

ACLEDA BANK PLC.

**CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED
AND INDEPENDENT AUDITOR'S REPORT ON INTERIM FINANCIAL STATEMENTS**

ACLEDA BANK PLC.

**CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD 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 31 March 2024 and for the three-month period 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 the NBC.

On 25 May 2020, the Bank was successfully listed in the Cambodia Securities Exchange (“CSX”). The number of new issued shares were 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 initial public offering (“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 (KHR48,235,459 thousand).

On 23 November 2020, the shareholders approved the amendment to the Memorandum and Articles of Association (“MAA”) relating to the capital increase from the 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”) and ACLEDA MFI Myanmar Co., Ltd. (“AMM”), are all in the financial industry sector and have operations across 264 offices covering all provinces and cities in the Kingdom of Cambodia, 37 offices in the Lao People’s Democratic Republic (“PDR”), and 17 offices in the Republic of the Union of Myanmar. The Bank’s other subsidiaries, ACLEDA Securities Plc. (“ACS”) is in the securities sector and ACLEDA University of Business Co., Ltd. (“AUB”) is in the education sector.

On 21 November 2022, the NBC approved the Bank’s request for the issuance of green bonds to qualified investors in the amount of KHR400 Billion (equivalent to US\$100 Million) on the CSX.

On 7 December 2022, the Securities and Exchange Regulator of Cambodia (“SERC”) approved the Bank’s request for its nominated Cash Settlement Agent, Registrar Agent, and Transfer Agent, and ACS as the Bond Agent when the Bank issues the green bonds in the CSX.

PRINCIPAL ACTIVITIES

The Bank operates under the regulations 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 Directors believe support these objectives.

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

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 ("SECC") (currently, the SERC).

AUB is 76.609% owned by the Bank. AUB provides training and education for Associate's degree, Bachelor's degree, and Master's degree in Business Administration, Major in Banking and Finance.

AMM is wholly-owned by the Bank 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 in Myanmar.

INTERIM FINANCIAL PERFORMANCE

The audited interim financial performance of the Group and the Bank for the three-month period ended 31 March 2024 are set out in the consolidated interim statements of profit or loss and other comprehensive income and separate interim statements of profit or loss and other comprehensive income on pages 12 – 13 and 19, respectively.

SHARE CAPITAL AND SHARE PREMIUM

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 from the proceeds, net of tax.

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the period 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 write-off of bad loans and advances or in making 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 values 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.

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 or 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.

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 that are likely, in the opinion of the Directors, to substantially affect the results of the operations of the Group and the Bank for the financial period in which this report is made.

THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

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

- Mr. Chhay Soeun Chairman (Non-executive Director)
- Dr. In Channy Member (Executive Director)
- Mr. Kyosuke Hattori Member (Non-executive Director)
- Dr. Albertus Bruggink Member (Non-executive Director)
- Mr. Stéphane Mangiavacca Member (Non-executive Director)
- Mr. Kay Lot Member (Independent Director) (Effective on 7 May 2024, previously served as Non-executive Director)
-
- Drs. Pieter Kooi Member (Independent Director)
- Dr. Heng Dyna Member (Independent Director)
- Ms. Phurik Ratana Member (Independent Director)

THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE (continued)

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

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

THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Directors 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 as at 31 March 2024, the interim financial performance and the interim cash flows for the three-month period then ended of the Group and the Bank in accordance with Cambodian International Financial Reporting Standards ("CIFRS").

In preparing these interim financial statements, the Directors 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 CIFRS, 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 statements; and,
- vi) safeguard the assets of the Group and the Bank and hence take reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors 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 and Group Chief Operations Officer

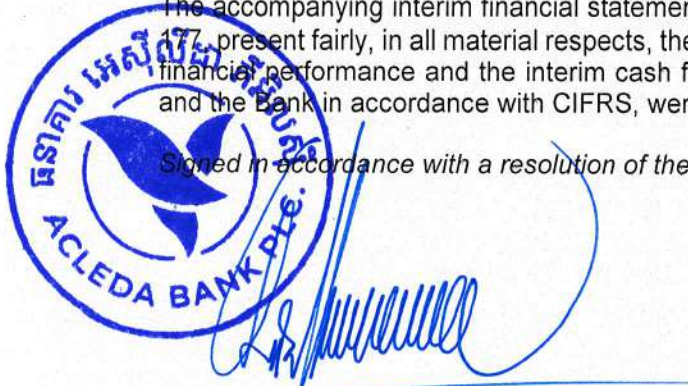
Dr. In Channy
President & Group Managing Director

Phnom Penh, Kingdom of Cambodia
Date: 9 May 2024

APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The accompanying interim financial statements, together with the notes thereto set out on pages 11 to 177, present fairly, in all material respects, the interim financial position as at 31 March 2024, the interim financial performance and the interim cash flows for the three-month period then ended of the Group and the Bank in accordance with CIFRS, 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
Date: 9 May 2024



Independent auditor's report

To the Shareholders of ACLEDA Bank Plc.

Report on the audit of the consolidated and separate interim financial statements

Our opinion

In our opinion, the consolidated interim financial statements and the separate interim financial statements present fairly, in all material respects, the consolidated interim financial position of ACLEDA Bank Plc. (the Bank) and its subsidiaries (the Group) and the separate interim financial position of the Bank as at 31 March 2024, and its consolidated and separate interim financial performance and its consolidated and separate interim cash flows for the period then ended in accordance with Cambodian International Financial Reporting Standards (CIFRS).

What we have audited

ACLEDA Bank Plc.'s interim financial statements comprise:

- the consolidated interim statement of financial position as at 31 March 2024;
- the consolidated interim statement of profit or loss and other comprehensive income for the period covering 1 January 2024 to 31 March 2024;
- the consolidated interim statement of changes in equity for the period covering 1 January 2024 to 31 March 2024;
- the consolidated interim statement of cash flows for the period covering 1 January 2024 to 31 March 2024;
- the separate interim statement of financial position as at 31 March 2024;
- the separate interim statement of profit or loss and other comprehensive income for the period covering 1 January 2024 to 31 March 2024;
- the separate interim statement of changes in equity for the period covering 1 January 2024 to 31 March 2024;
- the separate interim statement of cash flows for the period covering 1 January 2024 to 31 March 2024; and
- the notes to the consolidated and separate interim financial statements, which include material accounting policy information and other explanatory information.

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 consolidated and separate interim financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independence

We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the consolidated and separate interim financial statements in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate interim financial statements of the current period. We determine one key audit matter: Allowance for impairment losses on loans and advances. This matter was addressed in the context of our audit of the consolidated and separate interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
<p>Allowance for impairment losses on loans and advances</p> <p>Loans and advances constitute approximately 66.17% and 65.68% of the Group's and the Bank's total assets, respectively, as at 31 March 2024. The Group's and the Bank's loan portfolio mainly comprises loans and advances to customers (both corporates and individuals) in wholesales and retails, services and agriculture. Refer to Note 39.1(d)(ii) for details.</p> <p>The Group's and the Bank's expected credit loss ("ECL") models are significant to our audit as this requires the use of complex models and significant assumptions about future economic conditions and credit behaviors. The ECL models require considerable judgement and interpretation in its implementation of the requirements of CIFRS 9, Financial Instruments, 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"> • grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL; • choosing appropriate models and assumptions to measure ECL; 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We updated our 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; - Review of the credit worthiness of the borrowers; - Review on frequent refreshment of collateral value; 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. • We examined samples of loans for the appropriateness of the loan credit risk grading and staging, assessed Management's evaluations and conclusions on the credit worthiness and classification of the selected loans.



Key audit matter	How our audit addressed the key audit matter
<p data-bbox="286 405 867 461">Allowance for impairment losses on loans and advances (continued)</p> <ul data-bbox="286 499 867 685" style="list-style-type: none"> <li data-bbox="286 499 867 589">• Determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR); and, <li data-bbox="286 595 867 685">• applying assumptions and analysis on expected future cash flows and forward-looking information; <p data-bbox="286 719 867 904">The details of the accounting policies, critical accounting judgements and estimation uncertainty, and credit risk management used by the Group and the Bank have been disclosed in Notes 2(e)(vii), 4 and 39.1 to the interim financial statements, respectively.</p>	<ul data-bbox="890 405 1467 1032" style="list-style-type: none"> <li data-bbox="890 405 1467 775">• We evaluated the processes used by Management to develop forward-looking information used in the ECL models and validated their reasonableness against publicly available information and our understanding of the Group's and the Bank's loan portfolios and industry where the Group operates. In addition, we assessed the level of significant of correlation of selected macro-economic factors to the default rates as well as the impact of these variables to the ECL. <li data-bbox="890 781 1467 871">• We tested the accuracy of key inputs into the ECL models by comparing them against source systems and documents. <li data-bbox="890 878 1467 967">• We recomputed on the sample basis the ECL to test the mathematical accuracy of the ECL models. <li data-bbox="890 974 1467 1032">• We assessed the adequacy of disclosures to ensure compliance with CIFRS 9. <p data-bbox="890 1066 1467 1178">From the results of these procedures, we determined that the key assumptions of management's estimate were reasonable based on available evidence.</p>

Other information

Management is responsible for the other information. The other information comprises the report of the Board of Directors and the supplementary financial information required by the National Bank of Cambodia, but does not include the consolidated and separate interim financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate interim financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 consolidated and separate interim financial statements in accordance with CIFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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.

Auditor's responsibilities for the audit of the consolidated and separate interim financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate interim financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate interim financial statements, including the disclosures, and whether the consolidated and separate interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the interim 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate interim financial statements of the current period and are therefore the key audit matter. We describe these matters 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.

For PricewaterhouseCoopers (Cambodia) Ltd.



By Kuy Lim
Partner

Phnom Penh, Kingdom of Cambodia
9 May 2024

ACLEDA BANK PLC.

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

		31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Notes 5)
ASSETS					
Cash on hand	7	594,334,628	495,793,568	2,401,706,232	2,025,316,725
Deposits and placements with other banks, net	8	1,596,291,400	1,509,543,178	6,450,613,547	6,166,483,882
Financial investments, net	9	360,793,823	357,544,384	1,457,967,839	1,460,568,809
Loans and advances, net	10	6,662,697,375	6,601,665,231	26,923,960,092	26,967,802,469
Other assets	11	78,136,768	32,839,518	315,750,679	134,149,431
Statutory deposits	12	576,597,232	548,627,109	2,330,029,415	2,241,141,740
Property and equipment, net	14	149,625,919	147,746,865	604,638,339	603,545,944
Intangible assets, net	15	10,339,266	10,771,018	41,780,974	43,999,609
Right-of-use assets, net	16	33,375,400	32,410,303	134,869,991	132,396,088
Deferred tax assets	17	1,228,714	1,352,626	4,965,233	5,525,477
Derivative financial instruments	23	5,870,738	5,746,686	23,723,652	23,475,212
TOTAL ASSETS		<u>10,069,291,263</u>	<u>9,744,040,486</u>	<u>40,690,005,993</u>	<u>39,804,405,386</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and placements of other banks and financial institutions	18	396,830,746	419,792,620	1,603,593,045	1,714,852,853
Deposits from customers	19	7,240,327,204	6,808,020,419	29,258,162,231	27,810,763,412
Other liabilities	20	131,640,941	85,845,344	531,961,043	350,678,230
Borrowings	21	698,242,180	859,813,550	2,821,596,649	3,512,338,352
Subordinated debts	22	118,993,574	117,053,882	480,853,033	478,165,108
Lease liabilities	24	33,648,090	32,527,687	135,971,932	132,875,601
Employee benefits	25	10,349,264	8,392,621	41,821,376	34,283,857
Current income tax liabilities	32(a)	3,420,468	3,791,516	13,822,111	15,488,343
Deferred tax liabilities	17	28,841,980	26,782,045	116,550,441	109,404,654
TOTAL LIABILITIES		<u>8,662,294,447</u>	<u>8,362,019,684</u>	<u>35,004,331,861</u>	<u>34,158,850,410</u>
EQUITY					
Share capital	26	433,163,019	433,163,019	1,732,652,076	1,732,652,076
Share premium	26	11,706,215	11,706,215	48,235,459	48,235,459
Reserves	36	737,052,259	722,627,638	3,003,011,748	3,005,581,984
Retained earnings		219,041,066	208,502,399	877,390,416	834,487,503
Capital and reserves attributable to owners of the Bank		1,400,962,559	1,375,999,271	5,661,289,699	5,620,957,022
Non-controlling interests		6,034,257	6,021,531	24,384,433	24,597,954
TOTAL EQUITY		<u>1,406,996,816</u>	<u>1,382,020,802</u>	<u>5,685,674,132</u>	<u>5,645,554,976</u>
TOTAL LIABILITIES AND EQUITY		<u>10,069,291,263</u>	<u>9,744,040,486</u>	<u>40,690,005,993</u>	<u>39,804,405,386</u>

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statements.

ACLEDA BANK PLC.

CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

		31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
	Notes				
Interest income	27	195,455,958	183,827,602	795,701,205	750,751,927
Interest expense	28	<u>(88,037,282)</u>	<u>(75,388,657)</u>	<u>(358,399,775)</u>	<u>(307,887,275)</u>
Net interest income		<u>107,418,676</u>	<u>108,438,945</u>	<u>437,301,430</u>	<u>442,864,652</u>
Fee and commission income	29	10,856,273	11,590,286	44,195,887	47,334,728
Fee and commission expense		<u>(1,370,444)</u>	<u>(636,984)</u>	<u>(5,579,078)</u>	<u>(2,601,443)</u>
Net fee and commission income		<u>9,485,829</u>	<u>10,953,302</u>	<u>38,616,809</u>	<u>44,733,285</u>
Allowance for impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(18,412,517)	(10,194,746)	(74,957,357)	(41,635,343)
Allowance for impairment losses on off-balance sheet commitments	10	<u>(40,725)</u>	<u>(1,656)</u>	<u>(165,791)</u>	<u>(6,763)</u>
Net impairment losses		<u>(18,453,242)</u>	<u>(10,196,402)</u>	<u>(75,123,148)</u>	<u>(41,642,106)</u>
Income after impairment losses		98,451,263	109,195,845	400,795,091	445,955,831
Other income, net	30	5,729,173	7,023,343	23,323,463	28,683,333
Other operating expenses	31	<u>(71,043,637)</u>	<u>(69,366,874)</u>	<u>(289,218,646)</u>	<u>(283,294,313)</u>
Profit before income tax		33,136,799	46,852,314	134,899,908	191,344,851
Income tax expense	32(b)	<u>(6,579,246)</u>	<u>(8,305,702)</u>	<u>(26,784,110)</u>	<u>(33,920,487)</u>
Profit for the period (carried forward to next page)		<u>26,557,553</u>	<u>38,546,612</u>	<u>108,115,798</u>	<u>157,424,364</u>

ACLEDA BANK PLC.

CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Note				
Profit for the period (brought forward from previous page)	<u>26,557,553</u>	<u>38,546,612</u>	<u>108,115,798</u>	<u>157,424,364</u>
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Exchange differences	-	-	(61,558,197)	(84,065,156)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences - foreign subsidiaries	(1,705,591)	(554,217)	(6,943,461)	(2,263,422)
Remeasurement of the effective portion of derivatives arising from cash flow hedge	<u>124,052</u>	<u>(780,991)</u>	<u>505,016</u>	<u>(3,189,567)</u>
Other comprehensive loss for the period	<u>(1,581,539)</u>	<u>(1,335,208)</u>	<u>(67,996,642)</u>	<u>(89,518,145)</u>
Total comprehensive income for the period	<u>24,976,014</u>	<u>37,211,404</u>	<u>40,119,156</u>	<u>67,906,219</u>
Profit for the period attributable to:				
Owners of the Bank	26,544,428	38,504,113	108,062,366	157,250,798
Non-controlling interests	<u>13,125</u>	<u>42,499</u>	<u>53,432</u>	<u>173,566</u>
	<u>26,557,553</u>	<u>38,546,612</u>	<u>108,115,798</u>	<u>157,424,364</u>
Total other comprehensive income attributable to:				
Owners of the Bank	24,963,288	37,169,035	40,067,348	67,733,184
Non-controlling interests	<u>12,726</u>	<u>42,369</u>	<u>51,808</u>	<u>173,035</u>
	<u>24,976,014</u>	<u>37,211,404</u>	<u>40,119,156</u>	<u>67,906,219</u>
The earnings per share attributable to shareholders of the Bank during the period:				
Basic earnings per share	33	0.06	0.09	0.25
Diluted earnings per share	33	0.06	0.09	0.25

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statement.

ACLEDA BANK PLC.

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

	Attributable to equity holders of the Parent												Non-controlling interest		Total equity	
	Share capital		Share premium		Reserves		Retained earnings		Total							
	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 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 2024	433,163,019	1,732,652,076	11,706,215	48,235,459	722,627,638	3,005,581,984	208,502,399	834,487,503	1,375,999,271	5,620,957,022	6,021,531	24,597,954	1,382,020,802	5,645,554,976		
Profit for the period	-	-	-	-	-	-	26,544,428	108,062,366	26,544,428	108,062,366	13,125	53,432	26,557,553	108,115,798		
Other comprehensive income:																
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	124,052	505,016	-	-	124,052	505,016	-	-	124,052	505,016		
Currency translation differences - foreign subsidiaries	-	-	-	-	(1,705,192)	(6,941,837)	-	-	(1,705,192)	(6,941,837)	(399)	(1,624)	(1,705,591)	(6,943,461)		
Total comprehensive (loss)/income for the period	-	-	-	-	(1,581,140)	(6,436,821)	26,544,428	108,062,366	24,963,288	101,625,545	12,726	51,808	24,976,014	101,677,353		
Transaction with owners:																
Transfer from retained earnings to regulatory reserves	-	-	-	-	16,005,761	65,159,453	(16,005,761)	(65,159,453)	-	-	-	-	-	-		
Exchange differences	-	-	-	-	-	(61,292,868)	-	-	-	(61,292,868)	-	(265,329)	-	(61,558,197)		
Total transactions with owners	-	-	-	-	16,005,761	3,866,585	(16,005,761)	(65,159,453)	-	(61,292,868)	-	(265,329)	-	(61,558,197)		
As at 31 March 2024	<u>433,163,019</u>	<u>1,732,652,076</u>	<u>11,706,215</u>	<u>48,235,459</u>	<u>737,052,259</u>	<u>3,003,011,748</u>	<u>219,041,066</u>	<u>877,390,416</u>	<u>1,400,962,559</u>	<u>5,661,289,699</u>	<u>6,034,257</u>	<u>24,384,433</u>	<u>1,406,996,816</u>	<u>5,685,674,132</u>		

ACLEDA BANK PLC.

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

	Attributable to equity holders of the Parent												Non-controlling interest		Total equity	
	Share capital		Share premium		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 2023	433,163,019	1,732,652,076	11,706,215	48,235,459	638,862,248	2,706,552,320	226,856,479	908,250,779	1,310,587,961	5,395,690,634	6,059,859	24,948,440	1,316,647,820	5,420,639,074		
Profit for the period	-	-	-	-	-	-	38,504,113	157,250,798	38,504,113	157,250,798	42,499	173,566	38,546,612	157,424,364		
Other comprehensive income:																
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(780,991)	(3,189,567)	-	-	(780,991)	(3,189,567)	-	-	(780,991)	(3,189,567)		
Currency translation differences - foreign subsidiaries	-	-	-	-	(554,087)	(2,262,891)	-	-	(554,087)	(2,262,891)	(130)	(531)	(554,217)	(2,263,422)		
Total comprehensive (loss)/income for the period	-	-	-	-	(1,335,078)	(5,452,458)	38,504,113	157,250,798	37,169,035	151,798,340	42,369	173,035	37,211,404	151,971,375		
Transaction with owners:																
Transfer from retained earnings to regulatory reserves	-	-	-	-	8,766,512	35,802,435	(8,766,512)	(35,802,435)	-	-	-	-	-	-		
Exchange differences	-	-	-	-	-	(83,682,113)	-	-	-	(83,682,113)	-	(383,043)	-	(84,065,156)		
Total transactions with owners	-	-	-	-	8,766,512	(47,879,678)	(8,766,512)	(35,802,435)	-	(83,682,113)	-	(383,043)	-	(84,065,156)		
As at 31 March 2023	433,163,019	1,732,652,076	11,706,215	48,235,459	646,293,682	2,653,220,184	256,594,080	1,029,699,142	1,347,756,996	5,463,806,861	6,102,228	24,738,432	1,353,859,224	5,488,545,293		

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statements.

ACLEDA BANK PLC.

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

		31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
	Notes				
Cash flows from operating activities					
Profit for the period before income tax		33,136,799	46,852,314	134,899,908	191,344,851
<i>Adjustments for:</i>					
Net impairment losses	10	18,453,242	10,196,402	75,123,148	41,642,106
Depreciation of property and equipment	31	6,154,539	5,554,840	25,055,128	22,685,967
Depreciation of right-of-use assets	16	3,174,497	2,988,956	12,923,377	12,206,896
Seniority indemnity benefits	25(a)	2,226,868	2,703,080	9,065,580	11,039,379
Amortisation of intangible assets	15	679,999	675,524	2,768,276	2,758,840
Career development expense	25(b)	507,908	419,464	2,067,693	1,713,091
Pension fund		217,649	217,377	886,049	887,768
Unrealised foreign exchange gains		153,132	1,413,400	623,400	5,772,326
Adjustment in intangible assets		83,830	84,000	341,272	343,056
Adjustment in property and equipment		44,542	374,287	181,330	1,528,588
Reversal of retirement benefits	25	-	(121,300)	-	(495,390)
Dividend income	30	(233)	(205,462)	(949)	(839,107)
Gain on disposals of property and equipment and lease	30	(237,206)	(86,376)	(965,666)	(352,760)
Currency translation reserves		(1,705,591)	(554,217)	(6,943,461)	(2,263,422)
Net interest income		(107,418,676)	(108,438,945)	(437,301,430)	(442,864,652)
Operating loss before changes in working capital		<u>(44,528,701)</u>	<u>(37,926,656)</u>	<u>(181,276,345)</u>	<u>(154,892,463)</u>
<i>Changes in:</i>					
Deposits from customers		432,306,785	401,697,664	1,759,920,922	1,640,533,260
Other liabilities		43,928,609	(21,262,701)	178,833,367	(86,836,871)
Deposits and placements with other banks		495,825	(5,785,673)	2,018,504	(23,628,689)
Deposits and placements from other banks and financial institutions		(22,961,874)	(2,137,556)	(93,477,789)	(8,729,779)
Reserve requirement		(27,970,123)	(153,728,380)	(113,866,371)	(627,826,704)
Other assets		(45,234,651)	14,654,211	(184,150,264)	59,847,798
Loans and advances		(79,473,033)	(163,626,522)	(323,534,717)	(668,250,716)
Cash flows from operations		<u>256,562,837</u>	<u>31,884,387</u>	<u>1,044,467,307</u>	<u>130,215,836</u>
Interest received		194,812,852	181,987,340	793,083,120	743,236,297
Seniority benefits paid	25(a)	(13,790)	(3,418)	(56,139)	(13,959)
Pension fund paid		(216,615)	(216,283)	(881,840)	(883,300)
Career development benefits paid	25(b)	(756,355)	(3,869,005)	(3,079,121)	(15,801,016)
Retirement benefits paid		-	(22,464,315)	-	(91,744,262)
Income tax paid	32(a)	(4,800,555)	(35,964,086)	(19,543,059)	(146,877,327)
Interest paid		(68,344,259)	(45,062,431)	(278,229,478)	(184,034,968)
Net cash from operating activities (carried forward to next page)		<u>377,244,115</u>	<u>106,292,189</u>	<u>1,535,760,790</u>	<u>434,097,301</u>

ACLEDA BANK PLC.

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Net cash from operating activities (brought forward from previous page)	<u>377,244,115</u>	<u>106,292,189</u>	<u>1,535,760,790</u>	<u>434,097,301</u>
Cash flows from investing activities				
Interest received from investments	643,104	1,840,264	2,618,076	7,515,638
Proceeds from disposals of property and equipment	240,351	119,143	978,469	486,580
Dividends received	233	205,462	949	839,107
Proceeds from matured investments	-	1,022,968	-	4,177,801
Purchases of intangible assets	15 (376,747)	(539,712)	(1,533,737)	(2,204,184)
Purchases of property and equipment	14 (6,910,321)	(8,792,027)	(28,131,917)	(35,906,638)
Purchases of financial investments	<u>(34,676,115)</u>	<u>10,653,699</u>	<u>(141,166,464)</u>	<u>43,509,707</u>
Net cash (used in)/from investing activities	<u>(41,079,495)</u>	<u>4,509,797</u>	<u>(167,234,624)</u>	<u>18,418,011</u>
Cash flows from financing activities				
Proceeds from borrowings	(50,000)	80,566,768	(203,550)	329,034,681
Payments of lease liabilities	24 (3,551,640)	(3,400,707)	(14,458,726)	(13,888,487)
Interest paid	(21,093,483)	(20,510,973)	(85,871,569)	(83,766,814)
Repayments of borrowings	<u>(157,171,078)</u>	<u>(50,142,852)</u>	<u>(639,843,459)</u>	<u>(204,783,408)</u>
Net cash (used in)/from financing activities	<u>(181,866,201)</u>	<u>6,512,236</u>	<u>(740,377,304)</u>	<u>26,595,972</u>
Net increase in cash and cash equivalents	154,298,419	117,314,222	628,148,862	479,111,284
Cash and cash equivalents at the beginning of the period	2,279,718,573	1,748,443,669	9,312,650,371	7,346,396,896
Exchange differences	-	-	(104,936,568)	(261,725,690)
Cash and cash equivalents at the end of the period	34 <u>2,434,016,992</u>	<u>1,865,757,891</u>	<u>9,835,862,665</u>	<u>7,563,782,490</u>

Non-cash investing activities

Non-cash investing activities disclosed in other note is the purchases of property and equipment (Note 14) and the purchases of intangible assets (Note 15).

Non-cash financing activities

During the three-month period ended 31 March 2024, the Group entered into new lease agreements and recognised right-of-use assets amounting to US\$4,451,082 (31 March 2023: US\$3,074,305), and pre-terminated right-of-use assets and lease liabilities amounting to US\$313,375 (31 March 2023: US\$281,286) and US\$355,670 (31 March 2023: and US\$333,776), respectively, and recognised a gain from pretermination amounting to US\$10,460 (31 March 2023: gain is US\$55,375), which is a non-cash transaction.

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statements.

ACLEDA BANK PLC.

**SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

		31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Notes 5)
ASSETS					
Cash on hand	7	584,073,289	486,584,317	2,360,240,161	1,987,696,935
Deposits and placements with other banks, net	8	1,560,951,472	1,478,882,021	6,307,804,898	6,041,233,056
Financial investments, net	9	360,793,823	357,544,384	1,457,967,839	1,460,568,809
Loans and advances, net	10	6,520,328,801	6,457,043,288	26,348,648,685	26,377,021,831
Other assets	11	76,703,778	31,035,271	309,959,968	126,779,083
Statutory deposits	12	571,273,481	543,302,104	2,308,516,137	2,219,389,095
Investments in subsidiaries	13	91,117,716	91,117,716	368,206,690	372,215,870
Property and equipment, net	14	114,385,793	113,709,160	462,232,990	464,501,919
Intangible assets, net	15	9,315,163	9,829,455	37,642,574	40,153,324
Right-of-use assets, net	16	31,928,678	30,852,413	129,023,788	126,032,107
Derivative financial instruments	23	5,870,738	5,746,686	23,723,652	23,475,212
TOTAL ASSETS		<u>9,926,742,732</u>	<u>9,605,646,815</u>	<u>40,113,967,382</u>	<u>39,239,067,241</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and placements of other banks and financial institutions	18	355,942,700	386,405,927	1,438,364,451	1,578,468,212
Deposits from customers	19	7,147,054,905	6,715,289,025	28,881,248,871	27,431,955,667
Other liabilities	20	128,470,898	82,983,974	519,150,899	338,989,534
Borrowings	21	685,681,985	843,418,591	2,770,840,901	3,445,364,944
Subordinated debts	22	118,993,574	117,053,882	480,853,033	478,165,108
Lease liabilities	24	31,667,888	30,547,348	127,969,935	124,785,917
Employee benefits	25	10,200,214	8,200,636	41,219,065	33,499,598
Current income tax liabilities	32(a)	2,576,862	2,319,080	10,413,099	9,473,442
Deferred tax liabilities	17	28,841,980	26,782,045	116,550,441	109,404,654
TOTAL LIABILITIES		<u>8,509,431,006</u>	<u>8,213,000,508</u>	<u>34,386,610,695</u>	<u>33,550,107,076</u>
EQUITY					
Share capital	26	433,163,019	433,163,019	1,732,652,076	1,732,652,076
Share premium	26	11,706,215	11,706,215	48,235,459	48,235,459
Reserves	36	780,920,706	765,115,248	3,181,280,183	3,178,952,563
Retained earnings		191,521,786	182,661,825	765,188,969	729,120,067
TOTAL EQUITY		<u>1,417,311,726</u>	<u>1,392,646,307</u>	<u>5,727,356,687</u>	<u>5,688,960,165</u>
TOTAL LIABILITIES AND EQUITY		<u>9,926,742,732</u>	<u>9,605,646,815</u>	<u>40,113,967,382</u>	<u>39,239,067,241</u>

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statements.

ACLEDA BANK PLC.

SEPARATE INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	Notes	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Interest income	27	187,877,314	176,226,591	764,848,545	719,709,398
Interest expense	28	(85,949,025)	(73,712,825)	(349,898,481)	(301,043,177)
Net interest income		<u>101,928,289</u>	<u>102,513,766</u>	<u>414,950,064</u>	<u>418,666,221</u>
Fee and commission income	29	9,506,382	10,376,176	38,700,481	42,376,303
Fee and commission expense		(1,360,170)	(609,257)	(5,537,252)	(2,488,206)
Net fee and commission income		<u>8,146,212</u>	<u>9,766,919</u>	<u>33,163,229</u>	<u>39,888,097</u>
Allowance for impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(18,206,143)	(9,315,567)	(74,117,208)	(38,044,776)
(Allowance for)/reversal of impairment losses on off-balance sheet commitments	10	(43,274)	4,118	(176,168)	16,818
Net impairment losses		<u>(18,249,417)</u>	<u>(9,311,449)</u>	<u>(74,293,376)</u>	<u>(38,027,958)</u>
Income after impairment losses		<u>91,825,084</u>	<u>102,969,236</u>	<u>373,819,917</u>	<u>420,526,360</u>
Other income, net	30	5,534,279	6,211,310	22,530,050	25,366,990
Other operating expenses	31	(66,844,541)	(66,656,559)	(272,124,126)	(272,225,387)
Profit before income tax		<u>30,514,822</u>	<u>42,523,987</u>	<u>124,225,841</u>	<u>173,667,963</u>
Income tax expense	32(b)	(5,973,455)	(7,628,479)	(24,317,935)	(31,154,708)
Profit for the period		<u>24,541,367</u>	<u>34,895,508</u>	<u>99,907,906</u>	<u>142,513,255</u>
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Exchange differences		-	-	(62,016,400)	(84,881,873)
<i>Item that is or may be reclassified subsequently to profit or loss:</i>					
Remeasurement of the effective portion of derivatives arising from cash flow hedge		124,052	(780,991)	505,016	(3,189,567)
Other comprehensive income/(loss) during the period		<u>124,052</u>	<u>(780,991)</u>	<u>(61,511,384)</u>	<u>(88,071,440)</u>
Total comprehensive income for the period		<u>24,665,419</u>	<u>34,114,517</u>	<u>38,396,522</u>	<u>54,441,815</u>

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statements.

