327,486)	(78,621,690)
	<u>1,099,356,290</u>	<u>1,005,376,315</u>	<u>4,484,274,307</u>	<u>4,066,747,195</u>
Tier 2 complementary capital				
General provision based on NBC Prakas	49,694,417	44,467,660	202,703,527	179,871,685
Subordinated debts (*)	166,906,731	166,723,802	680,812,556	674,397,779
Less: Equity participation in banking or financial institutions	(71,312,716)	(71,310,571)	(290,884,569)	(288,451,260)
	<u>145,288,432</u>	<u>139,880,891</u>	<u>592,631,514</u>	<u>565,818,204</u>
	<u>1,244,644,722</u>	<u>1,145,257,206</u>	<u>5,076,905,821</u>	<u>4,632,565,399</u>

(*) This represents subordinated debts approved by the National Bank of Cambodia and only represent the outstanding principal amount.

ACLEDA BANK PLC. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED) AS AT 30 SEPTEMBER 2021 AND FOR THE THREE-MONTH AND NINE-MONTH PERIODS THEN ENDED

40. Tax contingencies

On 24 December 2018, the Bank obtained a letter for tax reassessment for various tax matters for the financial years ended 2009 to 2013 from the Department of Enterprise Tax Audit of the GDT.

On 11 January 2019, the Bank lodged the administrative protests against the reassessment in accordance with the tax provisions. The protest letter was prepared by the Bank and submitted to the GDT on the grounds that the reassessment is not appropriate.

On 17 September 2019, the Bank received a notification letter for tax collection from the GDT. This letter is requesting for the Bank's payment on tax in arrears resulted from the tax reassessment.

On 23 September 2019, a protest letter was submitted by the Bank to the GDT on the grounds that the reassessment is not appropriate. On 10 February 2020, the Bank received a notification letter from the GDT regarding the temporary delay on tax collection related to above tax reassessment.

On 6 March 2020, the Bank received a new notification letter from the GDT to conduct a tax audit for the fiscal years beginning 2015 to 2018. The Bank has provided several requested documents to the GDT on 2 July 2020. As at the date of these financial statements, GDT has not yet issued an official response on the protest letter for the results of the tax audit for the fiscal years beginning 2015 to 2018.

On 06 August 2021, the Department of Enterprise Tax Audit of the GDT issued a letter to the Bank for the tax reassessment for the financial year 2019 and requested the submission of several documents. However, the Bank received the letter from the tax auditors on 16 September 2021. As at the date of this report, the tax auditors have not yet informed the Bank on the date documents will be hand over.

Management believes that the tax liability recorded by the Bank is adequate.

41. Events after reporting period

Except for the ongoing impact of Covid-19 to the Group and the Bank as disclosed in Note 3 to the financial statements, no other significant events occurred after the end of the reporting period and the date of authorization of these financial statements, which would require adjustments or disclosures to be made in the financial statements.

42. Authorisation of the interim financial statements

The consolidated and separate interim financial statements as at 30 September 2021 and for the period then ended were approved for issue by the Board of Directors on 5 November 2021.