ACLEDA BANK PLC.

SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	Share capital		Share premium		Reserves		Retained earnings		Total equity	
	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2024	433,163,019	1,732,652,076	11,706,215	48,235,459	765,115,248	3,178,952,563	182,661,825	729,120,067	1,392,646,307	5,688,960,165
Profit for the period	-	-	-	-	-	-	24,541,367	99,907,906	24,541,367	99,907,906
<i>Other comprehensive income:</i>										
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	124,052	505,016	-	-	124,052	505,016
Total comprehensive income for the period	-	-	-	-	124,052	505,016	24,541,367	99,907,906	24,665,419	100,412,922
Transaction with owners:										
Transfer from retained earnings to regulatory reserves	-	-	-	-	15,681,406	63,839,004	(15,681,406)	(63,839,004)	-	-
Exchange differences	-	-	-	-	-	(62,016,400)	-	-	-	(62,016,400)
Total transactions with owners	-	-	-	-	15,681,406	1,822,604	(15,681,406)	(63,839,004)	-	(62,016,400)
As at 31 March 2024	433,163,019	1,732,652,076	11,706,215	48,235,459	780,920,706	3,181,280,183	191,521,786	765,188,969	1,417,311,726	5,727,356,687
	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 2023	433,163,019	1,732,652,076	11,706,215	48,235,459	676,078,984	2,858,819,277	210,138,062	840,375,407	1,331,086,280	5,480,082,219
Profit for the period	-	-	-	-	-	-	34,895,508	142,513,255	34,895,508	142,513,255
<i>Other comprehensive income:</i>										
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(780,991)	(3,189,567)	-	-	(780,991)	(3,189,567)
Total comprehensive income for the period	-	-	-	-	(780,991)	(3,189,567)	34,895,508	142,513,255	34,114,517	139,323,688
Transaction with owners:										
Transfer from retained earnings to regulatory reserves	-	-	-	-	8,556,995	34,946,768	(8,556,995)	(34,946,768)	-	-
Exchange differences	-	-	-	-	-	(84,881,873)	-	-	-	(84,881,873)
Total transactions with owners	-	-	-	-	8,556,995	(49,935,105)	(8,556,995)	(34,946,768)	-	(84,881,873)
As at 31 March 2023	433,163,019	1,732,652,076	11,706,215	48,235,459	683,854,988	2,805,694,605	236,476,575	947,941,894	1,365,200,797	5,534,524,034

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statements.

ACLEDA BANK PLC.

SEPARATE INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	Notes	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Cash flows from operating activities					
Profit for the period before income tax		30,514,822	42,523,987	124,225,841	173,667,963
<i>Adjustments for:</i>					
Net impairment losses	10	18,249,417	9,311,449	74,293,376	38,027,958
Depreciation of property and equipment	31	5,708,229	5,182,884	23,238,200	21,166,898
Depreciation of right-of-use assets	16	3,058,685	2,868,692	12,451,907	11,715,738
Seniority indemnity benefits	25(a)	2,188,415	2,665,071	8,909,037	10,884,150
Amortisation of intangible assets	15	637,099	623,489	2,593,630	2,546,329
Unrealised foreign exchange losses		585,016	669,944	2,381,600	2,736,051
Career development expense	25(b)	500,220	388,427	2,036,396	1,586,336
Pension fund		213,787	213,877	870,327	873,474
Adjustment in intangible assets		83,830	84,000	341,272	343,056
Adjustment in property and equipment		32,396	374,287	131,884	1,528,588
Reversal of for retirement benefits	25	-	(49,526)	-	(202,264)
Dividend income	30	(233)	(205,462)	(949)	(839,107)
Gain on disposals of property and equipment and lease	30	(237,501)	(85,175)	(966,867)	(347,855)
Net interest income		(101,928,289)	(102,513,766)	(414,950,064)	(418,666,221)
Operating loss before changes in working capital					
<i>Changes in:</i>					
Deposits from customers		431,765,880	392,471,375	1,757,718,897	1,602,853,096
Other liabilities		45,721,000	(20,773,998)	186,130,191	(84,841,008)
Deposits and placements with other banks		(104)	(5,366,514)	(423)	(21,916,843)
Reserve requirement		(27,971,377)	(152,541,742)	(113,871,476)	(622,980,474)
Deposits and placements of other banks and financial institutions		(30,463,227)	(7,391,612)	(124,015,797)	(30,187,343)
Other assets		(45,668,547)	14,432,636	(185,916,655)	58,942,885
Loans and advances		(81,586,642)	(152,700,067)	(332,139,220)	(623,627,074)
Cash flows from operations					
Interest received					
Interest received		187,234,210	174,386,327	762,230,469	712,193,759
Retirement benefits paid					
Retirement benefits paid		-	(21,920,036)	-	(89,521,427)
Seniority benefits paid					
Seniority benefits paid	25(a)	(13,790)	(3,418)	(56,139)	(13,959)
Pension fund paid					
Pension fund paid		(212,840)	(212,855)	(866,472)	(869,300)
Career development benefits paid					
Career development benefits paid	25(b)	(674,934)	(3,869,005)	(2,747,656)	(15,801,016)
Income tax paid					
Income tax paid	32(a)	(3,655,738)	(35,473,332)	(14,882,509)	(144,873,088)
Interest paid					
Interest paid		(67,538,540)	(44,853,237)	(274,949,396)	(183,180,620)
Net cash from operating activities (carried forward to next page)					
366,541,244 98,236,700 1,492,189,404 401,198,682					

ACLEDA BANK PLC.

**SEPARATE INTERIM STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Notes				
Net cash from operating activities (brought forward from previous page)	<u>366,541,244</u>	<u>98,236,700</u>	<u>1,492,189,404</u>	<u>401,198,682</u>
Cash flows from investing activities				
Interest received from investments	643,104	1,840,264	2,618,076	7,515,638
Proceeds from disposals of property and equipment	240,000	89,790	977,040	366,702
Dividend received	233	205,462	949	839,107
Proceeds from matured investments	-	(269,528)	-	(1,100,752)
Purchases of intangible assets	15 (206,399)	(537,983)	(840,250)	(2,197,123)
Purchases of property and equipment	14 (6,293,345)	(8,035,891)	(25,620,207)	(32,818,579)
Purchases of financial investments	<u>(34,676,115)</u>	<u>11,946,195</u>	<u>(141,166,464)</u>	<u>48,788,260</u>
Net cash (used in)/generated from investing activities	<u>(40,292,522)</u>	<u>5,238,309</u>	<u>(164,030,856)</u>	<u>21,393,253</u>
Cash flows from financing activities				
Proceeds from borrowings	(50,000)	76,097,172	(203,550)	310,780,850
Payments of lease liabilities	24 (3,448,476)	(3,300,919)	(14,038,746)	(13,480,953)
Interest paid	<u>(20,936,032)</u>	<u>(20,430,597)</u>	<u>(85,230,586)</u>	<u>(83,438,558)</u>
Repayments of borrowings	<u>(153,733,867)</u>	<u>(46,971,920)</u>	<u>(625,850,573)</u>	<u>(191,833,321)</u>
Net cash (used in)/generated from financing activities	<u>(178,168,375)</u>	<u>5,393,736</u>	<u>(725,323,455)</u>	<u>22,028,018</u>
Net increase in cash and cash equivalents	148,080,347	108,868,745	602,835,093	444,619,953
Cash and cash equivalents at the beginning of the period	2,240,749,214	1,719,370,446	9,153,460,539	7,163,643,656
Exchange differences	<u>-</u>	<u>-</u>	<u>(103,035,376)</u>	<u>(196,581,929)</u>
Cash and cash equivalents at the end of the period	34 <u>2,388,829,561</u>	<u>1,828,239,191</u>	<u>9,653,260,256</u>	<u>7,411,681,680</u>

Non-cash investing activities

Non-cash investing activities disclosed in other note is the purchases of property and equipment (Note 14) and the purchases of intangible assets (Note 15).

Non-cash financing activities

During the three-month period ended 31 March 2024, the Bank entered into new lease agreements and recognised right-of-use assets amounting to US\$4,447,329 (31 March 2023: US\$3,026,214), and pre-terminated right-of-use assets and lease liabilities amounting to US\$329,482 (31 March 2023: US\$281,224) and US\$354,249 (31 March 2023: US\$331,819), respectively, and recognised gain from pretermination amounting to US\$24,767 (31 March 2023: US\$48,075), which is a non-cash transaction.

The accompanying notes on pages 23 to 177 form an integral part of these interim financial statements.

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

1. BACKGROUND INFORMATION

Prior to 1 December 2003, ACLEDA Bank Plc. (“ABC” or “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”).

On 21 November 2022, the NBC approved the Bank’s request for the issuance of green bonds to qualified investors in amount of KHR400 Billion (equivalent to US\$100 Million) on the CSX.

On 7 December 2022, the Securities and Exchange Regulator of Cambodia (“SERC”) approved the Bank’s request for its nominated Cash Settlement Agent, Registrar Agent, Transfer Agent, and ACLEDA Securities Plc. (“ACS”), a wholly-owned subsidiary of the Bank, as the Bond Agent when the Bank issues the green bonds in the 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 Bank and its four subsidiaries (collectively referred to as “the Group”) are operating in the Kingdom of Cambodia, Lao People’s Democratic Republic (“PDR”) and the Republic of the Union of Myanmar. The principal activities of the subsidiaries are disclosed in Note 13 to the interim financial statements. Currently, the Group has 264 offices covering all provinces and cities in the Kingdom of Cambodia, 37 offices in the Lao PDR, and 17 offices in the Republic of the Union of Myanmar.

As at 31 March 2024, the Group and the Bank have 13,519 and 12,069 employees, respectively (31 December 2023: 13,503 and 12,045 employees, respectively).

The consolidated and separate interim financial statements as at 31 March 2024 and for the three-month period then ended were approved and authorised for issue by the Board of Directors on 9 May 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material 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 (“CIFRS”) which are based on all standards published by the International Accounting Standard Board including other interpretations and amendments that may occur in any circumstances to each standard. The consolidated and separate interim financial statements have been prepared on a historical cost basis, except for items which are not prepared under the historical cost basis such as:

- Financial instruments, including derivatives, which are valued at fair value;

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation and presentation (continued)

The preparation of interim financial statements in conformity with CIFRS 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 4.

The interim financial statements are presented in accordance with Cambodian International Accounting Standard ("CIAS") 34, *Interim Financial Reporting*.

The Group and the Bank present the interim statement of financial position based on liquidity. Generally, assets and liabilities expected to be recovered or settled over 12 months after the reporting period are considered as non-current assets and non-current liabilities, respectively.

An English version of the interim financial statements have been prepared from the interim financial statements that are in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language financial statements shall prevail.

(b) Adoption of amended accounting standards

(i) Amended accounting standards effective during the period

The Group and the Bank adopted all accounting standards and interpretations as at 31 March 2024. The amended accounting standards assessed to be applicable and have no material impact to the Group's and the Bank's interim financial statements are as follow:

- Classification of Liabilities as Current or Non-current (Amendments to CIAS 1)

The amendments in Classification of Liabilities as Current or Non-current (Amendments to CIAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items.

They clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- Non-current Liabilities with Covenants (Amendments to CIAS 1)

Modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Adoption of amended accounting standards (continued)

(ii) Amended accounting standards, which are not yet effective and not early adopted

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

- Lack of Exchangeability (Amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*)
- CIFRS 18, *Presentation and Disclosure in Financial Statements* issued replaces the following standards and interpretations on IAS 1, *Presentation of Financial Statements*

The Group and the Bank do not expect that the adoption of the amendments to 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) 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 interim separate statement of profit or loss and other comprehensive income.

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.

(iii) Disposal of subsidiaries

When the Bank ceases to have control, any retained interest in the entity is remeasured 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Consolidation (continued)

(iv) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests (“NCI”) 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 NCI, the difference between any consideration paid and the relevant share in the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to NCI, the difference between any proceeds received and the relevant share in NCI are also recognised in equity.

(v) Non-controlling interests

NCI is measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

An entity has a choice on a combination-by-combination basis to measure any NCI in the acquiree at either the proportionate share of the acquiree’s identifiable net assets or fair value. The Group has elected to maintain the former approach.

NCI in subsidiaries is identified separately from the Group’s equity therein. Subsequent to acquisition, the carrying amount of NCI is the amount of those interests at initial recognition plus the NCI’s share of subsequent changes in equity.

(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 Dollar (“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 interim statement of profit or loss and other comprehensive income.

(iii) Group’s companies

The interim 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 interim statement of financial position presented are translated using the closing rate at the end of the reporting period;
- b) income and expenses for each interim statement of profit or loss and other comprehensive income presented are translated using the 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,

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Foreign currency translation (continued)

(iii) Group's companies (continued)

c) all resulting exchange differences are recognised as a 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 interim statement of profit or loss and other comprehensive income as 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 debts 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 the Group and the Bank become 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, FVTPL or fair value through other comprehensive income ("FVOCI").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as 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 payments of principal and interest' ("SPPI").

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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. This election is made on an investment-by-investment basis. However, the Group and the Bank have not made such election.

All other financial assets are classified as FVTPL. As at the reporting date, the Group and the Bank do not have financial assets 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, FVOCI, or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

(e) **Financial assets and financial liabilities** (continued)

(ii) *Classification (continued)*

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 the 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 on 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 the financial assets.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as the 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 consider:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's 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).

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

(e) **Financial assets and financial liabilities** (continued)

(ii) *Classification (continued)*

Assessment of whether contractual cash flows are SPPI (continued)

The Group and the Bank hold 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 have 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 with the interest rate in consideration for the time value of money, credit risk, and 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 from the borrower limit the Group's and the Bank's claim to cash flows of the underlying collateral ('non-recourse loans'). The Group and the Bank apply judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Group and the Bank typically consider 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's and the Bank's risk of loss on the asset relative to a full-recourse loan;
- 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, either at amortised cost or FVTPL. As at the reporting date, the Group and the Bank do not have financial liabilities classified as 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 transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(iii) Derecognition (continued)

Financial assets (continued)

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 other comprehensive income is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as FVOCI is not recognised in profit or loss on derecognition of such securities. Any interests 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, cancelled, or expired.

(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. The Group and the Bank consider, among others:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- whether any substantial new terms are introduced that will affect the risk profile of the loan;
- significant extension of the loan term when the borrower is not in financial difficulty;
- significant change in the interest rate;
- change in the currency the loan is denominated in; and/or,
- insertion of collateral, other security or credit enhancements that will significantly affect the credit risk associated with the loan.

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 or 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 (vii) 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

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

Financial assets (continued)

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 difficulty 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 method (see Note 2(t)).

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.

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.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the interim statement of financial position when, and only when, the Group or the Bank currently has 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 CIFRS, or for gains and losses arising from a group of similar transactions such as in the Group's 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vi) Fair value measurement (continued)

The fair value of a financial liability with a demand feature (e.g. 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;
- loans and advances;
- financial guarantee contracts issued; and,
- loan commitments issued.

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 loans and advances) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for loans and advances 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 is the portion of ECL that results 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 is the ECL that results 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 is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired at the reporting date: at 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: at the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: at 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: at the expected payments to reimburse the holder less any amounts that the Group and the Bank expect to recover.

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

(e) **Financial assets and financial liabilities** (continued)

(vii) *Impairment (continued)*

Measurement of ECL (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.

The assumptions underlying the ECL calculation are monitored and reviewed monthly and quarterly. There have been no significant changes in the estimation techniques or significant assumptions made during the reporting period.

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 requires staging for 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 collaterals as well as the type of customers and the expected recovery from the customers.

With updates of collateral value from time to time, the Group and the Bank take collateral value 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 or terminate a commitment or guarantee.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

Measurement of ECL (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's 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 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 is 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, if any) 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:

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

Presentation of allowance for ECL in the interim statement of financial position

The Group and the Bank present loss allowances for ECL in the interim 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 interim 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 interim 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's and the Bank's procedures for recovery of amounts due.

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; or,
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment* (continued)

Non-integral financial guarantee contracts (continued)

If the Group or the Bank determines 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 is neither credit-impaired nor has undergone a significant increase in credit risk ("SICR") when the guarantee is acquired. These assets are recognised in 'Other assets'. The Group and the Bank present gains or losses on the compensation outright in profit or loss as 'Impairment losses on financial instruments'.

(viii) *Derivative financial instruments*

The Group and the Bank enter into a variety of derivative financial instruments to manage its exposure to interest rate through interest rate swaps. The use of financial derivatives is governed by the Group's and the Bank's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the interim financial statements unless the Group and the Bank have both the legal right and the intention to offset.

(ix) *Hedge accounting*

The Group and the Bank designate certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of interest rate risk on firm commitments are accounted for as cash flow hedges. The Group and the Bank do not apply fair value hedge accounting on portfolio hedges of interest rate risk.

At the inception of the hedge relationship, the Group and the Bank document the relationship between the hedging instrument and the hedged item, along with the risk management objectives and strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group and the Bank document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group and the Bank actually hedge and the quantity of the hedging instrument that the Group and the Bank actually use to hedge that quantity of hedged item.

The Group and the Bank rebalance a hedging relationship in order to comply with the hedge ratio requirements, when necessary.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(ix) Hedge accounting (continued)

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group and the Bank adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

As at the reporting date, the Group and the Bank only have cash flow hedges for its interest rate swap agreements.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in the Group's and the Bank's retained earnings, but limited to the cumulative change in fair value of the hedged item from the inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit or loss and in the same line as the recognised hedged item. If the Group and the Bank no longer expect the transaction to occur, that amount is immediately reclassified to profit or loss.

The Group and the Bank discontinue hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognised immediately in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits and placements with other banks with original terms 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 interim statement of financial position.

(g) Financial investments

The 'Financial investments' caption in the interim statement of financial position may include:

- 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; and
- equity investment securities designated as FVOCI.

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Financial investments (continued)

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

The Group and the Bank elect to present in other comprehensive income the 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 other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

(h) Share capital and share premium

Share capital and share premium are classified as equity.

Share capital represents the nominal (par) value of shares that have been issued. Other shares, if any, 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.

Share premium includes any premiums received on the issuance of share capital. Incremental costs directly attributable to the issuance of new share capital are shown in equity as a deduction from the proceeds, net of tax.

(i) Earnings per share

Basic earnings per share ("EPS") is determined by dividing the adjusted net profit for the period 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.

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 all the dilutive potential common stocks into common stocks. Currently, there are no potentially dilutive common stocks.

(j) 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 items of property and equipment. 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 the 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 costs are charged to the interim statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Property and equipment (continued)

The cost of any self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, 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. The other items of property and equipment are depreciated on a straight-line basis to write off the cost of these assets to their residual values over their estimated useful lives as follows:

Classes	Years
Land improvements	3 to 20
Building and improvements	3 to 20
Leasehold improvements*	3 to 5
Office equipment	3 to 15
Computer equipment	3 to 7
Motor vehicles	3 to 8

* *Leasehold improvements are depreciated over the shorter of its economic useful life (3 to 5 years) or 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.

Items of property and equipment are reviewed for indication of impairment at each reporting 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 profit or loss in the line item 'Other income, net'.

(k) Intangible assets

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 over their estimated useful lives. The useful life of computer software is five years except for the license of core banking system which has useful life of ten years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use. 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 recognised in profit or loss when the asset is derecognised. Costs associated with maintaining computer software are recognised as expenses when incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(l) Impairment of non-financial assets

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 interim statement of profit or loss and other comprehensive income.

Impairment losses recognised 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 amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised as income.

(m) Reserves

Reserves comprise of general reserves, regulatory reserves, hedging reserve 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 CIFRS (on loans and advances, deposits and placements with other banks, other receivables, investments in debt securities and off-balance sheet commitments) and regulatory provision (on loans and advances, deposits and placements with other banks, other receivables and off-balance sheet commitments based on the prescribed credit grading rates from the NBC). It is transferred between retained earnings and regulatory reserves.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

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

(n) Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in 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 where each entity of the Group operates and generates taxable income and includes all taxes based upon the taxable profits.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Current and deferred income tax (continued)

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.

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

(o) Employee benefits

(i) Short-term employee benefits

The Group and the Bank recognise a liability and an expense for short-term employee benefits. The Group and the Bank recognise a provision where it is 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 the employees of the Group and the Bank.

(ii) Long term employment benefits

The Group and the Bank have various long term employment benefit schemes as summarised 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. ("ABL") and ACLEDA MFI Myanmar Co., Ltd. ("AMM"), are required to pay seniority indemnity to its employees, as follows:

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

The liability was recognised at the present value of defined benefit 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 from 2008 to 2018. The Group and the Bank attribute benefit to periods in which the obligation to provide back pay seniority indemnity benefit arises. That obligation arises as employees render services in return for back pay seniority indemnity that the Group and the Bank expect 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 five-year fixed deposit interest rate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Employee benefits (continued)

(ii) Long term employment benefits (continued)

Pension fund scheme

The Bank pays monthly contributions for the compulsory pension scheme to National Social Security Fund (NSSF), a publicly administered social security scheme for pension in Cambodia. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Pension fund is both the Bank's and employee's obligation. Contributions were made effective 1 October 2022 and these are paid every month to the National Social Security Fund. For the first five years, contribution to the fund is set at 4% (from KHR400,000 to KHR1,200,000 equivalent US\$97 to US\$291, respectively), which is paid both by the Bank and its employees at 2% each (see Note 25).

Career development benefits

The Bank and its subsidiaries provide career development benefits to their employees ranging from US\$1,250 to US\$6,250 based on the management position level except for ABL which provides career development benefits to its employees ranging from LAK7,947,000 (equivalent to US\$417) to LAK23,372,500 (equivalent to US\$1,226) based on the management position level.

Management position level employees are eligible to receive right of membership when 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 or very good performance and no warning letter). After completed the two years membership, they will automatically be entitled to the benefit for more three years. And the management would receive the benefits at the early of the fourth year.

The liability is recognised in the interim statement of financial position at the present value of employee benefit 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-year fixed deposit interest rate, as the period of the benefit entitlement is three years.

(p) 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.

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

(q) **Interest**

Effective interest rate

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

The calculation of the effective interest rate includes transaction costs and fees 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 the 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 ECL.

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

Interest income and interest 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 interest expense, the effective interest rate is applied to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortised cost of the financial 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 the 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 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 financial asset. The calculation of interest income does not revert to gross basis, even if the credit risk of the asset improves.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Presentation

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

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;
- the effective portion of fair value changes in qualifying hedging derivatives designated as 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 as fair value hedges of interest rate risk.

Interest expense presented in the interim statement of profit or loss and other comprehensive income may include:

- 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 interest expense on any financial assets and financial liabilities at FVTPL are presented in the interim statement of profit or loss and other comprehensive income.

(r) Fee and commission

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

If a loan commitment is not expected to result in the drawdown 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 interim financial statements may be partially in the scope of CIFRS 9, *Financial Instruments*, and partially in the scope of CIFRS 15, *Revenue from Contracts with Customers*. 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.

(s) Recognition of fee and other income

(i) Dividends

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

Any dividends on equity instruments designated as FVOCI that clearly represent a recovery of part of the cost of the investment are presented in other comprehensive income.

(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 and consultancy services are recognised when the services are delivered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(t) 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 and the Bank use an incremental borrowing rate. Practically, the Group and the Bank used the incremental borrowing rate as the discount rate to measure its right-of-use assets and lease liabilities.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(t) Leases (continued)

Short-term leases and leases of low-value assets

A short-term lease is 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 expense on a straight-line basis over the lease term.

(u) 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 assets should be disclosed where an inflow of economic benefits is probable.

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.

(v) 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; or,
- its assets are 10% or more of the combined assets of all operating segments.

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

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

Financial information on segment reporting is presented in Note 6.

ACLEDA BANK PLC.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(w) Rounding of amounts

All amounts in US\$ disclosed in the interim financial statements and notes are in whole US\$ currency unit. All Khmer Riel amounts disclosed in the interim financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

3. COMPOSITION OF THE GROUP

Details of the Bank's subsidiaries as at 31 March 2024 and 31 December 2023 are presented in Note 13.

The significant financial information on the interim financial statements of non-wholly owned subsidiary interests of the Bank that has material non-controlling interest are shown below and in the succeeding page. The summarised financial information represents amounts before intragroup eliminations.

ACLEDA University of Business Co., Ltd.

	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
<u>Financial position:</u>				
Current assets	1,121,100	296,691	4,530,365	1,211,983
Non-current assets	31,312,024	31,433,019	126,531,889	128,403,883
Total assets	32,433,124	31,729,710	131,062,254	129,615,866
Current liabilities	3,405,655	2,793,262	13,762,252	11,410,475
Non-current liabilities	3,215,593	3,179,093	12,994,211	12,986,596
Total liabilities	6,621,248	5,972,355	26,756,463	24,397,071
Equity	25,811,876	25,757,355	104,305,791	105,218,795
Ownership and voting interest held by non-controlling interest	23.391%	23.391%	23.391%	23.391%
<u>Equity attributable to:</u>				
Equity holders of the Parent	19,774,220	19,732,452	79,907,623	80,607,067
Non-controlling interest	6,037,656	6,024,903	24,398,168	24,611,728

ACLEDA BANK PLC.**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED****3. COMPOSITION OF THE GROUP** (continued)

ACLEDA University of Business Co., Ltd. (continued)

	For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Results of operations:				
Revenue	1,627,372	1,447,250	6,625,031	5,910,569
Costs and expenses	(1,572,851)	(1,268,555)	(6,403,076)	(5,180,779)
Profit for the period	<u>54,521</u>	<u>178,695</u>	<u>221,955</u>	<u>729,790</u>
Total comprehensive income for the period	<u>54,521</u>	<u>178,695</u>	<u>221,955</u>	<u>729,790</u>
Profit attributable to:				
Equity holders of the Parent	41,768	136,896	170,038	559,083
Non-controlling interest	<u>12,753</u>	<u>41,799</u>	<u>51,917</u>	<u>170,707</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Parent	41,768	136,896	170,038	559,083
Non-controlling interest	<u>12,753</u>	<u>41,799</u>	<u>51,917</u>	<u>170,707</u>
Cash flows:				
Net cash inflows from operating activities	555,860	(290,339)	2,262,906	(1,185,744)
Net cash outflows from investing activities	(107,958)	(33,367)	(439,497)	(136,271)
Net cash outflows from financing activities	<u>(19,240)</u>	<u>(26,867)</u>	<u>(78,326)</u>	<u>(109,725)</u>
Net cash inflows/(outflows)	<u>428,662</u>	<u>(350,573)</u>	<u>1,745,083</u>	<u>(1,431,740)</u>

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 interim results and interim 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.

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

Measurement of the expected credit loss allowance

The expected credit loss allowance (ECL) for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

Measurement of the expected credit loss allowance (continued)

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL
- choosing appropriate models and assumptions to measure ECL
- determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR)
- applying assumptions and analysis on expected future cash flows and forward-looking information.

Please refer to Note 39.1(f) for guidance on assessment of impairment of financial instruments under ECL model. This includes the determination of inputs used in the ECL measurement and incorporation of forward-looking information.

Employee benefits

The present value of the seniority indemnity and career development benefit obligations depends on a number of factors that are determined by the Management using a number of assumptions such as turnover rates and mortality rates. The assumptions used in determining the net cost for employee benefits include discount rate. Any changes in these assumptions will impact the value of employee benefits.

In the absence of a bond market and government bonds, the Management used their five-year, six-year and three-year fixed deposit interest rate as the discount rate to determine the present value of the estimated future cash outflows expected to be required to settle the seniority indemnity and career development benefit obligations, respectively.

Estimating cost of right-of-use assets and lease liabilities

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 incremental borrowing rate which is based on average borrowing interest rate at the time of the commencement of the lease term.

5. TRANSLATION OF UNITED STATES DOLLAR INTO KHMER RIEL

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel (“KHR”). Assets and liabilities of each interim statement of financial position presented are translated using the closing rate as at the reporting date. Shareholders’ capital and reserves are translated at the rate at the date of transaction. The interim statement of profit or loss and other comprehensive income and the interim statement of cash flows are translated into KHR using the applicable average rates for the three-month period. All exchange differences arising from the translation are recognised as “currency translation differences” in the other comprehensive income.

The Group and the Bank have used the official rates of exchange published by the NBC as following:

		Closing Rate	Average rate (three-month)
31 March 2024	US\$1 =	KHR4,041	KHR4,071
31 March 2023	US\$1 =	KHR4,054	KHR4,084
31 December 2023	US\$1 =	KHR4,085	

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

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 are as follows:

- *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 loan, car loan, motor loan, overdraft loan, revolving loan, financial lease, trade finance loan, etc.
- *Other financial services* - provides other services such as foreign exchange transaction, debit & credit card issuing and acquiring service, fund transfer (local & overseas), and cash management services (such as payroll, cash collection, bills payment, top-up and standing order). These services are leaning toward modernising the digital banking services via mobile application, internet banking and e-commerce as well as other digital ways.

These segments are the basis on which the Group reports its primary segment information. 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.

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

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

6. SEGMENT INFORMATION (continued)

(b) Analysis of primary segment information

Primary segment information by business segment on a consolidated basis follows:

	For the three-month period ended						For the three-month period ended					
	31 March 2024						31 March 2023					
	Lending		Other financial services		Total		Lending		Other financial services		Total	
US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
	(Note 5)		(Note 5)		(Note 5)		(Note 5)		(Note 5)		(Note 5)	
Revenues												
Interest income	195,455,958	795,701,205	-	-	195,455,958	795,701,205	183,827,602	750,751,927	-	-	183,827,602	750,751,927
Interest expense	(88,037,282)	(358,399,775)	-	-	(88,037,282)	(358,399,775)	(75,388,657)	(307,887,275)	-	-	(75,388,657)	(307,887,275)
Net interest income	107,418,676	437,301,430	-	-	107,418,676	437,301,430	108,438,945	442,864,652	-	-	108,438,945	442,864,652
Non-interest income	-	-	16,585,446	67,519,350	16,585,446	67,519,350	-	-	18,613,629	76,018,061	18,613,629	76,018,061
Total net revenues	107,418,676	437,301,430	16,585,446	67,519,350	124,004,122	504,820,780	108,438,945	442,864,652	18,613,629	76,018,061	127,052,574	518,882,713

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

6. SEGMENT INFORMATION (continued)

(c) Analysis of secondary segment information

Secondary information (by geographical locations) follows:

	For the three-month period ended								For the three-month period ended							
	31 March 2024								31 March 2023							
	Kingdom of Cambodia		Lao PDR		Republic Union of Myanmar		Total		Kingdom of Cambodia		Lao PDR		Republic Union of Myanmar		Total	
US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
	(Note 5)		(Note 5)		(Note 5)		(Note 5)		(Note 5)		(Note 5)		(Note 5)		(Note 5)	
Profit or loss																
Total income	204,623,070	833,020,518	6,543,653	26,639,211	1,359,067	5,532,762	212,525,790	865,192,491	194,417,678	794,001,797	6,896,024	28,163,362	1,940,041	7,923,130	203,253,743	830,088,289
Total expense	(180,075,054)	(733,085,545)	(4,952,658)	(20,162,271)	(947,191)	(3,856,014)	(185,974,903)	(757,103,830)	(159,316,044)	(650,646,724)	(3,901,396)	(15,933,301)	(1,499,102)	(6,122,335)	(164,716,542)	(672,702,360)
Net profit	24,548,016	99,934,973	1,590,995	6,476,940	411,876	1,676,748	26,550,887	108,088,661	35,101,634	143,355,073	2,994,628	12,230,061	440,939	1,800,795	38,537,201	157,385,929
Other segment information																
Depreciation and amortisation	9,627,226	39,192,437	334,247	1,360,720	48,221	196,308	10,009,694	40,749,465	8,890,918	36,310,509	279,966	1,143,381	52,979	216,366	9,223,863	37,670,256
Financial position																
Total assets	9,961,861,349	40,255,881,711	184,797,227	746,765,594	20,632,893	83,377,521	10,167,291,469	41,086,024,826	9,640,091,494	39,379,773,753	181,744,965	742,428,182	19,972,177	81,586,343	9,841,808,636	40,203,788,278
Total liabilities	8,516,209,969	34,414,004,485	148,610,115	600,533,475	4,502,910	18,196,260	8,669,322,994	35,032,734,220	8,219,112,182	33,575,073,263	145,443,101	594,135,068	4,254,070	17,377,877	8,368,809,353	34,186,586,208

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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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.

	For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Revenues				
Total segment revenues	212,525,790	203,253,743	865,192,491	830,088,289
Elimination of intersegment revenues	(484,386)	(812,512)	(1,971,936)	(3,318,301)
Group net revenues as reported in profit or loss	212,041,404	202,441,231	863,220,555	826,769,988
Profit or loss				
Total segment profit	26,550,887	38,537,201	108,088,661	157,385,929
Elimination of intersegment profit	6,666	9,411	27,137	38,435
Group net profit as reported in profit or loss	26,557,553	38,546,612	108,115,798	157,424,364
Assets				
Total segment assets	10,167,291,469	9,841,808,636	41,086,024,826	40,203,788,278
Elimination of intersegment assets	(98,000,206)	(97,768,150)	(396,018,833)	(399,382,892)
Total assets	10,069,291,263	9,744,040,486	40,690,005,993	39,804,405,386
Liabilities				
Total segment liabilities	8,669,322,994	8,368,809,353	35,032,734,220	34,186,586,208
Elimination of intersegment liabilities	(7,028,547)	(6,789,669)	(28,402,359)	(27,735,798)
Total liabilities	8,662,294,447	8,362,019,684	35,004,331,861	34,158,850,410

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
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6. SEGMENT INFORMATION (continued)

(d) Reconciliation (continued)

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

	For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Other segment information				
Total segment depreciation and amortisation	10,009,694	9,223,863	40,749,464	37,670,256
Elimination of intersegment depreciation and amortisation	(661)	(4,543)	(2,691)	(18,553)
Total depreciation and amortisation	<u>10,009,033</u>	<u>9,219,320</u>	<u>40,746,773</u>	<u>37,651,703</u>

7. CASH ON HAND

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Current								
By currency:								
In US\$	372,848,384	303,036,520	1,506,680,320	1,237,904,184	371,137,350	301,587,525	1,499,766,031	1,231,985,040
In KHR	168,076,427	151,910,894	679,196,842	620,556,002	168,066,526	151,904,672	679,156,832	620,530,585
In THB	43,216,916	32,204,150	174,639,558	131,553,953	41,397,556	30,583,206	167,287,524	124,932,397
In Euro	1,086,901	576,681	4,392,167	2,355,742	1,083,244	572,521	4,377,389	2,338,748
In other currencies	9,106,000	8,065,323	36,797,345	32,946,844	2,388,613	1,936,393	9,652,385	7,910,165
	<u>594,334,628</u>	<u>495,793,568</u>	<u>2,401,706,232</u>	<u>2,025,316,725</u>	<u>584,073,289</u>	<u>486,584,317</u>	<u>2,360,240,161</u>	<u>1,987,696,935</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
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8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS, NET

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Balances with local banks:								
National Bank of Cambodia	1,172,138,418	1,389,931,664	4,736,611,347	5,677,870,847	1,172,138,418	1,389,931,664	4,736,611,347	5,677,870,847
Other banks	20,269,034	248,726	81,907,167	1,016,046	20,269,034	248,726	81,907,167	1,016,046
	<u>1,192,407,452</u>	<u>1,390,180,390</u>	<u>4,818,518,514</u>	<u>5,678,886,893</u>	<u>1,192,407,452</u>	<u>1,390,180,390</u>	<u>4,818,518,514</u>	<u>5,678,886,893</u>
Balances with overseas banks:								
Bank of Lao PDR	32,722,649	27,299,355	132,232,225	111,517,865	-	-	-	-
Other banks	371,342,005	92,179,627	1,500,593,042	376,553,777	368,630,239	88,714,056	1,489,634,796	362,396,919
	<u>404,064,654</u>	<u>119,478,982</u>	<u>1,632,825,267</u>	<u>488,071,642</u>	<u>368,630,239</u>	<u>88,714,056</u>	<u>1,489,634,796</u>	<u>362,396,919</u>
Total balances with local and overseas banks	1,596,472,106	1,509,659,372	6,451,343,781	6,166,958,535	1,561,037,691	1,478,894,446	6,308,153,310	6,041,283,812
Allowance for impairment losses	(180,706)	(116,194)	(730,234)	(474,653)	(86,219)	(12,425)	(348,412)	(50,756)
	<u>1,596,291,400</u>	<u>1,509,543,178</u>	<u>6,450,613,547</u>	<u>6,166,483,882</u>	<u>1,560,951,472</u>	<u>1,478,882,021</u>	<u>6,307,804,898</u>	<u>6,041,233,056</u>
Current	1,596,291,400	1,509,543,178	6,450,613,547	6,166,483,882	1,560,951,472	1,478,882,021	6,307,804,898	6,041,233,056
Non-current	-	-	-	-	-	-	-	-
	<u>1,596,291,400</u>	<u>1,509,543,178</u>	<u>6,450,613,547</u>	<u>6,166,483,882</u>	<u>1,560,951,472</u>	<u>1,478,882,021</u>	<u>6,307,804,898</u>	<u>6,041,233,056</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS, NET (continued)

a) By account types (continued)

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Balances with local banks:								
Current accounts	1,172,529,945	1,390,180,390	4,738,193,508	5,678,886,893	1,172,529,945	1,390,180,390	4,738,193,508	5,678,886,893
Fixed deposits	19,877,507	-	80,325,006	-	19,877,507	-	80,325,006	-
	<u>1,192,407,452</u>	<u>1,390,180,390</u>	<u>4,818,518,514</u>	<u>5,678,886,893</u>	<u>1,192,407,452</u>	<u>1,390,180,390</u>	<u>4,818,518,514</u>	<u>5,678,886,893</u>
Balances with overseas banks:								
Current accounts	403,055,209	118,474,163	1,628,746,100	483,966,956	368,630,239	88,714,056	1,489,634,796	362,396,919
Fixed deposits	1,009,445	1,004,819	4,079,167	4,104,686	-	-	-	-
	<u>404,064,654</u>	<u>119,478,982</u>	<u>1,632,825,267</u>	<u>488,071,642</u>	<u>368,630,239</u>	<u>88,714,056</u>	<u>1,489,634,796</u>	<u>362,396,919</u>
Total balances with local and overseas banks	1,596,472,106	1,509,659,372	6,451,343,781	6,166,958,535	1,561,037,691	1,478,894,446	6,308,153,310	6,041,283,812
Allowance for impairment losses	(180,706)	(116,194)	(730,234)	(474,653)	(86,219)	(12,425)	(348,412)	(50,756)
	<u>1,596,291,400</u>	<u>1,509,543,178</u>	<u>6,450,613,547</u>	<u>6,166,483,882</u>	<u>1,560,951,472</u>	<u>1,478,882,021</u>	<u>6,307,804,898</u>	<u>6,041,233,056</u>

b) By interest rate (per annum)

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Current accounts	Nil	Nil	Nil	Nil
Fixed deposits	0.74% - 7.50%	0.74% - 7.50%	3.48% - 5.50%	4.34% - 6.95%

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
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8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS, NET (continued)

c) By maturity

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
On demand	1,575,585,153	1,508,602,147	6,366,939,604	6,162,639,772	1,541,160,184	1,478,894,446	6,227,828,304	6,041,283,812
Within 1 month	10,433,961	52,405	42,163,636	214,074	9,931,536	-	40,133,337	-
Between 2 to 3 months	10,452,992	502,910	42,240,541	2,054,387	9,945,971	-	40,191,669	-
Between 4 to 6 months	-	501,910	-	2,050,302	-	-	-	-
	<u>1,596,472,106</u>	<u>1,509,659,372</u>	<u>6,451,343,781</u>	<u>6,166,958,535</u>	<u>1,561,037,691</u>	<u>1,478,894,446</u>	<u>6,308,153,310</u>	<u>6,041,283,812</u>

9. FINANCIAL INVESTMENTS, NET

	Note	The Group				The Bank			
		31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Unlisted equity securities at FVOCI									
Credit Bureau Holding (Cambodia) Ltd.		153,529	153,529	620,411	627,166	153,529	153,529	620,411	627,166
SWIFT		36,141	36,141	146,046	147,636	36,141	36,141	146,046	147,636
Total financial investments at FVOCI	(a)	<u>189,670</u>	<u>189,670</u>	<u>766,457</u>	<u>774,802</u>	<u>189,670</u>	<u>189,670</u>	<u>766,457</u>	<u>774,802</u>
Unquoted financial investments at amortised cost									
Negotiable certificate of deposits with the NBC	(b)	254,981,282	284,890,089	1,030,379,361	1,163,776,014	254,981,282	284,890,089	1,030,379,361	1,163,776,014
Debt securities	(c)	106,126,937	73,093,885	428,858,952	298,588,520	106,126,937	73,093,885	428,858,952	298,588,520
		361,108,219	357,983,974	1,459,238,313	1,462,364,534	361,108,219	357,983,974	1,459,238,313	1,462,364,534
ECL allowance		(504,066)	(629,260)	(2,036,931)	(2,570,527)	(504,066)	(629,260)	(2,036,931)	(2,570,527)
Total financial investments at amortised cost		<u>360,604,153</u>	<u>357,354,714</u>	<u>1,457,201,382</u>	<u>1,459,794,007</u>	<u>360,604,153</u>	<u>357,354,714</u>	<u>1,457,201,382</u>	<u>1,459,794,007</u>
Total financial investments		<u>360,793,823</u>	<u>357,544,384</u>	<u>1,457,967,839</u>	<u>1,460,568,809</u>	<u>360,793,823</u>	<u>357,544,384</u>	<u>1,457,967,839</u>	<u>1,460,568,809</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

9. FINANCIAL INVESTMENTS, NET (continued)

Analysis of maturity of financial investments at amortised cost

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Within 1 month	253,450,023	288,443,092	1,024,191,543	1,178,290,030	253,450,023	288,443,092	1,024,191,543	1,178,290,030
Between 2 to 3 months	179,345	3,414,265	724,733	13,947,273	179,345	3,414,265	724,733	13,947,273
Between 4 to 6 months	6,704,691	71,316	27,093,656	291,326	6,704,691	71,316	27,093,656	291,326
Between 7 to 12 months	55,047,233	9,761,465	222,445,869	39,875,585	55,047,233	9,761,465	222,445,869	39,875,585
More than 12 months	45,726,927	56,293,836	184,782,512	229,960,320	45,726,927	56,293,836	184,782,512	229,960,320
	<u>361,108,219</u>	<u>357,983,974</u>	<u>1,459,238,313</u>	<u>1,462,364,534</u>	<u>361,108,219</u>	<u>357,983,974</u>	<u>1,459,238,313</u>	<u>1,462,364,534</u>

- (a) This represents the Bank's equity investment in Credit Bureau Holding (Cambodia) Ltd. ("CBC"), directly owned at 5% and indirectly owned at 1% through the Association of Banks in Cambodia. As at 31 March 2024, the Bank's investment in CBC is valued at cost amounting to US\$153,529 (31 December 2023: US\$153,529) and the Bank's investment in Society for Worldwide Interbank Financial Telecommunications ("SWIFT") is valued at cost amounting to US\$36,141 (31 December 2023: US\$36,141) as the Management believes the cost of these investments approximates its fair value. Dividend income received from CBC during the three-month period ended 31 March 2024 CBC has not declared dividend income (31 March 2023: KHR831,267,360 (US\$205,462)).
- (b) As at 31 March 2024, the Bank has pledged negotiable certificate of deposits ("NCD") amounting to US\$1,538,510 (31 December 2023: US\$3,038,699) with the NBC as collateral for settlement clearing facility. As at 31 March 2024, the other NCD amounting to US\$253,442,772 (31 December 2023: US\$281,851,390) with the NBC is made for the purpose of earning interest. The terms of the NCD are for a period of less than or equal to twelve months. As at 31 March 2024, the Bank is yet to utilise the overdraft on the settlement clearing facility.
- (c) On 12 January 2022, the Bank invested in a corporate debt security with a face value of US\$30,000,000 guaranteed by Overseas Cambodian Investment Corporation Ltd, a third party. The debt security earns an interest at the rate of 5.5% per annum and will mature on 11 January 2025. As at 31 March 2024, the carrying amount of this investment is US\$30,366,164 (31 December 2023: US\$31,604,794).
As at 31 March 2024, the amortised cost of the investments in government bonds is KHR306,149,281,736 (US\$75,760,773) (31 December 2023: KHR169,482,933,554 (US\$41,489,090)) and its face value is KHR308,000,000,000 (US\$76,218,758) (31 December 2023: KHR168,000,000,000 (US\$41,126,068)). As at 31 March 2024, the Bank has pledged the government bonds amounting KHR118,000,000,000 (equivalent to US\$29,200,693) with the NBC as collaterals for settlement clearing facility.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
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9. FINANCIAL INVESTMENTS, NET (continued)

The Bank bought the government bonds from the Ministry of Economy and Finance with information below:

No.	Value date	Quantity (sheets)	Interest per annum	Yield to maturity	Tenure	Maturity date	Face value (KHR) per sheet	Issuance size	
								KHR'000	US\$
1	24/02/2023	60,000	4.00%	4.10%	2	24/02/2025	1,000,000	60,000,000	14,847,810
2	21/07/2023	10,000	3.48%	3.80%	1	21/07/2024	1,000,000	10,000,000	2,474,635
3	21/07/2023	10,000	3.48%	3.70%	1	21/07/2024	1,000,000	10,000,000	2,474,635
4	18/08/2023	20,000	4.00%	4.30%	2	18/08/2025	1,000,000	20,000,000	4,949,270
5	22/09/2023	8,000	4.50%	5.20%	3	22/09/2026	1,000,000	8,000,000	1,979,708
6	20/10/2023	10,000	3.48%	3.90%	1	20/10/2024	1,000,000	10,000,000	2,474,635
7	20/10/2023	10,000	3.48%	3.80%	1	20/10/2024	1,000,000	10,000,000	2,474,635
8	24/11/2023	10,000	4.00%	4.50%	2	24/11/2025	1,000,000	10,000,000	2,474,635
9	24/11/2023	10,000	4.00%	4.60%	2	24/11/2025	1,000,000	10,000,000	2,474,635
10	26/01/2024	10,000	3.50%	3.95%	1	26/01/2025	1,000,000	10,000,000	2,474,635
11	26/01/2024	10,000	3.50%	3.85%	1	26/01/2025	1,000,000	10,000,000	2,474,635
12	23/02/2024	10,000	4.00%	4.75%	2	23/02/2026	1,000,000	10,000,000	2,474,635
13	23/02/2024	10,000	4.00%	4.70%	2	23/02/2026	1,000,000	10,000,000	2,474,635
14	22/03/2024	120,000	4.50%	5.25%	3	22/03/2027	1,000,000	120,000,000	29,695,620
Total		308,000					14,000,000	308,000,000	76,218,758

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

10. LOANS AND ADVANCES, NET

	The Group											
	31 March 2024			31 December 2023			31 March 2024			31 December 2023		
	Gross carrying amount US\$	ECL allowance US\$	Carrying amount US\$	Gross carrying amount US\$	ECL allowance US\$	Carrying amount US\$	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Carrying amount KHR'000 (Note 5)	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Carrying amount KHR'000 (Note 5)
Small Loan	3,008,274,040	29,451,080	2,978,822,960	3,010,956,957	27,770,215	2,983,186,742	12,156,435,396	119,011,814	12,037,423,582	12,299,759,169	113,441,328	12,186,317,841
Medium Loan	2,392,063,403	22,963,559	2,369,099,844	2,363,039,566	18,938,304	2,344,101,262	9,666,328,212	92,795,742	9,573,532,470	9,653,016,627	77,362,972	9,575,653,655
Personal & Others Loan	506,551,018	7,619,466	498,931,552	483,524,761	3,643,801	479,880,960	2,046,972,663	30,790,262	2,016,182,401	1,975,198,650	14,884,929	1,960,313,721
Staff Loan	298,694,139	680,179	298,013,960	297,515,093	59,271	297,455,822	1,207,023,016	2,748,603	1,204,274,413	1,215,349,155	242,122	1,215,107,033
Overdraft Loan	189,556,556	1,132,631	188,423,925	159,816,406	689,036	159,127,370	765,998,043	4,576,962	761,421,081	652,850,019	2,814,712	650,035,307
Public Housing Loan	148,938,241	986,579	147,951,662	154,400,982	990,876	153,410,106	601,859,432	3,986,766	597,872,666	630,728,011	4,047,728	626,680,283
Credit Card Loan	93,920,196	3,199,164	90,721,032	88,962,172	2,502,209	86,459,963	379,531,512	12,927,822	366,603,690	363,410,473	10,221,524	353,188,949
Staff Housing Loan	31,333,495	90,437	31,243,058	31,007,135	26,261	30,980,874	126,618,653	365,456	126,253,197	126,664,146	107,276	126,556,870
Revolving Loan	23,653,353	106,758	23,546,595	29,992,751	97,276	29,895,475	95,583,199	431,409	95,151,790	122,520,388	397,372	122,123,016
Home Improvement Loan	18,862,093	790,533	18,071,560	21,134,005	913,194	20,220,811	76,221,718	3,194,544	73,027,174	86,332,410	3,730,397	82,602,013
Trade Loan	17,921,561	50,334	17,871,227	16,962,181	16,335	16,945,846	72,421,028	203,400	72,217,628	69,290,509	66,728	69,223,781
	<u>6,729,768,095</u>	<u>67,070,720</u>	<u>6,662,697,375</u>	<u>6,657,312,009</u>	<u>55,646,778</u>	<u>6,601,665,231</u>	<u>27,194,992,872</u>	<u>271,032,780</u>	<u>26,923,960,092</u>	<u>27,195,119,557</u>	<u>227,317,088</u>	<u>26,967,802,469</u>
	The Bank											
	31 March 2024			31 December 2023			31 March 2024			31 December 2023		
	Gross carrying amount US\$	ECL allowance US\$	Carrying amount US\$	Gross carrying amount US\$	ECL allowance US\$	Carrying amount US\$	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Carrying amount KHR'000 (Note 5)	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Carrying amount KHR'000 (Note 5)
Small Loan	2,883,636,133	13,889,700	2,869,746,433	2,884,157,048	12,673,382	2,871,483,666	11,652,773,613	56,128,278	11,596,645,335	11,781,781,541	51,770,765	11,730,010,776
Medium Loan	2,377,593,593	22,863,122	2,354,730,471	2,349,484,724	18,865,068	2,330,619,656	9,607,855,709	92,389,876	9,515,465,833	9,597,645,098	77,063,803	9,520,581,295
Personal & Others Loan	503,455,674	7,573,752	495,881,922	480,498,163	3,612,266	476,885,897	2,034,464,379	30,605,531	2,003,858,848	1,962,834,995	14,756,107	1,948,078,888
Staff Loan	294,576,424	668,706	293,907,718	293,163,708	44,899	293,118,809	1,190,383,329	2,702,241	1,187,681,088	1,197,573,747	183,412	1,197,390,335
Overdraft Loan	188,384,720	1,119,307	187,265,413	158,920,550	684,232	158,236,318	761,262,654	4,523,120	756,739,534	649,190,447	2,795,088	646,395,359
Public Housing Loan	146,636,891	967,750	145,669,141	151,945,600	982,034	150,963,566	592,559,677	3,910,678	588,648,999	620,697,776	4,011,609	616,686,167
Credit Card Loan	93,920,196	3,199,164	90,721,032	88,962,172	2,502,209	86,459,963	379,531,512	12,927,822	366,603,690	363,410,473	10,221,524	353,188,949
Staff Housing Loan	31,251,191	90,424	31,160,767	30,933,591	26,254	30,907,337	126,286,063	365,403	125,920,660	126,363,719	107,248	126,256,471
Revolving Loan	23,653,353	106,758	23,546,595	29,992,751	97,276	29,895,475	95,583,199	431,409	95,151,790	122,520,388	397,372	122,123,016
Trade Loan	17,921,561	50,334	17,871,227	16,962,181	16,335	16,945,846	72,421,028	203,400	72,217,628	69,290,509	66,728	69,223,781
Home Improvement Loan	9,902,264	74,182	9,828,082	11,622,338	95,583	11,526,755	40,015,049	299,769	39,715,280	47,477,251	390,457	47,086,794
	<u>6,570,932,000</u>	<u>50,603,199</u>	<u>6,520,328,801</u>	<u>6,496,642,826</u>	<u>39,599,538</u>	<u>6,457,043,288</u>	<u>26,553,136,212</u>	<u>204,487,527</u>	<u>26,348,648,685</u>	<u>26,538,785,944</u>	<u>161,764,113</u>	<u>26,377,021,831</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

10. LOANS AND ADVANCES, NET (continued)

(a) Loans and advances in gross amount by maturity

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Within 1 year	1,585,145,882	1,600,707,057	6,405,574,509	6,538,888,329	1,527,308,942	1,543,246,088	6,171,855,434	6,304,160,270
Later than 1 year but not later than 3 years	2,188,560,896	2,224,498,064	8,843,974,581	9,087,074,591	2,135,834,483	2,170,793,786	8,630,907,146	8,867,692,616
Later than 3 years but not later than 5 years	1,495,484,898	1,505,478,580	6,043,254,473	6,149,879,999	1,467,730,778	1,476,912,594	5,931,100,074	6,033,187,946
Later than 5 years	1,460,576,419	1,326,628,308	5,902,189,309	5,419,276,638	1,440,057,797	1,305,690,358	5,819,273,558	5,333,745,112
	<u>6,729,768,095</u>	<u>6,657,312,009</u>	<u>27,194,992,872</u>	<u>27,195,119,557</u>	<u>6,570,932,000</u>	<u>6,496,642,826</u>	<u>26,553,136,212</u>	<u>26,538,785,944</u>

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

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Allowance for/(reversal of) impairment losses on:								
Loans and advances	20,216,489	9,682,175	82,301,327	39,542,003	19,680,752	8,833,212	80,120,341	36,074,838
Deposits and placements with other banks	65,182	555,161	265,356	2,267,278	73,898	513,410	300,839	2,096,767
Other receivables	(1,971)	(30,581)	(8,024)	(124,893)	40	(19,046)	163	(77,784)
Investments in debt securities	(125,194)	(12,009)	(509,665)	(49,045)	(125,194)	(12,009)	(509,665)	(49,045)
Recovery on loans write off	(1,741,989)	-	(7,091,637)	-	(1,423,353)	-	(5,794,470)	-
	<u>18,412,517</u>	<u>10,194,746</u>	<u>74,957,357</u>	<u>41,635,343</u>	<u>18,206,143</u>	<u>9,315,567</u>	<u>74,117,208</u>	<u>38,044,776</u>
Off-balance sheet commitments	40,725	1,656	165,791	6,763	43,274	(4,118)	176,168	(16,818)
	<u>18,453,242</u>	<u>10,196,402</u>	<u>75,123,148</u>	<u>41,642,106</u>	<u>18,249,417</u>	<u>9,311,449</u>	<u>74,293,376</u>	<u>38,027,958</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

10. LOANS AND ADVANCES, NET (continued)

(a) Loans and advances in gross amount by maturity (continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At the beginning of the period	55,646,778	42,242,662	227,317,088	173,913,039	39,599,538	28,156,968	161,764,113	115,922,237
Allowance for impairment losses during the period	20,216,489	9,682,175	82,301,327	39,542,003	19,680,752	8,833,212	80,120,341	36,074,838
Written off during the period	(8,758,937)	(4,036,883)	(35,657,633)	(16,486,630)	(8,720,821)	(3,926,619)	(35,502,462)	(16,036,312)
Currency translation differences	(33,610)	(5,104)	(136,826)	(20,845)	43,730	(41,405)	178,025	(169,098)
Exchange differences	-	-	(2,791,176)	(2,830,493)	-	-	(2,072,490)	(1,919,844)
At the end of the period	67,070,720	47,882,850	271,032,780	194,117,074	50,603,199	33,022,156	204,487,527	133,871,821

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

11. OTHER ASSETS

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Receivable bakong KHQR	46,778,247	277,194	189,030,896	1,132,337	46,778,247	277,194	189,030,896	1,132,337
Prepayments and advances	15,764,493	13,351,052	63,704,316	54,539,048	14,677,063	12,223,566	59,310,012	49,933,267
Stationery supplies	5,117,770	5,335,702	20,680,909	21,796,343	4,864,417	5,097,968	19,657,109	20,825,199
Income tax receivable	4,299,819	4,638,694	17,375,569	18,949,065	4,241,168	4,582,366	17,138,560	18,718,965
Receivable from Western Union and VISA	2,488,747	4,226,939	10,057,027	17,267,046	2,465,658	4,196,511	9,963,724	17,142,747
Others	3,702,437	5,026,633	14,961,548	20,533,796	3,691,072	4,671,452	14,915,624	19,082,884
	<u>78,151,513</u>	<u>32,856,214</u>	<u>315,810,265</u>	<u>134,217,635</u>	<u>76,717,625</u>	<u>31,049,057</u>	<u>310,015,925</u>	<u>126,835,399</u>
ECL allowance	(14,745)	(16,696)	(59,586)	(68,204)	(13,847)	(13,786)	(55,957)	(56,316)
Total	<u>78,136,768</u>	<u>32,839,518</u>	<u>315,750,679</u>	<u>134,149,431</u>	<u>76,703,778</u>	<u>31,035,271</u>	<u>309,959,968</u>	<u>126,779,083</u>
Current	64,074,812	17,351,501	258,926,315	70,880,882	63,060,779	15,966,836	254,828,609	65,224,526
Non-current	14,061,956	15,488,017	56,824,364	63,268,549	13,642,999	15,068,435	55,131,359	61,554,557
	<u>78,136,768</u>	<u>32,839,518</u>	<u>315,750,679</u>	<u>134,149,431</u>	<u>76,703,778</u>	<u>31,035,271</u>	<u>309,959,968</u>	<u>126,779,083</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

12. STATUTORY DEPOSITS

		The Group				The Bank			
		31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
With the Central Bank	(a)	571,273,481	543,302,104	2,308,516,137	2,219,389,095	571,273,481	543,302,104	2,308,516,137	2,219,389,095
With Other Central Bank	(b)	5,039,168	5,043,487	20,363,278	20,602,645	-	-	-	-
Others	(c)	284,583	281,518	1,150,000	1,150,000	-	-	-	-
		<u>576,597,232</u>	<u>548,627,109</u>	<u>2,330,029,415</u>	<u>2,241,141,740</u>	<u>571,273,481</u>	<u>543,302,104</u>	<u>2,308,516,137</u>	<u>2,219,389,095</u>
Current		-	-	-	-	-	-	-	-
Non-current		576,597,232	548,627,109	2,330,029,415	2,241,141,740	571,273,481	543,302,104	2,308,516,137	2,219,389,095
		<u>576,597,232</u>	<u>548,627,109</u>	<u>2,330,029,415</u>	<u>2,241,141,740</u>	<u>571,273,481</u>	<u>543,302,104</u>	<u>2,308,516,137</u>	<u>2,219,389,095</u>

(a) With the Central Bank

(i) Reserve requirement

Pursuant to the NBC's Prakas No. B7-023-005 on the maintenance of reserve requirement against banking and financial institutions' deposits and borrowings dated 9 January 2023, the institution shall maintain reserve requirement against deposits and borrowings in accordance with dates and rates as follows:

- From 1 January 2023 to 31 December 2023, reserve requirement in foreign currencies shall be at the rate of 9%. From 1 January 2024 onwards, reserve requirement in foreign currencies shall be at the rate of 12.5%.
- The institution shall maintain the reserve requirement in local currency (KHR) at the rate of 7%.

However, in the NBC Letter No. B7-023-2621 Chhor.Tor dated 23 November 2023, the reserve requirement against deposits and borrowings in foreign currencies was changed at the rate of 7% until 31 December 2024.

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 other currencies bear no interest since 29 August 2018.

The reserve requirement amounted to US\$527,817,867 as at 31 March 2024 (31 December 2023: US\$499,985,802).

ACLEDA BANK PLC.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

12. STATUTORY DEPOSITS (continued)

(a) With the Central Bank (continued)

(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 ceases its operations in Cambodia. As at 31 March 2024, capital guarantee deposit amounted to US\$43,316,302 with accrued interest amounted US\$139,312 (31 December 2023: US\$43,316,302 with nil accrued interest). The capital guarantee deposit is earning at an interest rate of ¼ of the London Inter-bank Offered Rate ("LIBOR") on a 6-month basis. Pursuant to the NBC's Prakas No. B5-021-288 issued on 29 December 2021, banks and financial institutions are required to use 'Secured Overnight Financing Rate' instead of LIBOR starting 3 January 2022.

(b) With Other Central Bank

ABL maintained its compulsory deposits in compliance with the requirements of the Bank of Lao PDR ("BOL"). Statutory deposits with Central Bank include compulsory reserve and registered capital reserve. These balances earn no interest. Under regulations of the BOL, banks are required to maintain certain cash reserves with the BOL in the form of compulsory deposits, which are computed at 5.5% for the Lao Kip ("LAK") and 8% for foreign currency (previously, 5% and 5%, respectively), on a bi-monthly basis, of customers' deposits having original maturities of less than 12 months.

(c) Others

In compliance with Article 23 of SERC's Prakas No. 001/18 SECC/PR.K dated 20 March 2008 on licensing and supervision of securities, ACS is required to reserve the guarantee capital of KHR1,000,000,000 (which is equivalent to US\$284,583 and US\$281,518 as at 31 March 2024 and 31 December 2023, respectively) in the SERC's bank account at the NBC to operate as a securities broker in the Kingdom of Cambodia. On 24 November 2023, ACS added KHR150,000,000 (which is equivalent to US\$36,720) in the SERC's bank account at the NBC to fulfil the requirements as stated in Prakas No. 003/18 SECC/PR.K dated 29 May 2018 on the licensing and supervision of collective investment scheme business. This statutory deposit does not bear interest.

On 06 February 2024, the ACS obtained official approval from SERC as distribution company.

13. INVESTMENTS IN SUBSIDIARIES

	Note	The Bank			
		31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Unquoted ordinary shares, at cost					
ACLEDA Bank Lao Ltd.	(a)	49,389,566	49,389,566	199,583,236	201,756,377
ACLEDA Securities Plc.	(b)	2,010,000	2,010,000	8,122,410	8,210,850
ACLEDA University of Business Co., Ltd.	(c)	19,805,000	19,805,000	80,032,005	80,903,425
ACLEDA MFI Myanmar Co., Ltd.	(d)	19,913,150	19,913,150	80,469,039	81,345,218
		<u>91,117,716</u>	<u>91,117,716</u>	<u>368,206,690</u>	<u>372,215,870</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

13. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the Bank's subsidiaries are as follows:

Name of Subsidiaries	Note	Ownership and Voting Interest	
		31 March 2024	31 December 2023
ACLEDA Bank Lao Ltd.	(a)	99.90%	99.90%
ACLEDA Securities Plc.	(b)	100%	100%
ACLEDA University of Business Co., Ltd.	(c)	76.609%	76.609%
ACLEDA MFI Myanmar Co., Ltd.	(d)	100%	100%

(a) ACLEDA Bank Lao Ltd.

ABL was established in Lao PDR on 13 December 2007 under a preliminary license from the 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 in ABL is US\$5,477,399. In 2009, the Bank sold shares to International Finance Corporation ("IFC") amounting to US\$876,384 which decreased the Bank's investments in ABL to US\$4,601,015. In 2010, the Bank injected capital to ABL amounting to US\$5,966,969, thereby increasing its investments to US\$10,567,984.

In 2014, the Bank bought shares from FMO, StichtingTriodosDoen, Tridos Fair Share Fund and IFC amounting to US\$28,875,098 and injected capital to ABL amounting to US\$9,946,484, increasing its investments in ABL to US\$49,389,566. As at 31 March 2024, the Bank's investments in ABL remain the same.

(b) ACLEDA Securities Plc.

On 1 March 2010, ACS was established in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") under the Registration No. Co.0448KH/2010. On 20 October 2010, the SERC (previously known as 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 the SERC. ACS is wholly-owned by the Bank.

(c) ACLEDA University of Business Co., Ltd.

AIB (previously known as ACLEDA Training Center Ltd.) was established in the Kingdom of Cambodia under a primary license from the 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 ("MAA") was endorsed by the MOC on 14 December 2018.

AIB is recognised as an 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. AIB provides training and education for Associate's degree, Bachelor's degree, and Master's degree in Business Administration, Major 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 submitting relevant documents and by requesting approval from the Ministry of Education, Youth and Sport.

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

13. INVESTMENTS IN SUBSIDIARIES (continued)

On 10 February 2021, the NBC approved, on request of the Bank, an increase in the capital of AIB as invested by ACLEDA Financial Trust (“AFT”), amounting to US\$10,000,000, which represents 23.3910% of the total shares registered, equal to 6,047,046 shares at the price of US\$1.6537 per share through a 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 MAA relating to the capital increase and on 2 December 2022, AIB obtained the approval from the MOC.

On 12 February 2024, AUB is recognised as transformation ACLEDA Institute of Business to be ACLEDA University of Business under the Sub-Decree No. 27 RNK. BK from the Royal Government of Cambodia. The Ministry of Education, Youth and Sport (“MoEYS”) approved recognized transformation of ACLEDA Institute of Business to be ACLEDA University of Business.

(d) ACLEDA MFI Myanmar Co., Ltd.

AMM was incorporated in the Republic of the Union of Myanmar under the Republic of the Union of Myanmar Companies Law on 6 September 2012 to provide services per 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 until year 2021 and from 1 April to 31 March from year 2022 onwards in accordance with the Letter N^o: NgaKaSa/AhMaKha (105/2021) issued on 13 September 2021 on changing the fiscal year of Myanmar.

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 in AMM is US\$9,411,765. In 2014, the Bank sold shares to IFC, COFIBRED S.A and Kreditanstalt Fur Wiederaufbau (“KfW”) amounting to US\$3,659,371, which decreased its investments in AMM to US\$5,752,394.

The Bank acquired 3,600,000 ordinary shares (45% of the total shareholdings) 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 share transfers, appointment of representative of shareholders, and changing the Board members were approved on 27 September 2018 by the 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 (equivalent to Myanmar Kyat (“MMK”) of 6,099,390,000) and additional capital of US\$3,995,367 (equivalent MMK6,039,396,000), on 3 December 2019, increasing its ownership to 99.99%, with the remaining interest owned by AUB.

On 12 May 2021, the Bank settled US\$2,145 to AUB to hold 100% of common stock of AMM shares amounting to MMK20,140,000,000 (2019: 99.99% of MMK8,000,000,000). On 5 April 2021, AMM submitted a request to the regulator for the approval of its amended MAA resulting from the change in ownership. Microfinance Business Supervisory Committee has approved AMM’s request with Letter No. KaKa-1/6 (467/2021) dated 23 December 2021.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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13. INVESTMENTS IN SUBSIDIARIES (continued)

(e) ACLEDA Bank Plc. (Representative Office)

On 7 April 2016, the Bank received a foreign bank representative office registration certificate FB/R.O-1/(04)2016 from the Central Bank of Myanmar and a certificate of incorporation as a 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 permitted for 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.

14. PROPERTY AND EQUIPMENT, NET

	The Group								
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	Total US\$
Cost									
As at 1 January 2024	14,542,280	1,759,381	99,132,875	11,400,491	96,992,721	98,783,454	24,687,205	2,219,363	349,517,770
Additions	-	17,957	-	236,864	597,383	5,014,860	761,694	1,571,626	8,200,384
Disposals/write-offs	-	-	-	(36,196)	(451,408)	(1,834,779)	(160,055)	-	(2,482,438)
Transfers	-	-	-	408,861	51,610	1,307,887	70,334	(1,838,692)	-
Currency translation differences	-	-	-	(16,887)	(44,569)	(243,991)	(36,268)	(45,271)	(386,986)
Adjustments	-	-	-	-	4,409	1,413	(6,598)	(32,005)	(32,781)
As at 31 March 2024	<u>14,542,280</u>	<u>1,777,338</u>	<u>99,132,875</u>	<u>11,993,133</u>	<u>97,150,146</u>	<u>103,028,844</u>	<u>25,316,312</u>	<u>1,875,021</u>	<u>354,815,949</u>
Less: Accumulated depreciation									
As at 1 January 2024	-	962,313	35,943,579	6,514,768	68,126,579	74,455,536	15,768,130	-	201,770,905
Charge for the period	-	17,236	1,154,419	446,348	2,420,357	1,647,641	468,538	-	6,154,539
Disposals/write-offs	-	-	-	(35,728)	(448,862)	(1,834,649)	(160,055)	-	(2,479,294)
Currency translation differences	-	(1)	(364)	(14,208)	(36,665)	(180,783)	(24,099)	-	(256,120)
Adjustments	-	-	-	1	-	(1)	-	-	-
As at 31 March 2024	<u>-</u>	<u>979,548</u>	<u>37,097,634</u>	<u>6,911,181</u>	<u>70,061,409</u>	<u>74,087,744</u>	<u>16,052,514</u>	<u>-</u>	<u>205,190,030</u>
Carrying value	<u>14,542,280</u>	<u>797,790</u>	<u>62,035,241</u>	<u>5,081,952</u>	<u>27,088,737</u>	<u>28,941,100</u>	<u>9,263,798</u>	<u>1,875,021</u>	<u>149,625,919</u>
In KHR'000 equivalent (Note 5)	<u>58,765,353</u>	<u>3,223,869</u>	<u>250,684,409</u>	<u>20,536,168</u>	<u>109,465,586</u>	<u>116,950,985</u>	<u>37,435,008</u>	<u>7,576,961</u>	<u>604,638,339</u>

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14. PROPERTY AND EQUIPMENT, NET (continued)

As at 31 March 2024, fully depreciated property and equipment with total historical cost of US\$129,612,255 (31 December 2023: US\$130,332,368) are still in active use.

	The Group								
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	Total US\$
Cost									
As at 1 January 2023	14,542,280	1,759,381	99,042,570	9,653,057	83,813,313	90,372,687	21,880,815	2,647,259	323,711,362
Additions	-	-	2,000	218,623	697,157	5,084,474	1,475,110	1,314,663	8,792,027
Disposals/write-offs	-	-	-	(23,943)	(110,874)	(127,584)	(115,138)	(76,441)	(453,980)
Transfers	-	-	50,000	427,935	58,799	570,809	-	(1,107,543)	-
Currency translation differences	-	-	-	7,988	18,668	103,633	13,354	3,188	146,831
Adjustments	-	-	-	-	2,970	5	-	(377,262)	(374,287)
As at 31 March 2023	<u>14,542,280</u>	<u>1,759,381</u>	<u>99,094,570</u>	<u>10,283,660</u>	<u>84,480,033</u>	<u>96,004,024</u>	<u>23,254,141</u>	<u>2,403,864</u>	<u>331,821,953</u>
Less: Accumulated depreciation									
As at 1 January 2023	-	896,603	31,315,844	5,206,404	61,047,802	69,885,318	15,138,682	-	183,490,653
Charge for the period	-	16,206	1,140,911	360,611	1,989,273	1,612,536	435,303	-	5,554,840
Disposals/write-offs	-	-	-	(23,234)	(106,267)	(126,599)	(115,138)	-	(371,238)
Currency translation differences	-	(4)	(1,781)	5,879	11,871	71,403	11,097	-	98,465
As at 31 March 2023	<u>-</u>	<u>912,805</u>	<u>32,454,974</u>	<u>5,549,660</u>	<u>62,942,679</u>	<u>71,442,658</u>	<u>15,469,944</u>	<u>-</u>	<u>188,772,720</u>
Carrying value	<u>14,542,280</u>	<u>846,576</u>	<u>66,639,596</u>	<u>4,734,000</u>	<u>21,537,354</u>	<u>24,561,366</u>	<u>7,784,197</u>	<u>2,403,864</u>	<u>143,049,233</u>
In KHR'000 equivalent (Note 5)	<u>58,954,403</u>	<u>3,432,019</u>	<u>270,156,922</u>	<u>19,191,636</u>	<u>87,312,433</u>	<u>99,571,778</u>	<u>31,557,135</u>	<u>9,745,265</u>	<u>579,921,591</u>

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14. PROPERTY AND EQUIPMENT, NET (continued)

	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\$	Construction in progress US\$	
Cost									
As at 1 January 2024	2,328,344	282,726	77,196,411	10,932,179	94,915,864	93,025,844	23,741,433	1,316,041	303,738,842
Additions	-	-	-	236,864	567,974	3,878,042	593,651	1,141,552	6,418,083
Disposals/write-offs	-	-	-	(25,428)	(440,602)	(1,828,485)	(160,055)	-	(2,454,570)
Transfers	-	-	-	408,861	51,610	622,665	70,334	(1,153,470)	-
Adjustments	-	-	-	-	4,409	1,413	(6,598)	(32,005)	(32,781)
As at 31 March 2024	<u>2,328,344</u>	<u>282,726</u>	<u>77,196,411</u>	<u>11,552,476</u>	<u>95,099,255</u>	<u>95,699,479</u>	<u>24,238,765</u>	<u>1,272,118</u>	<u>307,669,574</u>
Less: Accumulated depreciation									
As at 1 January 2024	-	175,072	32,148,838	6,104,026	66,361,651	70,153,324	15,086,771	-	190,029,682
Charge for the period	-	2,296	970,796	441,795	2,397,203	1,448,192	447,947	-	5,708,229
Disposals/write-offs	-	-	-	(24,960)	(438,571)	(1,828,485)	(160,055)	-	(2,452,071)
Currency translation differences	-	(1)	(364)	(154)	(850)	(530)	(160)	-	(2,059)
As at 31 March 2024	<u>-</u>	<u>177,367</u>	<u>33,119,270</u>	<u>6,520,707</u>	<u>68,319,433</u>	<u>69,772,501</u>	<u>15,374,503</u>	<u>-</u>	<u>193,283,781</u>
Carrying value	<u>2,328,344</u>	<u>105,359</u>	<u>44,077,141</u>	<u>5,031,769</u>	<u>26,779,822</u>	<u>25,926,978</u>	<u>8,864,262</u>	<u>1,272,118</u>	<u>114,385,793</u>
In KHR'000 equivalent (Note 5)	<u>9,408,838</u>	<u>425,756</u>	<u>178,115,727</u>	<u>20,333,379</u>	<u>108,217,261</u>	<u>104,770,918</u>	<u>35,820,483</u>	<u>5,140,628</u>	<u>462,232,990</u>

As at 31 March 2024, fully depreciated property and equipment with total historical cost of US\$122,535,109 (31 December 2023: US\$124,117,271) are still in active use.

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14. PROPERTY AND EQUIPMENT, NET (continued)

	The Bank								
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	Total US\$
Cost									
As at 1 January 2023	2,328,344	282,726	77,116,208	9,134,971	81,747,217	84,601,903	21,010,084	2,492,887	278,714,340
Additions	-	-	-	216,234	600,340	4,981,103	1,212,893	1,025,321	8,035,891
Disposals/write-offs	-	-	-	(23,151)	(107,646)	(125,574)	(114,420)	-	(370,791)
Transfer	-	-	50,000	427,935	58,799	570,809	-	(1,107,543)	-
Adjustments	-	-	-	-	2,970	5	-	(377,262)	(374,287)
As at 31 March 2023	<u>2,328,344</u>	<u>282,726</u>	<u>77,166,208</u>	<u>9,755,989</u>	<u>82,301,680</u>	<u>90,028,246</u>	<u>22,108,557</u>	<u>2,033,403</u>	<u>286,005,153</u>
Less: Accumulated depreciation									
As at 1 January 2023	-	165,865	28,256,258	4,761,986	59,270,750	65,604,513	14,368,937	-	172,428,309
Charge for the period	-	2,274	959,827	354,518	1,960,954	1,480,789	424,522	-	5,182,884
Disposals/write-offs	-	-	-	(22,448)	(104,628)	(124,680)	(114,420)	-	(366,176)
Currency translation differences	-	(4)	(1,781)	(614)	(4,066)	(1,977)	(733)	-	(9,175)
As at 31 March 2023	<u>-</u>	<u>168,135</u>	<u>29,214,304</u>	<u>5,093,442</u>	<u>61,123,010</u>	<u>66,958,645</u>	<u>14,678,306</u>	<u>-</u>	<u>177,235,842</u>
Carrying value	<u>2,328,344</u>	<u>114,591</u>	<u>47,951,904</u>	<u>4,662,547</u>	<u>21,178,670</u>	<u>23,069,601</u>	<u>7,430,251</u>	<u>2,033,403</u>	<u>108,769,311</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>9,439,107</u>	<u>464,552</u>	<u>194,397,019</u>	<u>18,901,966</u>	<u>85,858,328</u>	<u>93,524,162</u>	<u>30,122,238</u>	<u>8,243,415</u>	<u>440,950,787</u>

Movement for cash used for purchase of property and equipment

	The Group				The Bank			
	For the three-month period ended		For the three-month period ended		For the three-month period ended		For the three-month period ended	
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Additions	8,200,384	8,792,027	33,383,763	35,906,638	6,418,083	8,035,891	26,128,016	32,818,579
Decrease/(increase) in accounts payable for capital expenditure	(1,290,063)	-	(5,251,846)	-	(124,738)	-	(507,809)	-
Cash used for purchase of property and equipment	<u>6,910,321</u>	<u>8,792,027</u>	<u>28,131,917</u>	<u>35,906,638</u>	<u>6,293,345</u>	<u>8,035,891</u>	<u>25,620,207</u>	<u>32,818,579</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

15. INTANGIBLE ASSETS, NET

	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 2024	40,498,585	2,730,718	43,229,303	38,153,750	2,288,017	40,441,767
Additions	57,651	320,587	378,238	56,160	150,239	206,399
Disposals/write-offs	-	-	-	-	-	-
Transfers	76,280	(76,280)	-	76,280	(76,280)	-
Currency translation differences	(114,798)	(22,187)	(136,985)	-	-	-
Adjustments	-	(83,830)	(83,830)	-	(83,830)	(83,830)
As at 31 March 2024	40,517,718	2,869,008	43,386,726	38,286,190	2,278,146	40,564,336
Less: Accumulated amortisation						
As at 1 January 2024	32,458,285	-	32,458,285	30,612,312	-	30,612,312
Charge for the period	679,999	-	679,999	637,099	-	637,099
Disposals/write-offs	-	-	-	-	-	-
Currency translation differences	(90,824)	-	(90,824)	(238)	-	(238)
Adjustments	-	-	-	-	-	-
As at 31 March 2024	33,047,460	-	33,047,460	31,249,173	-	31,249,173
Carrying value	7,470,258	2,869,008	10,339,266	7,037,017	2,278,146	9,315,163
In KHR'000 equivalent (Note 5)	30,187,313	11,593,661	41,780,974	28,436,586	9,205,988	37,642,574

As at 31 March 2024, the Group's and the Bank's fully amortised intangible assets with historical cost of US\$24,005,313 and US\$23,977,372, respectively (31 December 2023: US\$25,101,546 and US\$23,639,872, respectively), are still used actively.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

15. INTANGIBLE ASSETS, NET (CONTINUED)

	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 2023	39,382,953	2,484,354	41,867,307	37,140,474	2,261,329	39,401,803
Additions	92,552	447,160	539,712	92,552	445,431	537,983
Transfers	30,000	(30,000)	-	30,000	(30,000)	-
Currency translation differences	45,200	4,607	49,807	-	-	-
Adjustments	-	(84,000)	(84,000)	-	(84,000)	(84,000)
As at 31 March 2023	<u>39,550,705</u>	<u>2,822,121</u>	<u>42,372,826</u>	<u>37,263,026</u>	<u>2,592,760</u>	<u>39,855,786</u>
Less: Accumulated amortisation						
As at 1 January 2023	30,970,766	-	30,970,766	29,083,379	-	29,083,379
Charge for the period	675,524	-	675,524	623,489	-	623,489
Currency translation differences	36,950	-	36,950	(1,159)	-	(1,159)
As at 31 March 2023	<u>31,683,240</u>	<u>-</u>	<u>31,683,240</u>	<u>29,705,709</u>	<u>-</u>	<u>29,705,709</u>
Carrying value	<u>7,867,465</u>	<u>2,822,121</u>	<u>10,689,586</u>	<u>7,557,317</u>	<u>2,592,760</u>	<u>10,150,077</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>31,894,703</u>	<u>11,440,879</u>	<u>43,335,582</u>	<u>30,637,363</u>	<u>10,511,049</u>	<u>41,148,412</u>

Movement for cash used for purchase of intangible assets:

	The Group				The Bank			
	For the three-month period ended		For the three-month period ended		For the three-month period ended		For the three-month period ended	
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Additions	378,238	539,712	1,539,807	2,204,184	206,399	537,983	840,250	2,197,123
Decrease/(increase) in accounts payables for intangible assets	(1,491)	-	(6,070)	-	-	-	-	-
Cash used for purchase of intangible assets	<u>376,747</u>	<u>539,712</u>	<u>1,533,737</u>	<u>2,204,184</u>	<u>206,399</u>	<u>537,983</u>	<u>840,250</u>	<u>2,197,123</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

16. RIGHT-OF-USE ASSETS, NET

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Right-of-use assets	33,375,400	32,410,303	134,869,991	132,396,088	31,928,678	30,852,413	129,023,788	126,032,107

The Group and the Bank lease office buildings 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 three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At the beginning of the period	32,410,303	28,785,805	132,396,088	118,511,159	30,852,413	26,525,687	126,032,107	109,206,253
Additions during the period	4,451,082	3,074,305	18,120,355	12,555,462	4,447,329	3,026,214	18,105,076	12,359,058
Depreciation for the period	(3,174,497)	(2,988,956)	(12,923,377)	(12,206,896)	(3,058,685)	(2,868,692)	(12,451,907)	(11,715,738)
Lease termination during the period	(313,735)	(281,286)	(1,277,215)	(1,148,772)	(329,482)	(281,224)	(1,341,321)	(1,148,519)
Currency translation differences	2,247	(568,380)	9,148	(2,321,264)	17,103	10,346	69,626	42,253
Exchange differences	-	-	(1,455,008)	(1,790,577)	-	-	(1,389,793)	(1,667,717)
At the end of the period	33,375,400	28,021,488	134,869,991	113,599,112	31,928,678	26,412,331	129,023,788	107,075,590

For the three-month period ended 31 March 2024, the Group and the Bank have recognised the expense relating to short-term lease payments is amounting US\$440 (31 March 2023: the Group and the Bank have recognised expense relating to variable lease payments amounting to US\$13,415 and US\$7,939 respectively).

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AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

16. RIGHT-OF-USE ASSETS, NET (continued)

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

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Depreciation expense	3,174,497	2,988,956	12,923,377	12,206,896	3,058,685	2,868,692	12,451,907	11,715,738
Interest on lease liabilities	511,112	454,795	2,080,737	1,857,383	475,167	420,063	1,934,404	1,715,537
Gain on pre-termination of leases	(10,460)	(55,375)	(42,583)	(226,152)	(24,767)	(48,075)	(100,826)	(196,338)
	<u>3,675,149</u>	<u>3,388,376</u>	<u>14,961,531</u>	<u>13,838,127</u>	<u>3,509,085</u>	<u>3,240,680</u>	<u>14,285,485</u>	<u>13,234,937</u>

17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
	Deferred tax assets	4,085,512	4,069,380	16,509,554	16,623,417	-	-	-
Deferred tax liabilities	(2,856,798)	(2,716,754)	(11,544,321)	(11,097,940)	-	-	-	-
Net deferred tax assets	<u>1,228,714</u>	<u>1,352,626</u>	<u>4,965,233</u>	<u>5,525,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets	39,073,250	34,793,939	157,895,003	142,133,241	39,073,250	34,793,939	157,895,003	142,133,241
Deferred tax liabilities	(67,915,230)	(61,575,984)	(274,445,444)	(251,537,895)	(67,915,230)	(61,575,984)	(274,445,444)	(251,537,895)
Net deferred tax liabilities	<u>(28,841,980)</u>	<u>(26,782,045)</u>	<u>(116,550,441)</u>	<u>(109,404,654)</u>	<u>(28,841,980)</u>	<u>(26,782,045)</u>	<u>(116,550,441)</u>	<u>(109,404,654)</u>
Total deferred tax assets	43,158,762	38,863,319	174,404,557	158,756,658	39,073,250	34,793,939	157,895,003	142,133,241
Total deferred tax liabilities	(70,772,028)	(64,292,738)	(285,989,765)	(262,635,835)	(67,915,230)	(61,575,984)	(274,445,444)	(251,537,895)
Total net deferred tax liabilities	<u>(27,613,266)</u>	<u>(25,429,419)</u>	<u>(111,585,208)</u>	<u>(103,879,177)</u>	<u>(28,841,980)</u>	<u>(26,782,045)</u>	<u>(116,550,441)</u>	<u>(109,404,654)</u>

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AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (continued)

The movements in net deferred tax assets/(deferred tax liabilities) during the period are presented as follows:

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At the beginning of the period	(25,429,419)	(1,137,857)	(103,879,177)	(4,684,557)	(26,782,045)	(2,258,353)	(109,404,654)	(9,297,639)
Charged to profit or loss	(2,149,739)	(4,108,198)	(8,751,587)	(16,777,881)	(2,059,935)	(4,093,312)	(8,385,995)	(16,717,086)
Currency translation differences	(34,108)	5,227	(138,854)	21,347	-	-	-	-
Exchange differences	-	-	1,184,410	194,775	-	-	1,240,208	265,075
At the end of the period	(27,613,266)	(5,240,828)	(111,585,208)	(21,246,316)	(28,841,980)	(6,351,665)	(116,550,441)	(25,749,650)

The components of and movements in deferred tax assets and deferred tax liabilities during the period presented are as follows:

Deferred tax assets of the Group:

	Unamortised loan fees US\$	Unearned revenue US\$	Provision for loan loss US\$	Other provision US\$	Staff bonus US\$	Unrealised foreign exchange loss US\$	Accelerated depreciation US\$	Lease US\$	Others US\$	Total US\$
As at 1 January 2024	8,205,544	54,593	13,103,675	5,564,566	1,635,771	2,731,546	4,768	358,070	7,204,786	38,863,319
(Charged)/credited to profit or loss	(1,378,419)	(6,996)	810,599	115,094	399,225	25,162	(4,768)	5,981,883	(1,646,337)	4,295,443
As at 31 March 2024	6,827,125	47,597	13,914,274	5,679,660	2,034,996	2,756,708	-	6,339,953	5,558,449	43,158,762
<i>In KHR'000 equivalent (Note 5)</i>	<i>27,588,412</i>	<i>192,339</i>	<i>56,227,581</i>	<i>22,951,506</i>	<i>8,223,419</i>	<i>11,139,857</i>	<i>-</i>	<i>25,619,750</i>	<i>22,461,693</i>	<i>174,404,557</i>
As at 1 January 2023	10,011,636	44,281	13,597,553	9,554,050	2,117,163	1,683,243	473	362,157	5,873,706	43,244,262
Credited/(charged) to profit or loss	526,439	91,049	756,951	(4,382,036)	(164,367)	277,239	346	100,154	1,146,188	(1,648,037)
As at 31 March 2023	10,538,075	135,330	14,354,504	5,172,014	1,952,796	1,960,482	819	462,311	7,019,894	41,596,225
<i>In KHR'000 equivalent (Note 5)</i>	<i>42,721,356</i>	<i>548,628</i>	<i>58,193,159</i>	<i>20,967,345</i>	<i>7,916,635</i>	<i>7,947,794</i>	<i>3,320</i>	<i>1,874,209</i>	<i>28,458,650</i>	<i>168,631,096</i>

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17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (continued)

Deferred tax assets of the Bank:

	Unamortised loan fees US\$	Provision for loan loss US\$	Other provision US\$	Staff bonus US\$	Unrealised foreign exchange loss US\$	Lease US\$	Others US\$	Total US\$
As at 1 January 2024	8,205,544	13,103,675	5,505,303	1,625,989	2,730,883	350,912	3,271,633	34,793,939
(Charged)/credited to profit or loss	(1,378,419)	810,599	112,587	399,726	24,930	5,982,666	(1,672,778)	4,279,311
As at 31 March 2024	<u>6,827,125</u>	<u>13,914,274</u>	<u>5,617,890</u>	<u>2,025,715</u>	<u>2,755,813</u>	<u>6,333,578</u>	<u>1,598,855</u>	<u>39,073,250</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>27,588,412</u>	<u>56,227,581</u>	<u>22,701,893</u>	<u>8,185,914</u>	<u>11,136,240</u>	<u>25,593,989</u>	<u>6,460,974</u>	<u>157,895,003</u>
As at 1 January 2023	10,011,636	13,597,553	9,392,387	2,117,163	1,682,562	359,397	2,481,977	39,642,675
Credited/(charged) to profit or loss	526,439	756,951	(4,309,704)	(164,367)	276,802	84,013	844,700	(1,985,166)
As at 31 March 2023	<u>10,538,075</u>	<u>14,354,504</u>	<u>5,082,683</u>	<u>1,952,796</u>	<u>1,959,364</u>	<u>443,410</u>	<u>3,326,677</u>	<u>37,657,509</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>42,721,356</u>	<u>58,193,159</u>	<u>20,605,197</u>	<u>7,916,635</u>	<u>7,943,262</u>	<u>1,797,584</u>	<u>13,486,348</u>	<u>152,663,541</u>

Deferred tax liabilities of the Group and the Bank:

	The Group					The Bank			
	Accelerated depreciation US\$	Unrealised exchange US\$	Others US\$	Lease US\$	Total US\$	Accelerated depreciation US\$	Others US\$	Lease US\$	Total US\$
As at 1 January 2024	2,383,244	1,899	61,888,535	19,060	64,292,738	2,375,418	59,187,454	13,112	61,575,984
Charged/(credited) to profit or loss	(196,889)	(1,899)	699,789	5,978,289	6,479,290	(202,184)	561,470	5,979,960	6,339,246
As at 31 March 2024	<u>2,186,355</u>	-	<u>62,588,324</u>	<u>5,997,349</u>	<u>70,772,028</u>	<u>2,173,234</u>	<u>59,748,924</u>	<u>5,993,072</u>	<u>67,915,230</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>8,835,061</u>	-	<u>252,919,417</u>	<u>24,235,287</u>	<u>285,989,765</u>	<u>8,782,039</u>	<u>241,445,401</u>	<u>24,218,004</u>	<u>274,445,444</u>
As at 1 January 2023	1,728,360	3,243	42,650,516	-	44,382,119	1,263,461	40,637,567	-	41,901,028
Charged/(credited) to profit or loss	(306,140)	(2,588)	2,648,257	115,405	2,454,934	(273,737)	2,278,255	103,628	2,108,146
As at 31 March 2023	<u>1,422,220</u>	<u>655</u>	<u>45,298,773</u>	<u>115,405</u>	<u>46,837,053</u>	<u>989,724</u>	<u>42,915,822</u>	<u>103,628</u>	<u>44,009,174</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>5,765,680</u>	<u>2,655</u>	<u>183,641,225</u>	<u>467,852</u>	<u>189,877,412</u>	<u>4,012,341</u>	<u>173,980,742</u>	<u>420,108</u>	<u>178,413,191</u>

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18. DEPOSITS AND PLACEMENTS OF OTHER BANKS AND FINANCIAL INSTITUTIONS

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Current accounts	101,322,241	83,966,188	409,443,176	343,001,878	104,740,070	87,716,198	423,254,623	358,320,669
Savings deposits	35,486,730	34,860,003	143,401,876	142,403,112	32,857,409	34,103,292	132,776,790	139,311,948
Fixed deposits	260,021,775	300,966,429	1,050,747,993	1,229,447,863	218,345,221	264,586,437	882,333,038	1,080,835,595
	<u>396,830,746</u>	<u>419,792,620</u>	<u>1,603,593,045</u>	<u>1,714,852,853</u>	<u>355,942,700</u>	<u>386,405,927</u>	<u>1,438,364,451</u>	<u>1,578,468,212</u>

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

a) By maturity

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Within 6 months	205,003,226	262,331,052	828,418,036	1,071,622,348	181,570,059	245,963,272	733,724,608	1,004,759,966
Later than 6 months but not later than 1 year	62,814,614	33,106,046	253,833,855	135,238,198	46,284,428	17,357,868	187,035,374	70,906,891
Later than 1 year but not later than 3 years	38,386,063	38,325,522	155,118,081	156,559,757	37,558,213	37,054,787	151,772,739	151,368,805
Later than 3 years	90,626,843	86,030,000	366,223,073	351,432,550	90,530,000	86,030,000	365,831,730	351,432,550
	<u>396,830,746</u>	<u>419,792,620</u>	<u>1,603,593,045</u>	<u>1,714,852,853</u>	<u>355,942,700</u>	<u>386,405,927</u>	<u>1,438,364,451</u>	<u>1,578,468,212</u>

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18. DEPOSITS AND PLACEMENTS OF OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

b) By relationship

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Related parties	72,153	51,611	291,571	210,831	3,543,430	3,840,265	14,319,001	15,687,483
Non-related parties	396,758,593	419,741,009	1,603,301,474	1,714,642,022	352,399,270	382,565,662	1,424,045,450	1,562,780,729
	<u>396,830,746</u>	<u>419,792,620</u>	<u>1,603,593,045</u>	<u>1,714,852,853</u>	<u>355,942,700</u>	<u>386,405,927</u>	<u>1,438,364,451</u>	<u>1,578,468,212</u>

c) By interest (per annum)

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Current accounts	0.00% - 1.50%	0.00% - 1.50%	0.00% - 0.75%	0.00% - 0.75%
Savings deposits	0.00% - 2.00%	0.00% - 2.00%	0.00% - 1.00%	0.05% - 1.00%
Fixed deposits	0.25% - 8.00%	0.25% - 8.45%	0.25% - 7.75%	0.25% - 8.45%

19. DEPOSITS FROM CUSTOMERS

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Current accounts	1,137,946,153	950,009,201	4,598,440,404	3,880,787,587	1,126,005,359	937,729,648	4,550,187,656	3,830,625,612
Savings deposits	2,411,495,955	2,297,291,732	9,744,855,154	9,384,436,725	2,385,275,359	2,272,724,032	9,638,897,726	9,284,077,671
Margin deposits	15,502,322	17,263,637	62,644,883	70,521,957	15,462,726	17,163,400	62,484,875	70,112,489
Fixed deposits	3,675,382,774	3,543,455,849	14,852,221,790	14,475,017,143	3,620,311,461	3,487,671,945	14,629,678,614	14,247,139,895
	<u>7,240,327,204</u>	<u>6,808,020,419</u>	<u>29,258,162,231</u>	<u>27,810,763,412</u>	<u>7,147,054,905</u>	<u>6,715,289,025</u>	<u>28,881,248,871</u>	<u>27,431,955,667</u>

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19. DEPOSITS FROM CUSTOMERS (continued)

The deposits from customers are analysed as follows:

a) By maturity

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Within 6 months	4,751,823,789	4,696,431,675	19,202,119,931	19,184,923,394	4,697,893,129	4,641,685,771	18,984,186,134	18,961,286,374
Later than 6 months but not later than 1 year	1,508,464,000	1,096,888,475	6,095,703,024	4,480,789,420	1,489,035,409	1,081,642,302	6,017,192,088	4,418,508,804
Later than 1 year but not later than 3 years	647,967,145	688,857,452	2,618,435,233	2,813,982,691	637,397,081	675,049,102	2,575,721,604	2,757,575,582
Later than 3 years	332,072,270	325,842,817	1,341,904,043	1,331,067,907	322,729,286	316,911,850	1,304,149,045	1,294,584,907
	<u>7,240,327,204</u>	<u>6,808,020,419</u>	<u>29,258,162,231</u>	<u>27,810,763,412</u>	<u>7,147,054,905</u>	<u>6,715,289,025</u>	<u>28,881,248,871</u>	<u>27,431,955,667</u>

b) By relationship

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Related parties	12,884,701	13,291,477	52,067,076	54,295,684	15,008,888	14,597,942	60,650,916	59,632,595
Non-related parties	7,227,442,503	6,794,728,942	29,206,095,155	27,756,467,728	7,132,046,017	6,700,691,083	28,820,597,955	27,372,323,072
	<u>7,240,327,204</u>	<u>6,808,020,419</u>	<u>29,258,162,231</u>	<u>27,810,763,412</u>	<u>7,147,054,905</u>	<u>6,715,289,025</u>	<u>28,881,248,871</u>	<u>27,431,955,667</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

19. DEPOSITS FROM CUSTOMERS (continued)

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

c) By interest rate

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Current accounts	0.00% - 1.50%	0.00% - 1.50%	0.00% - 0.75%	0.00% - 0.75%
Margin deposits	Nil	Nil	Nil	Nil
Savings deposits	0.00% - 15.00%	0.00% - 15.00%	0.00% - 1.00%	0.05% - 1.00%
Fixed deposits	0.25% - 9.50%	0.25% - 9.50%	0.25% - 7.75%	0.25% - 8.45%

20. OTHER LIABILITIES

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Accounts payable								
Bakong	49,230,505	2,454,667	198,940,471	10,027,315	48,226,347	1,450,509	194,882,668	5,925,329
Accrued annual leave	28,542,842	27,977,024	115,341,625	114,286,143	28,089,447	27,526,513	113,509,455	112,445,806
Fund transfers	18,372,864	22,829,011	74,244,743	93,256,510	18,301,253	22,578,216	73,955,363	92,232,012
Accrued bonuses	9,649,712	5,271,250	38,994,486	21,533,056	8,702,470	4,700,000	35,166,681	19,199,500
Tax payables	2,694,477	2,628,107	10,888,382	10,735,817	2,645,429	2,600,510	10,690,179	10,623,083
Others	23,150,541	24,685,285	93,551,336	100,839,389	22,505,952	24,128,226	90,946,553	98,563,804
	<u>131,640,941</u>	<u>85,845,344</u>	<u>531,961,043</u>	<u>350,678,230</u>	<u>128,470,898</u>	<u>82,983,974</u>	<u>519,150,899</u>	<u>338,989,534</u>
Current	90,875,737	47,206,915	367,228,854	192,840,248	88,136,395	44,788,709	356,159,172	182,961,876
Non-current	40,765,204	38,638,429	164,732,189	157,837,982	40,334,503	38,195,265	162,991,727	156,027,658
	<u>131,640,941</u>	<u>85,845,344</u>	<u>531,961,043</u>	<u>350,678,230</u>	<u>128,470,898</u>	<u>82,983,974</u>	<u>519,150,899</u>	<u>338,989,534</u>

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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 of each of the borrowing agreements. The Group and the Bank did not pledge any collaterals for these borrowings.

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Current	337,318,611	160,899,380	1,363,104,507	657,273,968	330,011,584	150,401,659	1,333,576,811	614,390,777
Non-current	360,923,569	698,914,170	1,458,492,142	2,855,064,384	355,670,401	693,016,932	1,437,264,090	2,830,974,167
	<u>698,242,180</u>	<u>859,813,550</u>	<u>2,821,596,649</u>	<u>3,512,338,352</u>	<u>685,681,985</u>	<u>843,418,591</u>	<u>2,770,840,901</u>	<u>3,445,364,944</u>

Changes in liabilities arising from financing activities – borrowings

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At 1 January 2024	859,813,550	957,335,869	3,512,338,352	3,941,351,772	843,418,591	944,275,857	3,445,364,944	3,887,583,704
Additions	-	80,671,585	-	329,462,753	-	76,162,172	-	311,046,310
Charge during the period	17,517,353	17,465,262	71,313,144	71,328,130	17,207,558	17,243,541	70,051,969	70,422,621
Repayments	(178,314,562)	(70,744,735)	(725,918,582)	(288,921,498)	(174,719,899)	(67,467,517)	(711,284,709)	(275,537,339)
Withholding tax accrued	(815,171)	(1,092,245)	(3,318,561)	(4,460,729)	(815,171)	(1,092,245)	(3,318,561)	(4,460,729)
Currency translation difference	41,010	959,188	166,951	3,917,323	590,906	785,269	2,405,578	3,207,039
Exchange Differences	-	-	(32,984,655)	(61,129,929)	-	-	(32,378,320)	(60,258,316)
As at 31 March 2024	<u>698,242,180</u>	<u>984,594,924</u>	<u>2,821,596,649</u>	<u>3,991,547,822</u>	<u>685,681,985</u>	<u>969,907,077</u>	<u>2,770,840,901</u>	<u>3,932,003,290</u>

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21. BORROWINGS (continued)

The borrowings are analysed as follows:

a) By relationship

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Related parties	50,740,111	49,491,659	205,040,789	202,173,427	50,740,111	49,491,659	205,040,789	202,173,427
Non-related parties	647,502,069	810,321,891	2,616,555,860	3,310,164,925	634,941,874	793,926,932	2,565,800,112	3,243,191,517
	<u>698,242,180</u>	<u>859,813,550</u>	<u>2,821,596,649</u>	<u>3,512,338,352</u>	<u>685,681,985</u>	<u>843,418,591</u>	<u>2,770,840,901</u>	<u>3,445,364,944</u>

b) By interest rate

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Annual interest rates	2.00% - 13.00%	2.00% - 13.00%	2.00% - 9.80%	2.00% - 9.80%

As of 31 March 2024, the Bank's financial covenant ratios were not in line with a few debt covenants on borrowings with two lenders amounting to US\$275,225,797. As a result, the non-current portion of the borrowings amounting to US\$192,962,912 has been reclassified from non-current liabilities to current liabilities as of 31 March 2024.

As of the reporting date, the lenders are in the process of approving the waivers of the covenant. On the other hand, management is working to enhance the ratio to be in line with bank's strategy and objective.

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22. SUBORDINATED DEBTS

These are subordinated debts approved by the NBC to be treated as part of complementary capital and represent the outstanding principal and accrued interest payable amount. The Group and the Bank did not pledge any collaterals for these subordinated debts.

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Current	71,896,494	26,160,421	290,533,733	106,865,320	71,896,494	26,160,421	290,533,733	106,865,320
Non-current	47,097,080	90,893,461	190,319,300	371,299,788	47,097,080	90,893,461	190,319,300	371,299,788
	<u>118,993,574</u>	<u>117,053,882</u>	<u>480,853,033</u>	<u>478,165,108</u>	<u>118,993,574</u>	<u>117,053,882</u>	<u>480,853,033</u>	<u>478,165,108</u>

Changes in liabilities arising from financing activities – subordinated debts

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At 1 January 2024	117,053,882	127,762,328	478,165,108	525,997,504	117,053,882	127,762,328	478,165,108	525,997,504
Additions	-	-	-	-	-	-	-	-
Charge during the period	2,071,768	2,214,631	8,434,168	9,044,553	2,071,768	2,214,631	8,434,168	9,044,553
Repayments	-	-	-	-	-	-	-	-
Withholding tax accrued	(126,749)	(86,937)	(515,995)	(355,051)	(126,749)	(86,937)	(515,995)	(355,051)
Currency translation difference	(5,327)	(11,294)	(21,686)	(46,125)	(5,327)	(11,294)	(21,686)	(46,125)
Exchange Differences	-	-	(5,208,562)	(8,112,518)	-	-	(5,208,562)	(8,112,518)
As at 31 March 2024	<u>118,993,574</u>	<u>129,878,728</u>	<u>480,853,033</u>	<u>526,528,363</u>	<u>118,993,574</u>	<u>129,878,728</u>	<u>480,853,033</u>	<u>526,528,363</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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22. SUBORDINATED DEBTS (continued)

The subordinated debts are analysed as follows:

a) By relationship

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Related parties	15,319,813	15,094,208	61,907,365	61,659,840	15,319,813	15,094,208	61,907,364	61,659,840
Non-related parties	103,673,761	101,959,674	418,945,668	416,505,268	103,673,761	101,959,674	418,945,669	416,505,268
	<u>118,993,574</u>	<u>117,053,882</u>	<u>480,853,033</u>	<u>478,165,108</u>	<u>118,993,574</u>	<u>117,053,882</u>	<u>480,853,033</u>	<u>478,165,108</u>

b) By interest rate

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Annual interest rates	5.76% - 7.75%	5.76% - 7.75%	5.76% - 7.75%	5.76% - 7.75%

As of 31 March 2024, the Bank's financial covenant ratio was not in line with a subordinated debt covenant amounting to US\$66,872,476. As a result, the non-current portion of the subordinated debt amounting to US\$43,796,381 has been reclassified from non-current liabilities to current liabilities as of 31 March 2024.

As of the reporting date, the lender is in the process of approving the waivers of the covenant. On the other hand, management is working to enhance the ratio to be in line with bank's strategy and objective.

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23. DERIVATIVE FINANCIAL INSTRUMENTS

Under existing interest rate swap contracts, the Group and the Bank agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group and the Bank to mitigate the risk of changing interest rates on the fair value of issued fixed-rate debt and the cash flow exposures on the issued variable-rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the notional principal amounts and the remaining terms of interest rate swap contracts outstanding at the end of the reporting period:

Cash flow hedges

The Group										
Outstanding Contracts	Average Contracted Rate Fixed Interest		Notional Principal Amount				Fair Value			
	31 March 2024	31 December 2023	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Less than 1 year		1.709%	-	3,750,000	-	15,318,750	-	52,811	-	215,733
1 to 2 years	0.600%	2.273%	20,000,000	99,000,000	80,820,000	404,415,000	996,000	1,463,462	4,024,836	5,978,242
More than 2 to 5 years	0.565%	0.565%	66,000,000	66,000,000	266,706,000	269,610,000	4,874,738	4,230,413	19,698,816	17,281,237
			<u>86,000,000</u>	<u>168,750,000</u>	<u>347,526,000</u>	<u>689,343,750</u>	<u>5,870,738</u>	<u>5,746,686</u>	<u>23,723,652</u>	<u>23,475,212</u>

The Bank										
Outstanding Contracts	Average Contracted Rate Fixed Interest		Notional Principal Amount				Fair Value			
	31 March 2024	31 December 2023	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Less than 1 year		1.709%	-	3,750,000	-	15,318,750	-	52,811	-	215,733
1 to 2 years	0.600%	2.273%	20,000,000	99,000,000	80,820,000	404,415,000	996,000	1,463,462	4,024,836	5,978,242
More than 2 to 5 years	0.565%	0.565%	66,000,000	66,000,000	266,706,000	269,610,000	4,874,738	4,230,413	19,698,816	17,281,237
			<u>86,000,000</u>	<u>168,750,000</u>	<u>347,526,000</u>	<u>689,343,750</u>	<u>5,870,738</u>	<u>5,746,686</u>	<u>23,723,652</u>	<u>23,475,212</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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23. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Cash flow hedges (continued)

The interest rate swaps are settled concurrent with the due date of the hedged item. The Group and the Bank will settle the differences between the fixed and floating interest rate on a net basis.

All interest rate swap contracts that exchange floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's and the Bank's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on the debt affect profit or loss.

24. LEASE LIABILITIES

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

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Undiscounted lease liabilities								
Less than 1 year	12,735,680	12,490,697	51,464,883	51,024,497	12,357,109	12,070,202	49,935,077	49,306,775
1 to 5 years	23,031,168	22,340,588	93,068,950	91,261,302	22,072,769	21,400,227	89,196,060	87,419,927
More than 5 years	3,411,412	3,055,579	13,785,516	12,482,040	584,826	228,533	2,363,282	933,557
Total undiscounted lease liabilities	39,178,260	37,886,864	158,319,349	154,767,839	35,014,704	33,698,962	141,494,419	137,660,259
Present value of lease liabilities								
Current	12,334,418	12,094,930	49,843,383	49,407,789	11,966,543	11,688,565	48,356,800	47,747,788
Non-current	21,313,672	20,432,757	86,128,549	83,467,812	19,701,345	18,858,783	79,613,135	77,038,129
Total present value of lease liabilities	33,648,090	32,527,687	135,971,932	132,875,601	31,667,888	30,547,348	127,969,935	124,785,917

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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24. LEASE LIABILITIES (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:

	The Group				The Bank			
	For the three-month period ended		For the three-month period ended		For the three-month period ended		For the three-month period ended	
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At the beginning of the period	32,527,687	28,448,770	132,875,601	117,123,586	30,547,348	26,457,635	124,785,917	108,926,083
Additions during the period	4,511,709	3,074,306	18,367,167	12,555,466	4,447,329	3,026,214	18,105,076	12,359,058
Payments for the period	(3,551,640)	(3,400,707)	(14,458,726)	(13,888,487)	(3,448,476)	(3,300,919)	(14,038,746)	(13,480,953)
Lease terminations during the period	(355,670)	(328,376)	(1,447,933)	(1,341,088)	(354,249)	(331,819)	(1,442,148)	(1,355,149)
Interest charged during the period	511,112	454,795	2,080,737	1,857,383	475,167	420,063	1,934,404	1,715,537
Adjustment	11,761	-	47,879	-	(385)	-	(1,567)	-
Currency translation differences	(6,869)	4,150	(27,964)	16,949	1,154	-	4,698	-
Exchange differences	-	-	(1,464,829)	(1,786,398)	-	-	(1,377,699)	(1,661,237)
At the end of the period	33,648,090	28,252,938	135,971,932	114,537,411	31,667,888	26,271,174	127,969,935	106,503,339

Amounts recognised in the interim statement of cash flows follow:

	The Group				The Bank			
	For the three-month period ended		For the three-month period ended		For the three-month period ended		For the three-month period ended	
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Expenses relating to short-term leases	440	-	1,791	-	-	-	-	-
Expense relating to variable leases	-	13,415	-	54,787	-	7,939	-	32,423
	440	13,415	1,791	54,787	-	7,939	-	32,423

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

24. LEASE LIABILITIES (continued)

Amounts recognised in the interim statement of cash flows follow: (Continued)

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Total cash outflows for lease payments	3,552,080	3,400,707	14,460,518	13,888,487	3,448,476	3,300,919	14,038,746	13,480,953

25. EMPLOYEE BENEFITS

		The Group				The Bank			
		31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
		Seniority indemnity benefit	(a)	8,173,537	5,961,627	33,029,264	24,353,246	8,085,646	5,912,112
Career development benefits	(b)	2,102,768	2,359,069	8,497,285	9,636,797	2,042,931	2,217,834	8,255,484	9,059,852
Pension fund		72,959	71,925	294,827	293,814	71,637	70,690	289,485	288,769
		<u>10,349,264</u>	<u>8,392,621</u>	<u>41,821,376</u>	<u>34,283,857</u>	<u>10,200,214</u>	<u>8,200,636</u>	<u>41,219,065</u>	<u>33,499,598</u>
Current		3,232,818	1,591,924	13,063,818	6,503,010	3,157,711	1,493,652	12,760,310	6,101,568
Non-current		7,116,446	6,800,697	28,757,558	27,780,847	7,042,503	6,706,984	28,458,755	27,398,030
		<u>10,349,264</u>	<u>8,392,621</u>	<u>41,821,376</u>	<u>34,283,857</u>	<u>10,200,214</u>	<u>8,200,636</u>	<u>41,219,065</u>	<u>33,499,598</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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25. EMPLOYEE BENEFITS (continued)

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Within 1 month	183,174	74,705	740,207	305,170	181,852	73,470	734,863	300,125
Between 2 to 3 months	2,385,337	918,568	9,639,147	3,752,350	2,347,305	824,722	9,485,460	3,368,989
Between 4 to 6 months	127,253	300,959	514,229	1,229,418	125,166	300,381	505,796	1,227,056
Between 7 to 12 months	537,054	297,692	2,170,235	1,216,072	503,388	295,079	2,034,191	1,205,398
More than 12 months	7,116,446	6,800,697	28,757,558	27,780,847	7,042,503	6,706,984	28,458,755	27,398,030
	<u>10,349,264</u>	<u>8,392,621</u>	<u>41,821,376</u>	<u>34,283,857</u>	<u>10,200,214</u>	<u>8,200,636</u>	<u>41,219,065</u>	<u>33,499,598</u>

Retirement benefits

(i) The movements in the retirement benefit obligation during the period are as follows:

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At the beginning of the period	-	22,581,539	-	92,968,196	-	21,969,800	-	90,449,666
Current service cost	-	164,944	-	673,631	-	132,997	-	543,160
Interest cost	-	145,339	-	593,564	-	132,415	-	540,783
Benefits paid	-	(22,464,315)	-	(91,744,262)	-	(21,920,036)	-	(89,521,427)
Settlement gain	-	(431,583)	-	(1,762,585)	-	(314,938)	-	(1,286,207)
Remeasurement loss during the period	-	-	-	-	-	-	-	-
Currency translation differences	-	4,076	-	16,646	-	(238)	-	(972)
Exchange differences	-	-	-	(745,190)	-	-	-	(725,003)
At the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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25. EMPLOYEE BENEFITS (continued)

Retirement benefits (continued)

(ii) The amounts recognised in the interim statement of profit or loss and other comprehensive income are as follows:

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Current service cost	-	164,944	-	673,631	-	132,997	-	543,160
Interest cost	-	145,339	-	593,564	-	132,415	-	540,783
Settlement gain	-	(431,583)	-	(1,762,585)	-	(314,938)	-	(1,286,207)
	-	(121,300)	-	(495,390)	-	(49,526)	-	(202,264)

During the three-month period ended 31 March 2023, the Group and the Bank amended the Employee Retirement Operating Manual and decided to terminate the retirement benefit plan due to the Group and the Bank have legal obligation required by the Royal Government of Cambodia to pay the seniority benefits and provident fund. Thus, the Group and the Bank have settled the outstanding amounts accrued for the retirement benefits amounting to US\$22,464,315 and US\$21,920,036, respectively; with the remaining balance after the settlement of US\$350,852 and US\$226,845 credited to profit or loss, respectively.

(a) Seniority indemnity benefits

Movements in seniority indemnity benefits follow:

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At the beginning of the period	5,961,627	6,123,116	24,353,246	25,208,868	5,912,112	6,078,067	24,150,977	25,023,402
Additions (Note 31)	2,226,868	2,703,080	9,065,580	11,039,379	2,188,415	2,665,071	8,909,037	10,884,150
Benefits paid	(13,790)	(3,418)	(56,139)	(13,959)	(13,790)	(3,418)	(56,139)	(13,959)
Currency translation differences	(1,168)	(2,504)	(4,755)	(10,226)	(1,091)	(2,478)	(4,441)	(10,120)
Exchange differences	-	-	(328,668)	(466,671)	-	-	(325,338)	(462,694)
At the end of the period	8,173,537	8,820,274	33,029,264	35,757,391	8,085,646	8,737,242	32,674,096	35,420,779

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25. EMPLOYEE BENEFITS (continued)

(b) Career development benefits

Movements in career development benefits follow:

	The Group				The Bank			
	For the three-month period ended		For the three-month period ended		For the three-month period ended		For the three-month period ended	
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
At the beginning of the period	2,359,069	4,598,006	9,636,797	18,929,991	2,217,834	4,507,750	9,059,852	18,558,407
Additions (Note 31)	507,908	419,464	2,067,693	1,713,091	500,220	388,427	2,036,396	1,586,336
Benefits paid	(756,355)	(3,869,005)	(3,079,121)	(15,801,016)	(674,934)	(3,869,005)	(2,747,656)	(15,801,016)
Currency translation differences	(7,854)	(13,778)	(31,974)	(56,269)	(189)	(434)	(769)	(1,772)
Exchange differences	-	-	(96,110)	(185,776)	-	-	(92,339)	(179,559)
At the end of the period	2,102,768	1,134,687	8,497,285	4,600,021	2,042,931	1,026,738	8,255,484	4,162,396

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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26. SHARE CAPITAL AND SHARE PREMIUM

As at 31 March 2024, the authorised share capital comprised of 433,163,019 ordinary shares with 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 31 March 2024			As at 31 December 2023		
	Number of shares	US\$	% of shareholding	Number of shares	US\$	% of shareholding
ACLEDA Financial Trust	121,533,063	121,533,063	28.0571%	121,477,368	121,477,368	28.0443%
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%
NHTPE Rumdul	15,160,706	15,160,706	3.5000%	15,160,706	15,160,706	3.5000%
Triodos Microfinance Fund	6,274,582	6,274,582	1.4485%	6,274,582	6,274,582	1.4485%
Triodos Fair Share Fund	5,365,844	5,365,844	1.2388%	5,365,844	5,365,844	1.2388%
Shareholders Legalised from ASA, Plc.	24,916,808	24,916,808	5.7524%	24,916,808	24,916,808	5.7524%
Public Shareholders	76,592,260	76,592,260	17.6821%	76,647,955	76,647,955	17.6949%
	<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>1,732,652,076</u>			<u>1,732,652,076</u>	

On 15 June 2021, 11,488 actual shareholders of ASA, Plc., one of the institutional shareholders of the Bank, has legalised all its shareholdings of 107,204,547 shares or 24.7492% of the Bank's outstanding shares in accordance with the relevant measures, laws and regulations of the SERC. After legalisation, 4% of the Bank's share capital or 17,326,521 shares were floated on the CSX. On 5 April 2022, ASA, Plc. added 64,915,190 floating shares legalised on the CSX equal to 14.9863%.

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26. SHARE CAPITAL AND SHARE PREMIUM (continued)

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.

On 25 May 2020, the Bank was successfully listed on the CSX. The number of new issued shares is 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 initial public offering (“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 (KHR48,235,459 thousand). On 23 November 2020, the shareholders approved the amendment to the MAA relating to the capital increase from IPO. The MAA was subsequently approved by the NBC and the MOC on 29 March 2021 and 12 May 2021, respectively.

27. INTEREST INCOME

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Loans and advances	190,717,199	176,822,541	776,409,717	722,143,257	183,148,644	169,227,631	745,598,130	691,125,645
Financial investments	1,717,697	2,100,631	6,992,744	8,578,977	1,717,697	2,100,631	6,992,744	8,578,977
Deposits and placements with other banks:								
Banks inside Cambodia	89,673	1,560,057	365,059	6,371,273	80,407	1,553,956	327,336	6,346,355
Banks outside Cambodia	2,790,971	3,216,758	11,362,043	13,137,240	2,790,971	3,216,758	11,362,044	13,137,241
National Bank of Cambodia	140,418	127,615	571,642	521,180	139,595	127,615	568,291	521,180
	195,455,958	183,827,602	795,701,205	750,751,927	187,877,314	176,226,591	764,848,545	719,709,398

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28. INTEREST EXPENSE

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Deposits and placements of other banks and financial institutions:								
Fixed deposits	4,567,270	3,965,609	18,593,356	16,195,547	3,939,312	3,499,867	16,036,939	14,293,457
Savings deposits	30,794	18,686	125,362	76,314	27,217	15,418	110,800	62,967
Current accounts	14,465	47,219	58,887	192,842	14,465	47,219	58,887	192,842
Deposits from customers:								
Fixed deposits	55,178,493	44,251,551	224,631,645	180,723,334	54,233,994	43,456,689	220,786,590	177,477,118
Savings deposits	5,758,321	5,347,416	23,442,125	21,838,847	5,592,195	5,192,273	22,765,826	21,205,243
Current accounts	2,387,705	1,623,487	9,720,347	6,630,321	2,387,349	1,623,123	9,718,898	6,628,834
Borrowings	17,517,354	17,465,262	71,313,148	71,328,130	17,207,558	17,243,541	70,051,969	70,422,621
Subordinated debts	2,071,768	2,214,632	8,434,168	9,044,557	2,071,768	2,214,632	8,434,168	9,044,558
Interest expenses on lease	511,112	454,795	2,080,737	1,857,383	475,167	420,063	1,934,404	1,715,537
	<u>88,037,282</u>	<u>75,388,657</u>	<u>358,399,775</u>	<u>307,887,275</u>	<u>85,949,025</u>	<u>73,712,825</u>	<u>349,898,481</u>	<u>301,043,177</u>

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29. FEE AND COMMISSION INCOME

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
ATM fee	3,448,932	2,398,251	14,040,602	9,794,457	3,435,971	2,385,767	13,987,838	9,743,472
Commission fees	2,811,608	3,189,234	11,446,056	13,024,832	2,778,106	3,079,085	11,309,670	12,574,983
Commission fee collected for assurance agency	1,639,430	1,643,718	6,674,120	6,712,944	1,619,757	1,617,217	6,594,031	6,604,714
Training fees	1,131,463	641,417	4,606,186	2,619,547	15,009	9,005	61,102	36,776
Deposit fee charged	218,438	175,375	889,261	716,232	168,481	116,770	685,886	476,889
Fee income from guarantee	198,352	191,656	807,491	782,723	197,610	191,289	804,470	781,224
Others	1,408,050	3,350,635	5,732,171	13,683,993	1,291,448	2,977,043	5,257,484	12,158,245
	<u>10,856,273</u>	<u>11,590,286</u>	<u>44,195,887</u>	<u>47,334,728</u>	<u>9,506,382</u>	<u>10,376,176</u>	<u>38,700,481</u>	<u>42,376,303</u>

Settlement fees amounting to KHR1,679,600 (equivalent to US\$413) and US\$916 for the operations of cash settlement agents were recognised for the three-month period ended 31 March 2024 (31 March 2023: KHR1,579,000 (equivalent to US\$387) and US\$15,509, respectively).

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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30. OTHER INCOME, NET

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Foreign exchange gain, net	5,228,732	4,419,827	21,286,168	18,050,573	5,201,569	4,377,814	21,175,587	17,878,992
Gain on disposals of property and equipment and lease	237,206	86,376	965,666	352,760	237,501	85,175	966,867	347,855
Dividend income	233	205,462	949	839,107	233	205,462	949	839,107
Recovery from loans and advances written off	-	1,776,437	-	7,254,969	-	1,401,134	-	5,722,231
Others	263,002	535,241	1,070,680	2,185,924	94,976	141,725	386,647	578,805
	<u>5,729,173</u>	<u>7,023,343</u>	<u>23,323,463</u>	<u>28,683,333</u>	<u>5,534,279</u>	<u>6,211,310</u>	<u>22,530,050</u>	<u>25,366,990</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

31. OTHER OPERATING EXPENSES

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Salaries and wages	41,439,440	39,655,674	168,699,960	161,953,773	39,491,597	37,758,547	160,770,291	154,205,906
Depreciation of property and equipment (Note 14)	6,154,539	5,554,840	25,055,128	22,685,967	5,708,229	5,182,884	23,238,200	21,166,898
Repair and maintenance	3,847,249	3,897,245	15,662,151	15,916,349	3,751,347	3,816,932	15,271,734	15,588,350
Other employee expense	3,311,393	4,235,130	13,480,681	17,296,271	3,206,835	4,561,147	13,055,025	18,627,724
Depreciation of right-of-use assets (Note 16)	3,174,497	2,988,956	12,923,377	12,206,896	3,058,685	2,868,692	12,451,907	11,715,738
Seniority indemnity (Note 25(a))	2,226,868	2,703,080	9,065,580	11,039,379	2,188,415	2,665,071	8,909,037	10,884,150
Utilities	1,539,472	1,336,709	6,267,191	5,459,120	1,446,701	1,250,846	5,889,520	5,108,455
Office supplies	1,524,546	1,412,510	6,206,427	5,768,691	1,414,550	1,317,199	5,758,633	5,379,441
Communication	1,252,449	1,590,709	5,098,720	6,496,456	955,216	1,307,637	3,888,684	5,340,390
Travelling expenses	727,966	707,608	2,963,550	2,889,871	634,213	617,951	2,581,881	2,523,712
Amortisation charges (Note 15)	679,999	675,524	2,768,276	2,758,840	637,099	623,489	2,593,630	2,546,329
Career development expense (Note 25(b))	507,908	419,464	2,067,693	1,713,091	500,220	388,427	2,036,396	1,586,336
License fees	299,625	294,321	1,219,773	1,202,007	292,734	287,874	1,191,720	1,175,677
Others (*)	4,357,686	3,895,104	17,740,139	15,907,602	3,558,700	4,009,863	14,487,468	16,376,281
	<u>71,043,637</u>	<u>69,366,874</u>	<u>289,218,646</u>	<u>283,294,313</u>	<u>66,844,541</u>	<u>66,656,559</u>	<u>272,124,126</u>	<u>272,225,387</u>

For the three-month period ended 31 March 2024, the salaries and wages of the Bank's staff, who are responsible for the operations of cash settlement agents, amounted to US\$12,775 (31 March 2023: US\$10,662). The above expenses include costs incurred for the operations of cash settlement agents, which consist office supplies amounting to US\$173, furniture and fixtures amounting to US\$373, and membership fees amounting to US\$3,173 (KHR12,916,667) (31 March 2023: office supplies amounting to US\$69, expendable costs amounting to US\$64, furniture and fixtures amounting to US\$375, and membership fees amounting to US\$3,163 (KHR12,916,667).

(*) This includes following fees which were paid or are payable to PricewaterhouseCoopers (Cambodia) Ltd. and PricewaterhouseCoopers (Lao) Sole Company Limited. PricewaterhouseCoopers (Cambodia) Ltd. and PricewaterhouseCoopers (Lao) Sole Company Limited. were not the auditor of the Group and the Bank in 2023:

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31. OTHER OPERATING EXPENSES (continued)

	The Group		The Bank	
	For the three-month period ended		For the three-month period ended	
	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	US\$	KHR'000	US\$	KHR'000
		(Note 5)		(Note 5)
Audit fee	80,225	326,596	63,000	256,473

32. TAXATION

(a) Current income tax liabilities

	The Group				The Bank			
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2024	2023	2024	2023	2024	2023	2024	2023
	US\$	US\$	KHR'000	KHR'000	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)			(Note 5)	(Note 5)
Current income tax liabilities	3,420,468	3,791,516	13,822,111	15,488,343	2,576,862	2,319,080	10,413,099	9,473,442

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2024	2023	2024	2023	2024	2023	2024	2023
	US\$	US\$	KHR'000	KHR'000	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)			(Note 5)	(Note 5)
At the beginning of the period	3,791,516	34,428,462	15,488,343	141,741,978	2,319,080	33,911,933	9,473,442	139,615,428
Current income tax	4,429,507	4,197,504	18,032,523	17,142,606	3,913,520	3,535,167	15,931,940	14,437,622
Income tax paid	(4,800,555)	(35,964,086)	(19,543,059)	(146,877,327)	(3,655,738)	(35,473,332)	(14,882,509)	(144,873,088)
Exchange differences	-	-	(155,696)	(1,215,995)	-	-	(109,774)	(1,178,307)
At the end of the period	3,420,468	2,661,880	13,822,111	10,791,262	2,576,862	1,973,768	10,413,099	8,001,655

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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32. TAXATION (continued)

(b) Income tax expense

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Current income tax	4,429,507	4,197,504	18,032,523	17,142,606	3,913,520	3,535,167	15,931,940	14,437,622
Deferred tax	2,149,739	4,108,198	8,751,587	16,777,881	2,059,935	4,093,312	8,385,995	16,717,086
	<u>6,579,246</u>	<u>8,305,702</u>	<u>26,784,110</u>	<u>33,920,487</u>	<u>5,973,455</u>	<u>7,628,479</u>	<u>24,317,935</u>	<u>31,154,708</u>

(c) Reconciliation between income tax expense and accounting profit

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Profit before income tax	33,136,799	46,852,314	134,899,908	191,344,851	30,514,822	42,523,987	124,225,841	173,667,963
Tax calculated at domestic tax rates applicable to taxable profits in the respective countries	6,637,284	9,380,016	27,020,383	38,307,985	6,102,964	8,504,797	24,845,166	34,733,591
Effect of net (non-taxable income) expense	(58,038)	(1,074,314)	(236,273)	(4,387,498)	(129,509)	(876,318)	(527,231)	(3,578,883)
	<u>6,579,246</u>	<u>8,305,702</u>	<u>26,784,110</u>	<u>33,920,487</u>	<u>5,973,455</u>	<u>7,628,479</u>	<u>24,317,935</u>	<u>31,154,708</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

32. TAXATION (continued)**(c) Reconciliation between income tax expense and accounting profit** (continued)

In accordance with the Sub-decree No. 01 of the Royal Government of Cambodia (“RGC”) dated 4 January 2019, on Tax incentives in Securities Sector, the Bank has been entitled to a reduction of 50% on the Tax on Income for a period of 3 years from 2020 to 2022 after successful listing (proportion is based on the 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 Income and withholding taxes for the period from year N-3 to N-10, where N is the IPO year (“N-3 to N-10”).

(d) Other tax matters

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at the reporting date. The Management periodically evaluates position taken in tax returns with respect to situations in which the 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 tax liabilities and balances in the period in which the determination is made.

33. EARNINGS PER SHARE

The following table shows the Bank’s profit used in the basic and diluted EPS computations for the period presented:

	For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Profit attributable to the shareholders of the Bank	26,544,428	38,504,113	108,062,366	157,250,798
Weighted average numbers of shares	433,163,019	433,163,019	433,163,019	433,163,019
Basic EPS	<u>0.06</u>	<u>0.09</u>	<u>0.25</u>	<u>0.36</u>
Diluted EPS	<u>0.06</u>	<u>0.09</u>	<u>0.25</u>	<u>0.36</u>

The Bank has no potentially dilutive ordinary shares as at the reporting date. As such, the diluted EPS is equal to the basic EPS.

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34. CASH AND CASH EQUIVALENTS

	The Group				The Bank			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Cash on hand	594,334,628	503,142,929	2,401,706,232	2,039,741,434	584,073,289	492,980,722	2,360,240,161	1,998,543,847
Deposits and placements with other banks:								
<i>Balances with the National Bank of Cambodia:</i>								
Current accounts	1,172,138,418	753,693,287	4,736,611,347	3,055,472,585	1,172,138,418	753,693,287	4,736,611,347	3,055,472,585
Negotiable certificate of deposits, term of three months or less	243,718,581	52,328,492	984,866,786	212,139,707	243,718,581	52,328,492	984,866,786	212,139,707
<i>Balances with other banks:</i>								
Current accounts	403,446,737	104,394,806	1,630,328,264	423,216,544	369,021,766	78,435,480	1,491,216,956	317,977,436
Fixed deposits, term of three months or less	20,378,628	452,198,377	82,350,036	1,833,212,220	19,877,507	450,801,210	80,325,006	1,827,548,105
	<u>2,434,016,992</u>	<u>1,865,757,891</u>	<u>9,835,862,665</u>	<u>7,563,782,490</u>	<u>2,388,829,561</u>	<u>1,828,239,191</u>	<u>9,653,260,256</u>	<u>7,411,681,680</u>

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AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

35. NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the period.

	The Group				The Bank			
	For the three-month period ended				For the three-month period ended			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
Cash and cash equivalents	2,434,016,992	1,865,757,891	9,835,862,665	7,563,782,490	2,388,829,561	1,828,239,191	9,653,260,256	7,411,681,680
Borrowing	(698,242,180)	(984,594,924)	(2,821,596,649)	(3,991,547,822)	(685,681,985)	(969,907,077)	(2,770,840,901)	(3,932,003,290)
Subordinate debts	(118,993,574)	(129,878,728)	(480,853,033)	(526,528,363)	(118,993,574)	(129,878,728)	(480,853,033)	(526,528,363)
Lease liabilities	(33,648,090)	(28,252,938)	(135,971,932)	(114,537,411)	(31,667,888)	(26,271,174)	(127,969,935)	(106,503,339)
Net Debt	<u>1,583,133,148</u>	<u>723,031,301</u>	<u>6,397,441,051</u>	<u>2,931,168,894</u>	<u>1,552,486,114</u>	<u>702,182,212</u>	<u>6,273,596,387</u>	<u>2,846,646,688</u>
Cash and cash equivalents	2,434,016,992	1,865,757,891	9,835,862,665	7,563,782,490	2,388,829,561	1,828,239,191	9,653,260,256	7,411,681,680
Gross debt-fixed interest rates	(235,086,091)	(394,219,860)	(949,982,894)	(1,598,167,312)	(220,545,694)	(377,550,249)	(891,225,149)	(1,530,588,709)
Gross debt-Floating interest rates	(615,797,753)	(748,506,730)	(2,488,438,720)	(3,034,446,284)	(615,797,753)	(748,506,730)	(2,488,438,720)	(3,034,446,283)
Net Debt	<u>1,583,133,148</u>	<u>723,031,301</u>	<u>6,397,441,051</u>	<u>2,931,168,894</u>	<u>1,552,486,114</u>	<u>702,182,212</u>	<u>6,273,596,387</u>	<u>2,846,646,688</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

35. NET DEBT RECONCILIATION (CONTINUED)

This section sets out an analysis of net debt and the movements in net debt for each of the period. (continued)

	The Group						The Bank					
	Liabilities from financing activities			Sub-total	Other assets	Total	Liabilities from financing activities			Sub-total	Other assets	Total
	Borrowing	Subordinate	Lease		Cash and cash		Borrowing	Subordinate	Lease		Cash and cash	
US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Net debt at 1 January 2024	859,813,550	117,053,882	32,527,687	1,009,395,119	2,279,718,573	3,289,113,692	843,418,591	117,053,882	30,547,348	991,019,821	2,240,749,214	3,231,769,035
Cash flows	(178,314,561)	-	(3,551,640)	(181,866,201)	154,298,419	(27,567,782)	(153,783,867)	-	(3,448,476)	(157,232,343)	148,080,347	(9,151,996)
New leases	-	-	4,511,709	4,511,709	-	4,511,709	-	-	4,447,329	4,447,329	-	4,447,329
Foreign exchange adjustments	41,009	(5,327)	(6,869)	28,813	-	28,813	590,905	(5,327)	1,154	586,732	-	586,732
Other change (i)	16,702,182	1,945,019	167,203	18,814,404	-	18,814,404	(4,543,644)	1,945,019	120,533	(2,478,092)	-	(2,478,092)
Net debt as at 31 March 2024	<u>698,242,180</u>	<u>118,993,574</u>	<u>33,648,090</u>	<u>850,883,844</u>	<u>2,434,016,992</u>	<u>3,284,900,836</u>	<u>685,681,985</u>	<u>118,993,574</u>	<u>31,667,888</u>	<u>836,343,447</u>	<u>2,388,829,561</u>	<u>3,225,173,008</u>
<i>In KHR'000 equivalent</i>	<u>2,821,596,649</u>	<u>480,853,033</u>	<u>135,971,932</u>	<u>3,438,421,614</u>	<u>9,835,862,665</u>	<u>13,274,284,279</u>	<u>2,770,840,901</u>	<u>480,853,033</u>	<u>127,969,935</u>	<u>3,379,663,869</u>	<u>9,653,260,256</u>	<u>13,032,924,125</u>
Net debt at 1 January 2023	957,335,868	127,762,328	28,448,770	1,113,546,966	1,748,443,669	2,861,990,635	944,275,857	127,762,328	26,457,635	1,098,495,820	1,719,370,446	2,817,866,266
Cash flows	9,912,943	-	(3,400,707)	6,512,236	117,314,222	123,826,458	29,125,252	-	(3,300,919)	25,824,333	108,868,745	134,693,078
New leases	-	-	3,074,306	3,074,306	-	3,074,306	-	-	3,026,214	3,026,214	-	3,026,214
Foreign exchange adjustments	933,039	(11,294)	4,150	925,895	-	925,895	797,068	(11,294)	-	785,774	-	785,774
Other change (i)	16,413,074	2,127,694	126,419	18,667,187	-	18,667,187	(4,291,100)	2,127,694	88,244	(2,075,162)	-	(2,075,162)
Net debt as at 31 March 2023	<u>984,594,924</u>	<u>129,878,728</u>	<u>28,252,938</u>	<u>1,142,726,590</u>	<u>1,865,757,891</u>	<u>3,008,484,481</u>	<u>969,907,077</u>	<u>129,878,728</u>	<u>26,271,174</u>	<u>1,126,056,979</u>	<u>1,828,239,191</u>	<u>2,954,296,170</u>
<i>In KHR'000 equivalent</i>	<u>3,991,547,822</u>	<u>526,528,363</u>	<u>114,537,411</u>	<u>4,632,613,596</u>	<u>7,563,782,490</u>	<u>12,196,396,086</u>	<u>3,932,003,290</u>	<u>526,528,363</u>	<u>106,503,339</u>	<u>4,565,034,992</u>	<u>7,411,681,680</u>	<u>11,976,716,672</u>

- (i) Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

36. COMMITMENTS 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, guarantees, and other facilities as follows:

(a) Loan commitments, guarantees, and other financial liabilities

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Unused portion of overdrafts	235,045,559	209,854,669	949,819,104	857,256,323	234,349,296	209,405,052	947,005,505	855,419,637
Bank guarantees	65,019,960	67,014,005	262,745,658	273,752,210	64,958,349	66,880,923	262,496,688	273,208,570
Letters of credit	2,937,428	2,303,062	11,870,147	9,408,008	2,937,428	2,303,062	11,870,147	9,408,008
Spot foreign exchanges	589,644	-	2,382,751	-	589,644	-	2,382,751	-
	<u>303,592,591</u>	<u>279,171,736</u>	<u>1,226,817,660</u>	<u>1,140,416,541</u>	<u>302,834,717</u>	<u>278,589,037</u>	<u>1,223,755,091</u>	<u>1,138,036,215</u>

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

(b) Capital expenditure commitments

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Not later than 1 year	5,847,935	8,609,249	23,631,505	35,168,782	3,601,763	4,439,957	14,554,724	18,137,224
Later than 1 but not later than 5 years	115,744	115,744	467,722	472,814	-	-	-	-
	<u>5,963,679</u>	<u>8,724,993</u>	<u>24,099,227</u>	<u>35,641,596</u>	<u>3,601,763</u>	<u>4,439,957</u>	<u>14,554,724</u>	<u>18,137,224</u>

As at 31 March 2024 and as at 31 December 2023, the balances of these commitments are related to the Bank's and its subsidiary's purchases of property and equipment and intangible and other equipment.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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36. COMMITMENTS AND CONTINGENCIES (continued)

(c) Commitments to be received from other banks and other financial institutions (“OFI”) and other financial assets

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Commitment to be received from other banks	157,450,878	146,367,075	636,258,998	597,909,501	157,450,878	146,367,075	636,258,998	597,909,501
Foreign exchange spot transactions	592,661	-	2,394,943	-	592,661	-	2,394,943	-
Other non-performing commitments	748,800	748,800	3,025,901	3,058,848	-	-	-	-
	<u>158,792,339</u>	<u>147,115,875</u>	<u>641,679,842</u>	<u>600,968,349</u>	<u>158,043,539</u>	<u>146,367,075</u>	<u>638,653,941</u>	<u>597,909,501</u>

(d) Other commitments

On 30 May 2016, the Bank guaranteed to IFC to secure the borrowing obtained by its subsidiary, AUB, amounting to US\$13,000,000 maturing on 15 June 2026. As at 31 March 2024, remaining balance is US\$4,792,299 (31 December 2023: US\$4,694,475). The Bank has made allowance for impairment losses of US\$50,075 (31 December 2023: US\$47,542) with respect to this guarantee.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

37. RESERVES

	The Group												
	General reserves		Hedging reserve		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)	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2024	524,311,587	2,141,812,833	5,746,686	23,475,212	249,190,346	1,017,942,563	(59,649,300)	(243,667,390)	3,028,319	12,370,683	53,648,083	722,627,638	3,005,581,984
Other comprehensive income:													
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	124,052	505,016	-	-	-	-	-	-	-	124,052	505,016
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	(1,705,192)	(6,941,837)	-	-	-	(1,705,192)	(6,941,837)
Total comprehensive loss for the period	-	-	124,052	505,016	-	-	(1,705,192)	(6,941,837)	-	-	-	(1,581,140)	(6,436,821)
Transactions with owners:													
Transfer from retained earnings to regulatory reserves	-	-	-	-	16,005,761	65,159,453	-	-	-	-	-	16,005,761	65,159,453
Exchange differences	-	(23,069,710)	-	(256,576)	-	(11,444,548)	-	2,675,723	-	(133,246)	(29,064,511)	-	(61,292,868)
Total transactions with owners	-	(23,069,710)	-	(256,576)	16,005,761	53,714,905	-	2,675,723	-	(133,246)	(29,064,511)	16,005,761	3,866,585
As at 31 March 2024	524,311,587	2,118,743,123	5,870,738	23,723,652	265,196,107	1,071,657,468	(61,354,492)	(247,933,504)	3,028,319	12,237,437	24,583,572	737,052,259	3,003,011,748

	The Group												
	General reserves		Hedging Reserve		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)	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2023	524,311,587	2,158,590,804	9,630,593	39,649,151	155,706,835	641,045,041	(53,815,086)	(221,556,709)	3,028,319	12,467,589	76,356,446	638,862,248	2,706,552,320
Comprehensive income:													
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(780,991)	(3,189,567)	-	-	-	-	-	-	-	(780,991)	(3,189,567)
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	(554,087)	(2,262,891)	-	-	-	(554,087)	(2,262,891)
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(780,991)	(3,189,567)	-	-	(554,087)	(2,262,891)	-	-	-	(1,335,078)	(5,452,458)
Transactions with owners:													
Transfer from retained earnings to regulatory reserves	-	-	-	-	8,766,512	35,802,435	-	-	-	-	-	8,766,512	35,802,435
Exchange differences	-	(33,031,630)	-	(583,297)	-	(10,072,527)	-	3,406,973	-	(190,784)	(43,210,848)	-	(83,682,113)
Total transactions with owners	-	(33,031,630)	-	(583,297)	8,766,512	25,729,908	-	3,406,973	-	(190,784)	(43,210,848)	8,766,512	(47,879,678)
As at 31 March 2023	524,311,587	2,125,559,174	8,849,602	35,876,287	164,473,347	666,774,949	(54,369,173)	(220,412,627)	3,028,319	12,276,805	33,145,598	646,293,682	2,653,220,184

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

37. RESERVES (continued)

	The Bank								
	General reserves		Hedging reserve		Regulatory reserves		Other reserves	Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Balance at 1 January 2024	510,741,556	2,086,379,256	5,746,686	23,475,212	248,627,006	1,015,641,321	53,456,774	765,115,248	3,178,952,563
Other comprehensive income:									
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	124,052	505,016	-	-	-	124,052	505,016
Total comprehensive loss for the period	-	-	124,052	505,016	-	-	-	124,052	505,016
Transactions with owners:									
Transfer from retained earnings to regulatory reserves	-	-	-	-	15,681,406	63,839,004	-	15,681,406	63,839,004
Exchange differences	-	(22,472,628)	-	(256,576)	-	(11,410,030)	(27,877,166)	-	(62,016,400)
Total transactions with owners	-	(22,472,628)	-	(256,576)	15,681,406	52,428,974	(27,877,166)	15,681,406	1,822,604
As at 31 March 2024	<u>510,741,556</u>	<u>2,063,906,628</u>	<u>5,870,738</u>	<u>23,723,652</u>	<u>264,308,412</u>	<u>1,068,070,295</u>	<u>25,579,608</u>	<u>780,920,706</u>	<u>3,181,280,183</u>
Balance at 1 January 2023	510,741,556	2,102,722,986	9,630,593	39,649,151	155,706,835	641,045,040	75,402,095	676,078,984	2,858,819,277
Other comprehensive income:									
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(780,991)	(3,189,567)	-	-	-	(780,991)	(3,189,567)
Total comprehensive income for the period	-	-	(780,991)	(3,189,567)	-	-	-	(780,991)	(3,189,567)
Transactions with owners:									
Transfer from retained earnings to regulatory reserves	-	-	-	-	8,556,995	34,946,768	-	8,556,995	34,946,768
Exchange differences	-	(32,176,718)	-	(583,296)	-	(10,066,240)	(42,055,614)	-	(84,881,873)
Total transactions with owners	-	(32,176,718)	-	(583,296)	8,556,995	24,880,528	(42,055,614)	8,556,995	(49,935,105)
As at 31 March 2023	<u>510,741,556</u>	<u>2,070,546,268</u>	<u>8,849,602</u>	<u>35,876,288</u>	<u>164,263,830</u>	<u>665,925,568</u>	<u>33,346,481</u>	<u>683,854,988</u>	<u>2,805,694,605</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

38. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related parties and relationships

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

Related parties	Relationship
Subsidiaries of the Bank as disclosed in Note 13	Subsidiaries
Shareholders as disclosed in Note 26	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 the Directors and members of senior management of the Group and the Bank.

(b) Related parties balances

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
i) Loans and advances								
Key management personnel	13,871,099	13,539,928	56,053,111	55,310,606	13,400,924	13,074,333	54,153,134	53,408,650
ii) Balances with related parties								
Shareholders	622,563	655,991	2,515,777	2,679,723	622,563	655,991	2,515,777	2,679,723
Subsidiaries	-	-	-	-	31,424	15,871	126,984	64,833
	<u>622,563</u>	<u>655,991</u>	<u>2,515,777</u>	<u>2,679,723</u>	<u>653,987</u>	<u>671,862</u>	<u>2,642,761</u>	<u>2,744,556</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group				The Bank			
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
iii) Receivables from/(payables to) related parties								
Key management personnel								
Other payables	-	-	-	-	-	-	-	-
Shareholders								
Other payables	-	-	-	-	-	-	-	-
Subsidiaries								
Other receivables	-	-	-	-	360,248	449,377	1,455,762	1,835,705
Other payables	-	-	-	-	(23,404)	-	(94,576)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336,844</u>	<u>449,377</u>	<u>1,361,186</u>	<u>1,835,705</u>
iv) Deposits from related parties								
Key management personnel	9,042,660	8,445,599	36,541,389	34,500,272	8,632,973	7,969,500	34,885,844	32,555,408
Shareholders								
Current accounts	1,859,585	3,328,035	7,514,583	13,595,023	1,351,536	2,688,728	5,461,557	10,983,454
Savings accounts	68,031	68,031	274,913	277,907	68,031	68,031	274,913	277,907
Fixed deposits	1,986,578	1,501,423	8,027,762	6,133,313	1,986,578	1,501,423	8,027,762	6,133,313
Subsidiaries								
Current accounts	-	-	-	-	3,771,062	3,841,059	15,238,861	15,690,726
Savings accounts	-	-	-	-	42,190	251,289	170,490	1,026,516
Fixed deposits	-	-	-	-	2,699,948	2,118,177	10,910,490	8,652,754
	<u>12,956,854</u>	<u>13,343,088</u>	<u>52,358,647</u>	<u>54,506,515</u>	<u>18,552,318</u>	<u>18,438,207</u>	<u>74,969,917</u>	<u>75,320,078</u>
v) Borrowings from related parties								
Shareholder	<u>50,740,111</u>	<u>49,491,659</u>	<u>205,040,789</u>	<u>202,173,427</u>	<u>50,740,111</u>	<u>49,491,659</u>	<u>205,040,789</u>	<u>202,173,427</u>
vi) Subordinated debts from related parties								
Shareholder	<u>15,319,813</u>	<u>15,094,208</u>	<u>61,907,364</u>	<u>61,659,840</u>	<u>15,319,813</u>	<u>15,094,208</u>	<u>61,907,364</u>	<u>61,659,840</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

38. 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			
	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 March 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 March 2023 KHR'000 (Note 5)
i) Interest income from related parties								
Loans and advances to key management personnel	235,101	349,004	957,096	1,425,332	225,500	348,964	918,011	1,425,169
ii) Fee and commission income from related parties								
Shareholders	272	10,794	1,108	44,083	272	10,808	1,108	44,140
Subsidiaries	-	-	-	-	6,591	203	26,832	829
	<u>272</u>	<u>10,794</u>	<u>1,108</u>	<u>44,083</u>	<u>6,863</u>	<u>11,011</u>	<u>27,940</u>	<u>44,969</u>
iii) Interest expenses to related parties								
Deposits of key management personnel	31,150	36,331	126,812	148,376	29,339	28,261	119,439	115,418
Borrowings from shareholders	1,682,995	948,229	6,851,473	3,872,567	1,682,995	948,229	6,851,473	3,872,567
Deposits of shareholders	16,945	42,053	68,983	171,744	16,945	42,053	68,983	171,744
Deposits of subsidiaries	-	-	-	-	38,500	58,006	156,733	236,896
	<u>1,731,090</u>	<u>1,026,613</u>	<u>7,047,268</u>	<u>4,192,687</u>	<u>1,767,779</u>	<u>1,076,549</u>	<u>7,196,628</u>	<u>4,396,625</u>
iv) Fee and remuneration expenses to related parties								
Board of Directors	145,810	160,335	593,593	654,808	95,482	96,269	388,707	393,163
Key management personnel	2,892,850	4,848,703	11,776,792	19,802,103	2,412,872	4,201,217	9,822,802	17,157,770
Subsidiaries	-	-	-	-	442,568	754,304	1,801,694	3,080,578
	<u>3,038,660</u>	<u>5,009,038</u>	<u>12,370,385</u>	<u>20,456,911</u>	<u>2,950,922</u>	<u>5,051,790</u>	<u>12,013,203</u>	<u>20,631,511</u>
v) Other commitments								
ECL on financial guarantee on AUB's debt from IFC (Note 36 (d))	-	-	-	-	(2,533)	(4,986)	(10,312)	(20,363)

39. FINANCIAL RISK MANAGEMENT

(a) Introduction and overview

The Bank is the leading and first listed bank in Cambodia and currently has the largest branch network and self-service banking which offers multiple products and services to its customers such as credits, deposits, fund transfers, cash management, trade finance, ACLEDA card, credit and debit cards, and digital services, including internet banking, ACLEDA mobile (mobile banking app), e-commerce payment gateway, ACLEDA ATM/POS, and term deposit machine. As disclosed in Note 13, the Bank's four subsidiaries are as follows:

- a. ACLEDA Bank Lao Ltd.,
- b. ACLEDA Securities Plc.,
- c. ACLEDA University of Business Co., Ltd.
- 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 an 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 Group and the Bank.

The Group and the Bank instil 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, managing 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 Group and the Bank.

Risk management within the Group and the Bank is managed by a Three Lines Model, supported by sufficient numbers of skilled personnel in the management of risks within all areas across the model.

(b) Objectives 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 minimise 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.

39. FINANCIAL RISK MANAGEMENT (continued)

(b) Objectives and principles (continued)

The Group's and the Bank'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 reviews and approves the Group's and the Bank's risk appetite and tolerance statement considering the most significant risks that specify the nature, types, and levels which the Group and the Bank are willing to assume, 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 and the nature of the Group's and the Bank's business context. The policy sets risk tolerance/internal targets per individual risk category.

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

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

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), and liquidity risk. Equity risk and commodity risk are not applicable given that the Group and the Bank do not hold any equity and commodity position.

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39. FINANCIAL RISK MANAGEMENT (continued)

(b) Objectives and principles (continued)

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

a. Financial assets and financial liabilities measured at amortised cost

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Financial assets								
Cash on hand	594,334,628	495,793,568	2,401,706,232	2,025,316,725	584,073,289	486,584,317	2,360,240,161	1,987,696,935
Deposits and placements with other banks, net	1,596,291,400	1,509,543,178	6,450,613,547	6,166,483,882	1,560,951,472	1,478,882,021	6,307,804,898	6,041,233,056
Financial investments	360,604,153	357,354,714	1,457,201,383	1,459,794,007	360,604,153	357,354,714	1,457,201,383	1,459,794,007
Loans and advances, net	6,662,697,375	6,601,665,231	26,923,960,092	26,967,802,469	6,520,328,801	6,457,043,288	26,348,648,685	26,377,021,831
Other financial assets	32,670,481	8,550,649	132,021,414	34,929,401	32,618,120	8,160,591	131,809,823	33,336,014
Total financial assets	9,246,598,037	8,972,907,340	37,365,502,668	36,654,326,484	9,058,575,835	8,788,024,931	36,605,704,950	35,899,081,843
Financial liabilities								
Deposits and placements of other banks and financial institutions	396,830,746	419,792,620	1,603,593,045	1,714,852,853	355,942,700	386,405,927	1,438,364,451	1,578,468,212
Deposits from customers	7,240,327,204	6,808,020,419	29,258,162,231	27,810,763,412	7,147,054,905	6,715,289,025	28,881,248,871	27,431,955,667
Lease liabilities	33,648,090	32,527,687	135,971,932	132,875,601	31,667,888	30,547,348	127,969,935	124,785,917
Borrowings	698,242,180	859,813,550	2,821,596,649	3,512,338,352	685,681,985	843,418,591	2,770,840,901	3,445,364,944
Subordinated debts	118,993,574	117,053,882	480,853,033	478,165,108	118,993,574	117,053,882	480,853,033	478,165,108
Other financial liabilities	58,181,336	43,591,008	235,110,779	178,069,268	57,531,957	42,489,918	232,486,638	173,571,315
Total financial liabilities	8,546,223,130	8,280,799,166	34,535,287,669	33,827,064,594	8,396,873,009	8,135,204,691	33,931,763,829	33,232,311,163
Net financial instruments	700,374,907	692,108,174	2,830,214,999	2,827,261,890	661,702,826	652,820,240	2,673,941,121	2,666,770,680

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39. FINANCIAL RISK MANAGEMENT (continued)

(b) Objectives and principles (continued)

b. Financial assets and financial liabilities measured at fair value

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Financial assets								
Financial investments	189,670	189,670	766,456	774,802	189,670	189,670	766,456	774,802
Derivative financial instruments	5,870,738	5,746,686	23,723,652	23,475,212	5,870,738	5,746,686	23,723,652	23,475,212
Total financial assets	<u>6,060,408</u>	<u>5,936,356</u>	<u>24,490,108</u>	<u>24,250,014</u>	<u>6,060,408</u>	<u>5,936,356</u>	<u>24,490,108</u>	<u>24,250,014</u>
Net financial instruments	<u>6,060,408</u>	<u>5,936,356</u>	<u>24,490,108</u>	<u>24,250,014</u>	<u>6,060,408</u>	<u>5,936,356</u>	<u>24,490,108</u>	<u>24,250,014</u>

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk

Credit risk is the potential risk that a counterparty would fail to meet its repayment 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 these loans as 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 of the 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 overexposure to one particular sector or industry.
- Systemic risk is the risk of system-wide breakdown of the financial sectors. 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 the other forms of lending and prudential position limits that should be set to sufficiently protect the Group and the Bank from systemic risk.

Internal targets on 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.

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.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(a) Credit risk management

The Board 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 who 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 the 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 of 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 assessment and in applying green-lining methodology.

The Group's 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 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 operate and provide 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 its 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.

ABL is required, based on the Letter No. 296 of the BOL, to maintain at all times a maximum ratio of 25% between its overall credit exposure to any individual beneficiary and its net worth. The aggregation of large credit exposure must not exceed 500% of its net worth. However, for AMM, there is no requirement by the Financial Regulatory Department of Myanmar.

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, which is the 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 are:

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

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

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

For financial assets reflected in the interim statement of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees and similar contracts 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.

	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,596,291,400	1,509,543,178	6,450,613,547	6,166,483,882	1,560,951,472	1,478,882,021	6,307,804,898	6,041,233,056
Financial investments	360,793,823	357,544,384	1,457,967,839	1,460,568,809	360,793,823	357,544,384	1,457,967,839	1,460,568,809
Loans and advances, net	6,662,697,375	6,601,665,231	26,923,960,092	26,967,802,469	6,520,328,801	6,457,043,288	26,348,648,685	26,377,021,831
Derivative financial instruments	5,870,738	5,746,686	23,723,652	23,475,212	5,870,738	5,746,686	23,723,652	23,475,212
Other financial assets	32,670,481	8,550,649	132,021,414	34,929,401	32,618,120	8,160,591	131,809,823	33,336,014
	<u>8,658,323,817</u>	<u>8,483,050,128</u>	<u>34,988,286,544</u>	<u>34,653,259,773</u>	<u>8,480,562,954</u>	<u>8,307,376,970</u>	<u>34,269,954,897</u>	<u>33,935,634,922</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	235,045,559	209,854,669	949,819,104	857,256,323	234,349,296	209,405,052	947,005,505	855,419,637
Bank guarantees	29,694,663	31,910,289	119,996,133	130,353,531	29,633,052	31,777,207	119,747,163	129,809,891
Letters of credit	2,937,428	2,303,062	11,870,147	9,408,008	2,937,428	2,303,062	11,870,147	9,408,008
	<u>267,677,650</u>	<u>244,068,020</u>	<u>1,081,685,384</u>	<u>997,017,862</u>	<u>266,919,776</u>	<u>243,485,321</u>	<u>1,078,622,815</u>	<u>994,637,536</u>
Total maximum credit risk exposure	<u>8,926,001,467</u>	<u>8,727,118,148</u>	<u>36,069,971,928</u>	<u>35,650,277,635</u>	<u>8,747,482,730</u>	<u>8,550,862,291</u>	<u>35,348,577,712</u>	<u>34,930,272,458</u>

The above table represents a worst-case scenario of credit risk exposure to the Group and the Bank as at 31 March 2024 and 31 December 2023, without taking into account any collateral held or other credit enhancements attached. For on-balance financial sheet assets, the exposures set out above are based on net carrying amounts.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

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

As shown in the table in the previous page, as at 31 March 2024, 74.64% for the Group and 74.54% for the Bank of total maximum exposure is derived from loans and advances (31 December 2023: 75.65% and 75.51% for the Group and for the Bank, respectively).

The Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group and the Bank resulting from its loans and advances. Significant credit risk exposure is arising from loans and advances. In order to mitigate the exposure of credit risk arising from loans and advances, all loan size limits must not exceed 75% of estimated saleable value of the pledged collateral, except for other loans authorised by the Management Credit Committee wherein the loan to collateral value exceeds the 75% threshold. As at 31 March 2024, approximately 93.53% (31 December 2023: 94.16%) of these loans and advances 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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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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 31 March 2024 and 31 December 2023 are as follows:

	The Group								Total US\$
	Cambodia US\$	France US\$	Germany US\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$	
As at 31 March 2024									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,192,395,860	2,712,282	288,325	34,232,951	111,317,312	247,329,889	58,812	7,955,969	1,596,291,400
Financial investments	360,793,823	-	-	-	-	-	-	-	360,793,823
Loans and advances, net	6,520,328,801	-	-	123,534,505	-	-	18,834,069	-	6,662,697,375
Derivative financial instruments	5,870,738	-	-	-	-	-	-	-	5,870,738
Other financial assets	32,337,296	-	-	328,043	-	-	5,142	-	32,670,481
	<u>8,111,726,518</u>	<u>2,712,282</u>	<u>288,325</u>	<u>158,095,499</u>	<u>111,317,312</u>	<u>247,329,889</u>	<u>18,898,023</u>	<u>7,955,969</u>	<u>8,658,323,817</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitments	234,349,296	-	-	696,263	-	-	-	-	235,045,559
Bank guarantees	29,633,052	-	-	61,611	-	-	-	-	29,694,663
Letters of credit	2,937,428	-	-	-	-	-	-	-	2,937,428
	<u>266,919,776</u>	<u>-</u>	<u>-</u>	<u>757,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,677,650</u>
Total maximum credit risk exposure	<u>8,378,646,294</u>	<u>2,712,282</u>	<u>288,325</u>	<u>158,853,373</u>	<u>111,317,312</u>	<u>247,329,889</u>	<u>18,898,023</u>	<u>7,955,969</u>	<u>8,926,001,467</u>
In KHR'000 equivalent (Note 5)	<u>33,858,109,671</u>	<u>10,960,332</u>	<u>1,165,121</u>	<u>641,926,480</u>	<u>449,833,258</u>	<u>999,460,081</u>	<u>76,366,911</u>	<u>32,150,071</u>	<u>36,069,971,925</u>

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$	Total US\$
As at 31 December 2023									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,390,225,085	1,886,342	142,614	28,994,985	661,541	79,154,370	71,128	8,407,113	1,509,543,178
Financial investments	357,544,384	-	-	-	-	-	-	-	357,544,384
Loans and advances, net	6,457,043,288	-	-	126,422,018	-	-	18,199,925	-	6,601,665,231
Derivative financial instruments	5,746,686	-	-	-	-	-	-	-	5,746,686
Other financial assets	7,761,342	-	-	789,307	-	-	-	-	8,550,649
	<u>8,218,320,785</u>	<u>1,886,342</u>	<u>142,614</u>	<u>156,206,310</u>	<u>661,541</u>	<u>79,154,370</u>	<u>18,271,053</u>	<u>8,407,113</u>	<u>8,483,050,128</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitments	209,405,052	-	-	449,617	-	-	-	-	209,854,669
Bank guarantees	31,777,207	-	-	133,082	-	-	-	-	31,910,289
Letters of credit	2,303,062	-	-	-	-	-	-	-	2,303,062
	<u>243,485,321</u>	<u>-</u>	<u>-</u>	<u>582,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,068,020</u>
Total maximum credit risk exposure	<u>8,461,806,106</u>	<u>1,886,342</u>	<u>142,614</u>	<u>156,789,009</u>	<u>661,541</u>	<u>79,154,370</u>	<u>18,271,053</u>	<u>8,407,113</u>	<u>8,727,118,148</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>34,566,477,942</u>	<u>7,705,707</u>	<u>582,578</u>	<u>640,483,102</u>	<u>2,702,395</u>	<u>323,345,601</u>	<u>74,637,252</u>	<u>34,343,057</u>	<u>35,650,277,634</u>

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$	
As at 31 March 2024									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,192,341,594	2,712,282	288,325	31,422	111,317,312	247,329,889	46,918	6,883,730	1,560,951,472
Financial investments	360,793,823	-	-	-	-	-	-	-	360,793,823
Loans and advances, net	6,520,328,801	-	-	-	-	-	-	-	6,520,328,801
Derivative financial instruments	5,870,738	-	-	-	-	-	-	-	5,870,738
Other financial assets	32,413,185	-	-	-	-	-	204,935	-	32,618,120
	<u>8,111,748,141</u>	<u>2,712,282</u>	<u>288,325</u>	<u>31,422</u>	<u>111,317,312</u>	<u>247,329,889</u>	<u>251,853</u>	<u>6,883,730</u>	<u>8,480,562,954</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitments	234,349,296	-	-	-	-	-	-	-	234,349,296
Bank guarantees	29,633,052	-	-	-	-	-	-	-	29,633,052
Letters of credit	2,937,428	-	-	-	-	-	-	-	2,937,428
	<u>266,919,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,919,776</u>
Total maximum credit risk exposure	<u>8,378,667,917</u>	<u>2,712,282</u>	<u>288,325</u>	<u>31,422</u>	<u>111,317,312</u>	<u>247,329,889</u>	<u>251,853</u>	<u>6,883,730</u>	<u>8,747,482,730</u>
In KHR'000 equivalent (Note 5)	<u>33,858,197,053</u>	<u>10,960,332</u>	<u>1,165,121</u>	<u>126,976</u>	<u>449,833,258</u>	<u>999,460,081</u>	<u>1,017,738</u>	<u>27,817,153</u>	<u>35,348,577,712</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$	
As at 31 December 2023									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,390,168,709	1,886,342	142,614	15,871	661,541	79,154,370	46,936	6,805,638	1,478,882,021
Financial investments	357,544,384	-	-	-	-	-	-	-	357,544,384
Loans and advances, net	6,457,043,288	-	-	-	-	-	-	-	6,457,043,288
Derivative financial instruments	5,746,686	-	-	-	-	-	-	-	5,746,686
Other financial assets	7,914,050	-	-	-	-	-	246,541	-	8,160,591
	<u>8,218,417,117</u>	<u>1,886,342</u>	<u>142,614</u>	<u>15,871</u>	<u>661,541</u>	<u>79,154,370</u>	<u>293,477</u>	<u>6,805,638</u>	<u>8,307,376,970</u>
Credit exposure for off-balance sheet items:									
Unused portion of loan commitments	209,405,052	-	-	-	-	-	-	-	209,405,052
Bank guarantees	31,777,207	-	-	-	-	-	-	-	31,777,207
Letters of credit	2,303,062	-	-	-	-	-	-	-	2,303,062
	<u>243,485,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,485,321</u>
Total maximum credit risk exposure	<u>8,461,902,438</u>	<u>1,886,342</u>	<u>142,614</u>	<u>15,871</u>	<u>661,541</u>	<u>79,154,370</u>	<u>293,477</u>	<u>6,805,638</u>	<u>8,550,862,291</u>
In KHR'000 equivalent (Note 5)	<u>34,566,871,460</u>	<u>7,705,707</u>	<u>582,578</u>	<u>64,833</u>	<u>2,702,395</u>	<u>323,345,601</u>	<u>1,198,854</u>	<u>27,801,031</u>	<u>34,930,272,459</u>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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 31 March 2024 and 31 December 2023 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\$	Others US\$	
As at 31 March 2024								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,596,291,400	-	-	-	-	-	-	1,596,291,400
Financial investments	-	-	-	-	-	-	360,793,823	360,793,823
Loans and advances, net	2,814,838	2,186,531,181	1,609,356,226	197,266,279	235,269,532	1,397,608,909	1,033,850,410	6,662,697,375
Derivative financial instruments	5,870,738	-	-	-	-	-	-	5,870,738
Other financial assets	2,501,273	-	-	-	-	-	30,169,208	32,670,481
	<u>1,607,478,249</u>	<u>2,186,531,181</u>	<u>1,609,356,226</u>	<u>197,266,279</u>	<u>235,269,532</u>	<u>1,397,608,909</u>	<u>1,424,813,441</u>	<u>8,658,323,817</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	-	-	-	-	-	-	235,045,559	235,045,559
Bank guarantees	-	-	-	-	-	-	29,694,663	29,694,663
Letters of credit	-	-	-	-	-	-	2,937,428	2,937,428
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,677,650</u>	<u>267,677,650</u>
Total maximum credit risk exposure	<u>1,607,478,249</u>	<u>2,186,531,181</u>	<u>1,609,356,226</u>	<u>197,266,279</u>	<u>235,269,532</u>	<u>1,397,608,909</u>	<u>1,692,491,091</u>	<u>8,926,001,467</u>
In KHR'000 equivalent (Note 5)	<u>6,495,819,602</u>	<u>8,835,772,502</u>	<u>6,503,408,509</u>	<u>797,153,033</u>	<u>950,724,179</u>	<u>5,647,737,601</u>	<u>6,839,356,499</u>	<u>36,069,971,925</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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\$	Others US\$	
As at 31 December 2023								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,509,543,178	-	-	-	-	-	-	1,509,543,178
Financial investments	-	-	-	-	-	-	357,544,384	357,544,384
Loans and advances, net	6,394,966	2,152,440,783	1,597,211,053	204,611,792	235,720,790	1,402,560,696	1,002,725,151	6,601,665,231
Derivative financial instruments	5,746,686	-	-	-	-	-	-	5,746,686
Other financial assets	4,231,725	-	-	-	-	-	4,318,924	8,550,649
	<u>1,525,916,555</u>	<u>2,152,440,783</u>	<u>1,597,211,053</u>	<u>204,611,792</u>	<u>235,720,790</u>	<u>1,402,560,696</u>	<u>1,364,588,459</u>	<u>8,483,050,128</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	-	-	-	-	-	-	209,854,669	209,854,669
Bank guarantees	-	-	-	-	-	-	31,910,289	31,910,289
Letters of credit	-	-	-	-	-	-	2,303,062	2,303,062
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,068,020</u>	<u>244,068,020</u>
Total maximum credit risk exposure	<u>1,525,916,555</u>	<u>2,152,440,783</u>	<u>1,597,211,053</u>	<u>204,611,792</u>	<u>235,720,790</u>	<u>1,402,560,696</u>	<u>1,608,656,479</u>	<u>8,727,118,148</u>
In KHR'000 equivalent (Note 5)	<u>6,233,369,126</u>	<u>8,792,720,599</u>	<u>6,524,607,152</u>	<u>835,839,170</u>	<u>962,919,427</u>	<u>5,729,460,443</u>	<u>6,571,361,717</u>	<u>35,650,277,634</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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\$	Others US\$	
As at 31 March 2024								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,560,951,472	-	-	-	-	-	-	1,560,951,472
Financial investments	-	-	-	-	-	-	360,793,823	360,793,823
Loans and advances, net	2,814,838	2,129,674,359	1,579,404,192	186,657,989	230,638,894	1,364,809,036	1,026,329,493	6,520,328,801
Derivative financial instruments	5,870,738	-	-	-	-	-	-	5,870,738
Other financial assets	2,825,905	-	-	-	-	-	29,792,215	32,618,120
	<u>1,572,462,953</u>	<u>2,129,674,359</u>	<u>1,579,404,192</u>	<u>186,657,989</u>	<u>230,638,894</u>	<u>1,364,809,036</u>	<u>1,416,915,531</u>	<u>8,480,562,954</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	-	-	-	-	-	-	234,349,296	234,349,296
Bank guarantees	-	-	-	-	-	-	29,633,052	29,633,052
Letters of credit	-	-	-	-	-	-	2,937,428	2,937,428
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,919,776</u>	<u>266,919,776</u>
Total maximum credit risk exposure	<u>1,572,462,953</u>	<u>2,129,674,359</u>	<u>1,579,404,192</u>	<u>186,657,989</u>	<u>230,638,894</u>	<u>1,364,809,036</u>	<u>1,683,835,307</u>	<u>8,747,482,730</u>
In KHR'000 equivalent (Note 5)	<u>6,354,322,792</u>	<u>8,606,014,085</u>	<u>6,382,372,340</u>	<u>754,284,934</u>	<u>932,011,771</u>	<u>5,515,193,314</u>	<u>6,804,378,476</u>	<u>35,348,577,712</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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\$	Others US\$	
As at 31 December 2023								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,478,882,021	-	-	-	-	-	-	1,478,882,021
Financial investments	-	-	-	-	-	-	357,544,384	357,544,384
Loans and advances, net	6,394,967	2,094,550,796	1,567,087,673	193,397,658	230,816,360	1,369,801,023	994,994,811	6,457,043,288
Derivative financial instruments	5,746,686	-	-	-	-	-	-	5,746,686
Other financial assets	4,645,888	-	-	-	-	-	3,514,703	8,160,591
	<u>1,495,669,562</u>	<u>2,094,550,796</u>	<u>1,567,087,673</u>	<u>193,397,658</u>	<u>230,816,360</u>	<u>1,369,801,023</u>	<u>1,356,053,898</u>	<u>8,307,376,970</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitment	-	-	-	-	-	-	209,405,052	209,405,052
Bank guarantees	-	-	-	-	-	-	31,777,207	31,777,207
Letters of credit	-	-	-	-	-	-	2,303,062	2,303,062
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,485,321</u>	<u>243,485,321</u>
Total maximum credit risk exposure	<u>1,495,669,562</u>	<u>2,094,550,796</u>	<u>1,567,087,673</u>	<u>193,397,658</u>	<u>230,816,360</u>	<u>1,369,801,023</u>	<u>1,599,539,219</u>	<u>8,550,862,291</u>
In KHR'000 equivalent (Note 5)	<u>6,109,810,160</u>	<u>8,556,240,002</u>	<u>6,401,553,144</u>	<u>790,029,433</u>	<u>942,884,831</u>	<u>5,595,637,179</u>	<u>6,534,117,710</u>	<u>34,930,272,459</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(e) Write-off policy

Financial instruments can be written off under the judgment of the Management Credit Committee 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 uncollectible; this is particularly the case when there is no realistic prospect of recovery from 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 realised 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 agreement.
- c) The counterparty has become bankrupt or is undergoing other forms of financial restructuring, and as a consequence, it will unlikely to service the facility.
- d) The facility has been classified under loss category.

(f) Credit quality of financial assets

CIFRS 9 provides 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 and Stage 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 ECL 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 ECL	12-month ECL	Lifetime ECL	Lifetime ECL
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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Recognition of ECL

Financial assets 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.

As for financial assets that are short-term in nature, simplified approach will be adopted where no staging criteria is required. It will be either performing (Stage1) or non-performing loan (“NPL”) (Stage 3) based on the default indicator.

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

ACLEDA Bank Plc.

Staging	Risk Level / Rating Grade	Days Past Due	NBC's Classification	Indicator	Default Indicator
1	1	LT*: $0 \leq \text{DPD} \leq 29$ ST**: $0 \leq \text{DPD} \leq 14$	Normal	-	Not in Default / Performing
	2				
	3				
	4				
	5				
2	6	LT*: $30 \leq \text{DPD} \leq 89$ ST**: $15 \leq \text{DPD} \leq 30$	Special Mention	Hit SICR triggers	
	7				
3	8	LT*: $90 \leq \text{DPD} \leq 179$ ST**: $31 \leq \text{DPD} \leq 60$	Substandard	Hit NPL triggers	Default / Non-Performing
	9		Doubtful		
	10		Loss		
		LT*: $\text{DPD} \geq 360$ ST**: $\text{DPD} \geq 91$			

*Long-term facilities; **Short-term facilities

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Recognition of ECL (continued)

ACLEDA Bank Lao Ltd.

Staging	Days Past Due	BOL's Classification	Indicator	Default Indicator
1	0 ≤ DPD ≤ 29	Normal	-	Not in Default / Performing
2	30 ≤ DPD ≤ 89	Special Mention	Hit SICR triggers	
3	90 ≤ DPD ≤ 179	Substandard	Hit NPL triggers	Default / Non-performing
	180 ≤ DPD ≤ 359	Doubtful		
	DPD ≥ 360	Loss		

ACLEDA MFI Myanmar Co., Ltd.

Staging	Days Past Due	Financial Regulatory Department's Classification	Indicator	Default Indicator
1	On time	Normal	-	Not in Default / Performing
2	0 ≤ DPD ≤ 29	Substandard	Hit SICR triggers	
3	30 ≤ DPD ≤ 60	Watch	Hit NPL triggers	Default / Non-performing
	61 ≤ DPD ≤ 90	Doubtful		
	DPD ≥ 91	Loss		

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 to 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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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</p> <p>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 might all 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 capitalised, refinanced, or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for a maximum of 30 days. - When interest payments for a maximum of 30 days have been capitalised, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 30 days, or the current account has been inactive for a maximum of 30 days, or the net inflows on the current account have not been enough to cover capitalised interests for a maximum of 30 days.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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 - SUBSTANDARD</p> <p>A facility in this class exhibits noticeable weakness and is not adequately protected by the current business, financial position, or repayment capacity of the counterparty. 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 realisation 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 capitalised, refinanced, or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for a maximum of 60 days. - When interest payments for a maximum of 60 days have been capitalised, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 60 days, or the current account has been inactive for a maximum of 60 days. - The overdraft that had no net inflow for 60 days must be modified into a term loan.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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 has been capitalised or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for a maximum of 90 days. - When interest payment for a maximum of 90 days have been capitalised or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 90 days, or the current account has been inactive for a maximum of 90 days.
<p>5 - LOSS A facility is classified as Loss when it is not collectible, 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 capitalised or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is past due for a maximum of 180 days. - When interest payment for a maximum of 180 days have been capitalised or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 180 days, or the current account has been inactive for a maximum of 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.

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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

	31 March 2024				31 December 2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Normal	6,238,722,812	11,820,511	515,271	6,251,058,594	6,171,625,804	11,147,342	-	6,182,773,146
Special mention	1,124,986	51,532,882	-	52,657,868	803,987	48,054,541	-	48,858,528
Substandard	-	-	76,908,300	76,908,300	-	-	101,891,769	101,891,769
Doubtful	-	-	129,433,509	129,433,509	-	-	143,881,455	143,881,455
Loss	-	-	219,709,824	219,709,824	-	-	179,907,111	179,907,111
Total gross carrying amount	6,239,847,798	63,353,393	426,566,904	6,729,768,095	6,172,429,791	59,201,883	425,680,335	6,657,312,009
ECL allowance	(18,895,860)	(6,002,655)	(42,172,205)	(67,070,720)	(8,966,649)	(5,322,333)	(41,357,796)	(55,646,778)
Carrying amount	6,220,951,938	57,350,738	384,394,699	6,662,697,375	6,163,463,142	53,879,550	384,322,539	6,601,665,231
In KHR'000 equivalent (Note 5)	25,138,866,781	231,754,332	1,553,338,979	26,923,960,092	25,177,746,935	220,097,962	1,569,957,572	26,967,802,469
The Bank								
Normal	6,118,838,038	6,944	515,271	6,119,360,253	6,047,155,346	4,187	-	6,047,159,533
Special mention	1,106,842	48,889,094	-	49,995,936	799,286	46,778,284	-	47,577,570
Substandard	-	-	75,982,202	75,982,202	-	-	100,870,267	100,870,267
Doubtful	-	-	128,158,960	128,158,960	-	-	142,676,471	142,676,471
Loss	-	-	197,434,649	197,434,649	-	-	158,358,985	158,358,985
Total gross carrying amount	6,119,944,880	48,896,038	402,091,082	6,570,932,000	6,047,954,632	46,782,471	401,905,723	6,496,642,826
ECL allowance	(17,767,601)	(3,690,769)	(29,144,829)	(50,603,199)	(7,828,861)	(3,268,573)	(28,502,104)	(39,599,538)
Carrying amount	6,102,177,279	45,205,269	372,946,253	6,520,328,801	6,040,125,771	43,513,898	373,403,619	6,457,043,288
In KHR'000 equivalent (Note 5)	24,658,898,385	182,674,492	1,507,075,808	26,348,648,685	24,673,913,774	177,754,273	1,525,353,784	26,377,021,831

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Financial investments at amortised cost	31 March 2024				31 December 2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Unlisted Corporate Bond (Cambodian Airport)	30,366,164	-	-	30,366,164	31,604,794	-	-	31,604,794
Listed Government Bond (NBC)	75,760,773	-	-	75,760,773	41,489,090	-	-	41,489,090
Negotiable Certificate of Deposits (NBC)	254,981,282	-	-	254,981,282	284,890,090	-	-	284,890,090
Other Investment	-	-	-	-	-	-	-	-
Total gross carrying amount	361,108,219	-	-	361,108,219	357,983,974	-	-	357,983,974
ECL allowance	(504,066)	-	-	(504,066)	(629,260)	-	-	(629,260)
Carrying amount	360,604,153	-	-	360,604,153	357,354,714	-	-	357,354,714
In KHR'000 equivalent (Note 5)	1,457,201,382	-	-	1,457,201,382	1,459,794,007	-	-	1,459,794,007
The Bank								
Unlisted Corporate Bond (Cambodian Airport)	30,366,164.00	-	-	30,366,164	31,604,794	-	-	31,604,794
Listed Government Bond (NBC)	75,760,773	-	-	75,760,773	41,489,090	-	-	41,489,090
Negotiable Certificate of Deposits (NBC)	254,981,282	-	-	254,981,282	284,890,090	-	-	284,890,090
Other Investment	-	-	-	-	-	-	-	-
Total gross carrying amount	361,108,219	-	-	361,108,219	357,983,974	-	-	357,983,974
ECL allowance	(504,066)	-	-	(504,066)	(629,260)	-	-	(629,260)
Carrying amount	360,604,153	-	-	360,604,153	357,354,714	-	-	357,354,714
In KHR'000 equivalent (Note 5)	1,457,201,382	-	-	1,457,201,382	1,459,794,007	-	-	1,459,794,007

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Deposits and placements with other
banks, net

	31 March 2024				31 December 2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Investment Grade	389,064,126	-	-	389,064,126	89,693,482	-	-	89,693,482
Non-Investment Grade	1,205,750,988	-	-	1,205,750,988	1,418,099,065	-	-	1,418,099,065
No Rating	1,656,992	-	-	1,656,992	1,866,825	-	-	1,866,825
Total gross carrying amount	1,596,472,106	-	-	1,596,472,106	1,509,659,372	-	-	1,509,659,372
ECL allowance	(180,706)	-	-	(180,706)	(116,194)	-	-	(116,194)
Carrying amount	1,596,291,400	-	-	1,596,291,400	1,509,543,178	-	-	1,509,543,178
<i>In KHR'000 equivalent (Note 5)</i>	6,450,613,547	-	-	6,450,613,547	6,166,483,882	-	-	6,166,483,882
The Bank								
Investment Grade	387,987,374	-	-	387,987,374	88,083,684	-	-	88,083,684
Non-Investment Grade	1,173,018,892	-	-	1,173,018,892	1,390,794,891	-	-	1,390,794,891
No Rating	31,425	-	-	31,425	15,871	-	-	15,871
Total gross carrying amount	1,561,037,691	-	-	1,561,037,691	1,478,894,446	-	-	1,478,894,446
ECL allowance	(86,219)	-	-	(86,219)	(12,425)	-	-	(12,425)
Carrying amount	1,560,951,472	-	-	1,560,951,472	1,478,882,021	-	-	1,478,882,021
<i>In KHR'000 equivalent (Note 5)</i>	6,307,804,898	-	-	6,307,804,898	6,041,233,056	-	-	6,041,233,056

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Other financial assets	31 March 2024				31 December 2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Investment Grade	758,000	-	-	758,000	758,000	-	-	758,000
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	31,927,227	-	-	31,927,227	7,809,345	-	-	7,809,345
Total gross carrying amount	32,685,227	-	-	32,685,227	8,567,345	-	-	8,567,345
ECL allowance	(14,746)	-	-	(14,746)	(16,696)	-	-	(16,696)
Carrying amount	32,670,481	-	-	32,670,481	8,550,649	-	-	8,550,649
<i>In KHR'000 equivalent (Note 5)</i>	132,021,414	-	-	132,021,414	34,929,401	-	-	34,929,401
The Bank								
Investment Grade	758,000	-	-	758,000	758,000	-	-	758,000
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	31,873,967	-	-	31,873,967	7,416,377	-	-	7,416,377
Total gross carrying amount	32,631,967	-	-	32,631,967	8,174,377	-	-	8,174,377
ECL allowance	(13,847)	-	-	(13,847)	(13,786)	-	-	(13,786)
Carrying amount	32,618,120	-	-	32,618,120	8,160,591	-	-	8,160,591
<i>In KHR'000 equivalent (Note 5)</i>	131,809,823	-	-	131,809,823	33,336,014	-	-	33,336,014

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Financial guarantee contracts	31 March 2024				31 December 2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Investment Grade	-	-	-	-	-	-	-	-
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	65,019,960	-	-	65,019,960	67,014,005	-	-	67,014,005
Total gross carrying amount	65,019,960	-	-	65,019,960	67,014,005	-	-	67,014,005
ELC allowance	(55,425)	-	-	(55,425)	(14,782)	-	-	(14,782)
Carrying amount	64,964,535	-	-	64,964,535	66,999,223	-	-	66,999,223
<i>In KHR'000 equivalent (Note 5)</i>	262,521,686	-	-	262,521,686	273,691,826	-	-	273,691,826
The Bank								
Investment Grade	-	-	-	-	-	-	-	-
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	77,958,349	-	-	77,958,349	79,880,923	-	-	79,880,923
Total gross carrying amount	77,958,349	-	-	77,958,349	79,880,923	-	-	79,880,923
ECL allowance	(105,500)	-	-	(105,500)	(62,307)	-	-	(62,307)
Carrying amount	77,852,849	-	-	77,852,849	79,818,616	-	-	79,818,616
<i>In KHR'000 equivalent (Note 5)</i>	314,603,363	-	-	314,603,363	326,059,046	-	-	326,059,046

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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 is 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.

The Group and the Bank use the days past due (“DPD”) information, qualitative assessment in compliance with the Central Banks’ classification, and credit scoring/rating at origination for staging criteria.

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).

ACLEDA BANK PLC.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED****39. FINANCIAL RISK MANAGEMENT** (continued)**39.1 Credit risk** (continued)

(g) Amounts arising from ECL (continued)

Definition of default

The Group and the Bank consider a financial asset to be in default, as aligned with the NBC Prakas on Credit Risk Grading and Impairment Provisioning as stated in Article 17 and Article 19, when:

- 1) The default definition / non-performing facilities' definition for short-term and long-term facilities where original tenure is more than a year is as follows:

ACLEDA Bank Plc.

Days Past Due	Classification	Default Indicator
LT*: $0 \leq \text{DPD} < 30$ ST**: $0 \leq \text{DPD} \leq 14$	Normal	Not in Default / Performing
LT*: $30 \leq \text{DPD} < 90$ ST**: $15 \leq \text{DPD} \leq 30$	Special Mention	
LT*: $90 \leq \text{DPD} < 180$ ST**: $31 \leq \text{DPD} \leq 60$	Substandard	Default / Non-performing
LT*: $180 \leq \text{DPD} < 360$ ST**: $61 \leq \text{DPD} \leq 90$	Doubtful	
LT*: $\text{DPD} \geq 360$ ST**: $\text{DPD} \geq 91$	Loss	

*Long-term facilities; **Short-term facilities

ACLEDA Bank Lao Ltd.

Days Past Due	Classification	Default Indicator
$0 \leq \text{DPD} < 30$	Normal	Not in 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	

ACLEDA MFI Myanmar Co., Ltd.

Days Past Due	Classification	Default Indicator
On time	Normal	Not in Default / Performing
$0 \leq \text{DPD} < 30$	Substandard	
$30 \leq \text{DPD} \leq 60$	Watch	Default / Non-performing
$61 \leq \text{DPD} \leq 90$	Doubtful	
$\text{DPD} \geq 91$	Loss	

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Definition of default (continued)

2) In addition to the classification according to days past due information, the Group and the Bank also perform manual classification when there is a sign of deterioration in the credit profile. The Group and the Bank might classify the loan into Substandard, Doubtful, or Loss even though the days past due is not falling within the default criteria.

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

Until 31 December 2023, the Bank grouped loans for losses measured on modelling of ECL calculation based on products. For the period ended 31 March 2024, the Bank assessed that grouping loans for losses measured on modelling of ECL calculation based on industry better reflected the shared risk characteristics from its most recent observations and involvement of the current economic condition. Likewise, the forward-looking information were updated based on the change to grouping by industry.

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 in the measurement of ECL.

The Group and the Bank formulate three economic scenarios to reflect macro-economic conditions and the business environment starting with baseline, good, and bad. According to the decision of the Group's and the Bank's senior management in December 2023, the probability-weighted of each scenario was determined based on specific drivers of credit risk by the economic sector as below:

No.	Business/Sub-Sector	Probabilities Weighted Outcome		
		Baseline	Upside	Downside
Agriculture				
1	Agriculture, forestry and fishing	60%	20%	20%
Industry				
2	Mining and quarrying	60%	20%	20%
3	Manufacturing	60%	20%	20%
4	Construction	55%	20%	25%
Service				
5	Utilities	60%	20%	20%
6	Wholesale trade	60%	20%	20%
7	Retail trade	60%	20%	20%
8	Accommodation and food service activities	55%	20%	25%
9	Arts, entertainment and recreation	60%	20%	20%
10	Financial and insurance activities	60%	20%	20%
11	Transport and storage	60%	20%	20%
12	Information and communications	60%	20%	20%
13	Rental and operational leasing activities, excluded real estate leasing and rentals	55%	20%	25%
14	Real estate activities	55%	20%	25%
15	Education	60%	20%	20%
16	Human health and social work activities	60%	20%	20%
17	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	60%	20%	20%
18	Other lending	60%	20%	20%

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

For sub-sectors which were determined to have a probability 60% for baseline, 20% for upside, and 20% for down side due to the expectation of these sub-sector returning to pre-pandemic growth levels and the effective credit management practices of the Bank..

For sub-sectors which were determined to have a probability 55% for baseline, 20% for upside, and 25% for down side based on the anticipation that these sub-sectors will continue to grow, albeit at a slower pace.

This strategic approach allows the Group and the Bank to assess and manage credit risk across different sectors within varying economic scenarios, supporting informed decision-making and risk management practices.

External information considerations include 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, by using an analysis of historical data, have estimated relationships between macroeconomic variables (“MEVs”) and credit risk and credit losses.

The economic scenarios of the Bank’s portfolio used included the following key indicators for Cambodia from years 2024 to 2028:

Exposure	2024	2025	2026	2027	2028
1 - Agriculture, Forestry and Fishing					
- Cambodia Foreign Reserves (millions USD)					
Base	1.10%	1.97%	2.04%	1.76%	1.76%
Upside	11.36%	12.23%	12.30%	12.02%	12.02%
Downside	-9.16%	-8.29%	-8.22%	-8.50%	-8.50%
- US 1-year Treasury Yield Curve Rates					
Base	16.78	13.89	12.07	3.20	3.20
Upside	0.11	0.12	0.12	0.12	0.12
Downside	36.41	33.53	31.71	22.84	22.84
2 - Manufacturing					
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	18.91%	18.91%
Upside	16.25%	15.28%	14.99%	40.13%	40.13%
Downside	-26.20%	-27.17%	-27.46%	-2.32%	-2.32%
- Nominal GDP (in KHR billions)					
Base	5.42%	5.52%	6.17%	6.35%	6.35%
Upside	16.85%	16.95%	17.61%	17.78%	17.78%
Downside	-6.01%	-5.91%	-5.26%	-5.09%	-5.09%
3 - Utilities					
- Crude Oil Brent (USD)					
Base	98.99	99.74	98.66	61.24	61.24
Upside	68.27	69.02	67.94	30.52	30.52
Downside	129.71	130.45	129.38	91.95	91.95

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

Exposure	2024	2025	2026	2027	2028
- Cambodia Foreign Reserves (millions USD)					
Base	15,002.85	15,070.56	15,115.20	15,326.32	15,326.32
Upside	19,529.93	19,597.64	19,642.28	19,853.40	19,853.40
Downside	10,475.77	10,543.48	10,588.13	10,799.24	10,799.24
4 - Contraction					
- Cambodia GDP at Constant 2000 Price (in KHR billions)					
Base	3.13%	3.15%	3.57	4.04%	4.04%
Upside	11.14%	11.16%	11.58%	12.05%	12.05%
Downside	-4.88%	-4.86%	-4.44%	-3.97%	-3.97%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	18.91%	18.91%
Upside	16.25%	15.28%	14.99%	40.13%	40.13%
Downside	-26.20%	-27.17%	-27.46%	-2.32%	-2.32%
5- Retail Trade					
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	18.91%	18.91%
Upside	16.25%	15.28%	14.99%	40.13%	40.13%
Downside	-26.20%	-27.17%	-27.46%	-2.32%	-2.32%
- Cambodia GDP at Constant 2000 Price (in KHR billions)					
Base	3.13%	3.15%	3.57	4.04%	4.04%
Upside	11.14%	11.16%	11.58%	12.05%	12.05%
Downside	-4.88%	-4.86%	-4.44%	-3.97%	-3.97%
- Cambodia CPI All Items 2006=100					
Base	2.29%	2.49%	2.60%	3.06%	3.06%
Upside	-0.97%	-0.77%	-0.66%	-0.20%	-0.20%
Downside	5.55%	5.75%	5.86%	6.32%	6.32%
- Current account balance/GDP					
Base	-13.71%	-11.34%	-10.29%	-13.81%	-13.81%
Upside	12.96%	15.33%	16.38%	12.86%	12.86%
Downside	-40.37%	-38.01%	-36.96%	-40.48%	-40.48%
6- Real Estate Activities					
- Total Unemployment Cambodia (ILO Est)					
Base	17.07%	10.46%	4.16%	22.23%	22.23%
Upside	-116.56%	-123.16%	-129.47%	-111.40%	-111.40%
Downside	-150.70%	144.09%	137.79%	155.85%	155.85%
- US 1 Year Treasury Yield Curve Rates					
Base	1.90	1.23	1.23	3.20	3.20
Upside	-17.74	-18.40	-18.41	-16.44	-16.44
Downside	21.54	20.87	20.86	22.84	22.84
7- Activities of Households					
- FDI (% of GDP)					
Base	12.88%	12.78%	12.69%	13.19%	13.19%
Upside	13.97%	13.86%	13.78%	14.28%	14.28%
Downside	11.80%	11.69%	11.61%	12.11%	12.11%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

Exposure	2024	2025	2026	2027	2028
- Cambodia GDP at Constant 2000 Price (in KHR billions)					
Base	57,369.85	57,578.51	57,791.45	53,457.19	53,457.19
Upside	63,938.13	64,146.79	64,359.73	60,025.46	60,025.46
Downside	50,801.58	51,010.23	51,223.18	46,888.91	46,888.91
- GDP at Current Price, Agriculture Fisheries & Forestry (YOY,%)					
Base	5.64%	5.78%	5.82%	4.67%	4.67%
Upside	6.72%	6.87%	6.91%	5.75%	5.75%
Downside	4.55%	4.70%	4.74%	3.58%	3.58%
- FDI (% of GDP)					
Base	-3.72%	-4.52%	-4.92%	2.49%	2.49%
Upside	8.73%	7.93%	7.53%	14.94%	14.94%
Downside	-16.17%	-16.97%	-17.37%	-9.96%	-9.96%
- Credits (Exports)					
Base	15.25%	13.03%	11.05%	13.08%	13.08%
Upside	32.87%	30.65%	28.67%	30.70%	30.70%
Downside	-2.37	-4.59%	-6.57%	-4.54%	-4.54%
- USDKHR					
Base	-0.34%	-0.48%	-0.61%	0.05%	0.05%
Upside	-2.20%	-2.35%	-2.47%	-1.82%	-1.82%
Downside	1.53%	1.39%	1.26%	1.92%	1.92%
8- Other Lending					
- US 1 Year Treasury Yield Curve Rates					
Base	1.90	1.23	1.23	1.34	1.34
Upside	-8.18	-8.84	-8.85	-8.74	8.74
Downside	11.98	11.31	11.31	11.42	11.42

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(e)(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:

- the remaining lifetime PD at the reporting date based on the modified terms; and,
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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 losses recognised in the interim statement of profit or loss and other comprehensive income are as follows:

Type	The Group				The Bank			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Deposits and placements with other banks	65,182	(177,657)	265,356	(730,170)	73,898	(199,422)	300,839	(819,624)
Loans and advances	20,216,489	41,824,525	82,301,327	171,898,798	19,680,752	38,676,227	80,120,341	158,959,293
Investments in debt securities	(125,194)	13,054	(509,665)	53,652	(125,194)	13,054	(509,665)	53,652
Other assets	(1,971)	23,768	(8,024)	97,686	40	(23,252)	163	(95,566)
	<u>20,154,506</u>	<u>41,683,690</u>	<u>82,048,994</u>	<u>171,319,966</u>	<u>19,629,496</u>	<u>38,466,607</u>	<u>79,911,678</u>	<u>158,097,755</u>
Financial guarantee contracts	40,725	2,180	165,791	8,960	43,274	(15,518)	176,168	(63,779)
Total	<u>20,195,231</u>	<u>41,685,870</u>	<u>82,214,785</u>	<u>171,328,926</u>	<u>19,672,770</u>	<u>38,451,089</u>	<u>80,087,846</u>	<u>158,033,976</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 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	31 March 2024				31 December 2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Group								
Beginning of the period	8,966,649	5,322,333	41,357,796	55,646,778	20,472,766	3,980,711	17,789,185	42,242,662
Transfers to/(deduction from):								
Stage 1	(324,773)	208,681	116,092	-	(11,557,652)	445,085	11,112,567	-
Stage 2	274,832	(2,114,440)	1,839,608	-	1,166,834	(3,067,670)	1,900,836	-
Stage 3	16,725	100,023	(116,748)	-	182,374	102,361	(284,735)	-
Net remeasurement of loss allowance	7,122,378	1,707,156	8,892,796	17,722,330	(2,911,872)	1,642,348	37,723,566	36,454,042
New financial assets originated	3,524,532	1,625,773	1,990,294	7,140,599	4,708,102	2,993,374	4,135,212	11,836,688
Derecognition of financial assets	(660,022)	(835,074)	(3,151,344)	(4,646,440)	(2,934,355)	(760,682)	(2,771,168)	(6,466,205)
Write-offs	-	-	(8,758,937)	(8,758,937)	(3,366)	-	(28,096,441)	(28,099,807)
Currency translation differences	(24,461)	(11,797)	2,648	(33,610)	(156,182)	(13,194)	(151,226)	(320,602)
As at the end of the period	<u>18,895,860</u>	<u>6,002,655</u>	<u>42,172,205</u>	<u>67,070,720</u>	<u>8,966,649</u>	<u>5,322,333</u>	<u>41,357,796</u>	<u>55,646,778</u>
In KHR'000 equivalent (Note 5)	<u>76,358,170</u>	<u>24,256,729</u>	<u>170,417,881</u>	<u>271,032,780</u>	<u>36,628,761</u>	<u>21,741,730</u>	<u>168,946,597</u>	<u>227,317,088</u>

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

Loans and advances at amortised cost	31 March 2024				31 December 2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Bank								
Beginning of the period	7,828,861	3,268,573	28,502,104	39,599,538	6,861,363	3,832,274	17,463,331	28,156,968
Transfers to/(deduction from):								
Stage 1	(295,060)	182,109	112,951	-	(637,491)	53,885	583,606	-
Stage 2	261,832	(2,038,002)	1,776,170	-	1,132,422	(2,935,359)	1,802,937	-
Stage 3	7,886	90,194	(98,080)	-	131,590	95,403	(226,993)	-
Net remeasurement of loss allowance	7,149,548	2,266,225	8,561,731	17,977,504	(2,422,717)	1,838,094	34,754,976	34,170,353
New financial assets originated	3,394,858	673,855	1,990,294	6,059,007	4,179,508	1,049,752	4,029,335	9,258,595
Derecognition of financial assets	(613,250)	(746,210)	(2,996,299)	(4,355,759)	(1,428,577)	(661,807)	(2,662,337)	(4,752,721)
Write-offs	-	-	(8,720,821)	(8,720,821)	(3,366)	-	(27,162,039)	(27,165,405)
Currency translation differences	32,926	(5,975)	16,779	43,730	16,129	(3,669)	(80,712)	(68,252)
As at the end of the period	<u>17,767,601</u>	<u>3,690,769</u>	<u>29,144,829</u>	<u>50,603,199</u>	<u>7,828,861</u>	<u>3,268,573</u>	<u>28,502,104</u>	<u>39,599,538</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u><u>71,798,876</u></u>	<u><u>14,914,398</u></u>	<u><u>117,774,253</u></u>	<u><u>204,487,527</u></u>	<u><u>31,980,897</u></u>	<u><u>13,352,121</u></u>	<u><u>116,431,095</u></u>	<u><u>161,764,113</u></u>

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(h) Sensitivity Analysis on ECL Measurement

Set out in the succeeding page is the Bank's ECL measurement as at 31 March 2024 and 31 December 2023 that would result from reasonably possible changes in the parameters from the actual assumptions used by the Bank in its economic variable assumptions.

	Change in MEVs		Impact on ECL			
	Upside Scenario	Downside Scenario	Upside Scenario US\$	Downside Scenario US\$	Downside Scenario KHR'000	Downside Scenario KHR'000
31 March 2024						
1 - Agriculture, Forestry and Fishing						
- Cambodia Foreign Reserves (millions USD)	10.26%	-10.26%	(439,365)	321,062	(1,775,475)	1,295,411
- US 1 Year Treasury Yield Curve Rates	-19.64	19.64				
2 - Manufacturing			(1,459,405)	1,206,562	(5,897,457)	4,875,718
- Cambodia Foreign Reserves (millions USD)	21.23%	-21.23%				
- Nominal GDP (in KHR billions)	11.43%	-11.43%				
3 - Utilities			(24,859)	61,917	(100,456)	250,209
- Crude Oil Brent (USD)	-30.72	30.72				
- Cambodia Foreign Reserves (millions USD)	4,527.08	-4,527.08				
4 - Construction			(595,372)	1,962,047	(2,405,899)	7,928,632
- Cambodia GDP at Constant 2000 Price (in KHR billions)	8.01%	-8.01%				
- Cambodia Foreign Reserves (millions USD)	21.23%	-21.23%				
5 - Retail Trade			(3,275,772)	5,016,204	(13,237,396)	20,270,481
- Cambodia Foreign Reserves (millions USD)	21.23%	-21.23%				
- Cambodia GDP at Constant 2000 Price (in KHR billions)	8.01%	-8.01%				
- Cambodia CPI All Items 2006=100	-3.26%	3.26%				
- Current account balance/GDP	26.67%	26.67%				
6 - Retail Estate Activities			(328,659)	209,908	(1,328,112)	848,238
- Total Unemployment Cambodia (ILO Est)	-133.63%	133.63%				
- US 1 Year Treasury Yield Curve Rates	-19.64	19.64%				
7 - Activities of Households			(5,902,375)	15,701,869	(23,851,499)	63,451,251
- FDI (% of GDP)	1.09%	-1.09%				
- Cambodia GDP at Constant 2000 Price (in KHR billions)	6,568.28	-6,568.28				
- GDP at Current Price, Agriculture Fisheries & Forestry (YOY,%)	1.09%	-1.09%				
- FDI (% of GDP)	12.45%	-12.45%				
- Credits (Exports)	17.62%	-17.62%				
- USDKHR	-1.87%	1.87%				
8 - Other Lending			(207,912)	142,832	(840,172)	577,186
- US 1 Year Treasury Yield Curve Rates	10.08%	-10.08%				

	Change in MEVs		Impact on ECL			
	Upside Scenario	Downside Scenario	Upside Scenario US\$	Downside Scenario US\$	Downside Scenario KHR'000	Downside Scenario KHR'000
31 December 2023						
1 - Small			(405,654)	317,032	(1,657,097)	1,295,076
- Domestic credit to private sector (% of GDP)	-77.19%	77.19%				
- US 1 year Treasury Yield Curve Rates	-13.68	13.68				
2 - Public Housing Loan			(202,675)	392,928	(827,927)	1,605,112
- GDP at Current Price, Industry (Year-on-Year, %)	12.00%	-12.00%				
- US 1-Year Treasury Yield Curve Rates	-164.00%	164.00%				

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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk

The Group and the Bank are exposed to market risk, which is the risk of losses in on and off-balance sheet positions arising from movements in the market prices, such as interest rates, equity, foreign currency exchange rates, derivatives, and options, 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; and,
- (ii) Foreign exchange risk: can lead to losses when there is an imbalance between assets and liabilities in any particular currency.

Commodity risk and equity risk are not applicable at the moment given that the Group and the Bank do 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 the Management's ability to assess and manage the Group's and the Bank's risks.

Market risks are managed based on the following principles and internal targets:

Principles of the market risk:

- In line with sound banking principles, the Group and the Bank 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 in 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 Department.

Internal targets on the market risk:

- The regulatory limits on foreign exchange currency mismatch per currency and cumulative mismatch for all foreign currencies should be observed at all times.
- The Group and 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.
- Relevant divisions and departments should regularly assess and monitor the perceived risks of non-compliance with the targets. Any breaches of internal targets should be reported to the ALCO and President & Group Managing Director.
- At all times, the Group and 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(i) *Interest rate risk*

As at 31 March 2024 and 31 December 2023, the Group's and the Bank's derivative financial instruments and financial investments designated as FVOCI are valued at fair value in accordance with the methods as disclosed in Note 39. The Group and the Bank use derivative financial instruments, such as foreign exchange contract and interest rate swaps to hold its risk exposures.

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 debts. 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 and the Bank agree 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 tables on the next pages summarise 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (CONTINUED)

39.2 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 March 2024							
Financial assets							
Cash on hand	-	-	-	-	-	594,334,628	594,334,628
Deposits and placements with other banks, net	254,110,093	10,398,540	-	-	-	1,331,782,767	1,596,291,400
Financial investments	125,496,660	119,081,153	69,617,358	45,726,927	-	871,725	360,793,823
Loans and advances, net	159,196,521	262,941,999	1,084,423,639	3,684,045,794	1,077,349,187	394,740,235	6,662,697,375
Derivative financial instruments	-	-	-	-	-	5,870,738	5,870,738
Other financial assets	-	-	-	-	-	32,670,481	32,670,481
Total financial assets	538,803,274	392,421,692	1,154,040,997	3,729,772,721	1,077,349,187	2,360,270,574	9,252,658,445
Financial liabilities							
Deposits and placements of other banks and financial institutions	44,338,003	32,024,819	88,213,470	44,009,571	84,950,000	103,294,883	396,830,746
Deposits from customers	3,005,759,674	424,945,427	2,004,247,130	918,953,891	52,319,679	834,101,403	7,240,327,204
Lease liabilities	1,277,955	2,144,473	8,916,239	20,092,372	1,217,051	-	33,648,090
Borrowings	934,024	194,144,013	378,615,749	112,340,029	2,932,571	9,275,794	698,242,180
Subordinated debts	-	14,923,778	54,728,398	12,398,093	34,698,987	2,244,318	118,993,574
Other financial liabilities	-	-	-	-	-	58,181,336	58,181,336
Total financial liabilities	3,052,309,656	668,182,510	2,534,720,986	1,107,793,956	176,118,288	1,007,097,734	8,546,223,130
Net interest sensitivity gap	<u>(2,513,506,382)</u>	<u>(275,760,818)</u>	<u>(1,380,679,989)</u>	<u>2,621,978,765</u>	<u>901,230,899</u>	<u>1,353,172,840</u>	<u>706,435,315</u>
In KHR'000 equivalent (Note 5)	<u>(10,157,079,289)</u>	<u>(1,114,349,466)</u>	<u>(5,579,327,836)</u>	<u>10,595,416,189</u>	<u>3,641,874,063</u>	<u>5,468,171,446</u>	<u>2,854,705,107</u>
Unused portion of overdrafts	-	-	-	-	-	235,045,559	235,045,559
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	67,957,388	67,957,388
Spot foreign exchange	-	-	-	-	-	589,644	589,644
Net interest sensitivity gap	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,592,591</u>	<u>303,592,591</u>
In KHR'000 equivalent (Note 5)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226,817,660</u>	<u>1,226,817,660</u>

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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 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 2023							
Financial assets							
Cash on hand	-	-	-	-	-	495,793,568	495,793,568
Deposits and placements with other banks, net	72,437,235	500,000	500,000	-	-	1,436,105,943	1,509,543,178
Financial investments	240,196,361	48,184,822	10,936,496	56,293,836	-	1,932,869	357,544,384
Loans and advances, net	159,555,306	278,055,647	1,088,678,442	3,729,976,644	940,614,297	404,784,895	6,601,665,231
Derivative financial instruments	-	-	-	-	-	5,746,686	5,746,686
Other financial assets	-	-	-	-	-	8,550,649	8,550,649
Total financial assets	472,188,902	326,740,469	1,100,114,938	3,786,270,480	940,614,297	2,352,914,610	8,978,843,696
Financial liabilities							
Deposits and placements of other banks and financial institutions	78,009,448	61,522,694	69,505,649	42,858,216	81,450,000	86,446,613	419,792,620
Deposits from customers	2,896,069,709	587,519,319	1,589,074,753	952,489,288	55,048,753	727,818,597	6,808,020,419
Lease liabilities	1,259,020	1,793,196	9,047,822	19,465,950	961,699	-	32,527,687
Borrowings	100,398,440	315,616,888	206,062,394	218,300,744	4,595,532	14,839,552	859,813,550
Subordinated debts	-	-	25,855,795	56,194,474	34,698,987	304,626	117,053,882
Other financial liabilities	-	-	-	-	-	43,591,008	43,591,008
Total financial liabilities	3,075,736,617	966,452,097	1,899,546,413	1,289,308,672	176,754,971	873,000,396	8,280,799,166
Net interest sensitivity gap	(2,603,547,715)	(639,711,628)	(799,431,475)	2,496,961,808	763,859,326	1,479,914,214	698,044,530
In KHR'000 equivalent (Note 5)	(10,635,492,418)	(2,613,222,000)	(3,265,677,575)	10,200,088,986	3,120,365,347	6,045,449,564	2,851,511,904
Unused portion of overdrafts	-	-	-	-	-	209,854,669	209,854,669
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	69,317,067	69,317,067
Net interest sensitivity gap	-	-	-	-	-	279,171,736	279,171,736
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,140,416,541	1,140,416,541

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 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 March 2024							
Financial assets							
Cash on hand	-	-	-	-	-	584,073,289	584,073,289
Deposits and placements with other banks, net	253,610,093	9,898,540	-	-	-	1,297,442,839	1,560,951,472
Financial investments	125,496,660	119,081,153	69,617,358	45,726,927	-	871,725	360,793,823
Loans and advances, net	154,365,532	254,534,556	1,051,174,825	3,603,565,261	1,071,438,182	385,250,445	6,520,328,801
Derivative financial instruments	-	-	-	-	-	5,870,738	5,870,738
Other financial assets	-	-	-	-	-	32,618,120	32,618,120
Total financial assets	533,472,285	383,514,249	1,120,792,183	3,649,292,188	1,071,438,182	2,306,127,156	9,064,636,243
Financial liabilities							
Deposits and placements of other banks and financial institutions	41,011,840	23,107,227	57,998,478	43,137,985	84,950,000	105,737,170	355,942,700
Deposits from customers	2,978,004,086	419,437,784	1,977,363,943	903,195,643	48,817,750	820,235,699	7,147,054,905
Lease liabilities	1,270,498	1,989,596	8,706,449	19,306,275	395,070	-	31,667,888
Borrowings	934,025	192,683,040	372,974,947	107,238,178	2,781,254	9,070,541	685,681,985
Subordinated debts	-	14,923,778	54,728,398	12,398,093	34,698,987	2,244,318	118,993,574
Other financial liabilities	-	-	-	-	-	57,531,957	57,531,957
Total financial liabilities	3,021,220,449	652,141,425	2,471,772,215	1,085,276,174	171,643,061	994,819,685	8,396,873,009
Net interest sensitivity gap	(2,487,748,164)	(268,627,176)	(1,350,980,032)	2,564,016,014	899,795,121	1,311,307,471	667,763,234
In KHR'000 equivalent (Note 5)	(10,052,990,331)	(1,085,522,418)	(5,459,310,309)	10,361,188,713	3,636,072,084	5,298,993,490	2,698,431,229
Unused portion of overdrafts	-	-	-	-	-	234,349,296	234,349,296
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	67,895,777	67,895,777
Spot foreign exchange	-	-	-	-	-	589,644	589,644
Net interest sensitivity gap	-	-	-	-	-	302,834,717	302,834,717
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,223,755,091	1,223,755,091

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 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 2023							
Financial assets							
Cash on hand	-	-	-	-	-	486,584,317	486,584,317
Deposits and placements with other banks, net	72,437,235	-	-	-	-	1,406,444,786	1,478,882,021
Financial investments	240,196,361	48,184,822	10,936,496	56,293,836	-	1,932,869	357,544,384
Loans and advances, net	155,382,249	268,379,431	1,055,988,462	3,647,706,380	934,065,997	395,520,769	6,457,043,288
Derivative financial instruments	-	-	-	-	-	5,746,686	5,746,686
Other financial assets	-	-	-	-	-	8,160,591	8,160,591
Total financial assets	468,015,845	316,564,253	1,066,924,958	3,704,000,216	934,065,997	2,304,390,018	8,793,961,287
Financial liabilities							
Deposits and placements of other banks and financial institutions	72,608,373	55,801,432	45,413,544	41,634,787	81,450,000	89,497,791	386,405,927
Deposits from customers	2,869,866,203	581,036,709	1,565,410,232	933,920,448	51,521,257	713,534,176	6,715,289,025
Lease liabilities	1,212,506	1,752,559	8,723,500	18,705,240	153,543	-	30,547,348
Borrowings	100,398,440	312,004,725	199,257,570	212,913,269	4,085,770	14,758,817	843,418,591
Subordinated debts	-	-	25,855,795	56,194,474	34,698,987	304,626	117,053,882
Other financial liabilities	-	-	-	-	-	42,489,918	42,489,918
Total financial liabilities	3,044,085,522	950,595,425	1,844,660,641	1,263,368,218	171,909,557	860,585,328	8,135,204,691
Net interest sensitivity gap	(2,576,069,677)	(634,031,172)	(777,735,683)	2,440,631,998	762,156,440	1,443,804,690	658,756,596
In KHR'000 equivalent (Note 5)	(10,523,244,631)	(2,590,017,338)	(3,177,050,265)	9,969,981,712	3,113,409,057	5,897,942,159	2,691,020,694
Unused portion of overdrafts	-	-	-	-	-	209,405,052	209,405,052
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	69,183,985	69,183,985
Net interest sensitivity gap	-	-	-	-	-	278,589,037	278,589,037
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,138,036,215	1,138,036,215

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 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 FVTPL. Therefore, a change in interest rates at the reporting date would not affect the interim statement of profit or loss and other comprehensive income.

Cash flow sensitivity analysis for variable-rate instruments

Interim statement of profit or loss and other comprehensive income is sensitive to higher/lower interest expenses from borrowings and subordinated debts as a result of changes in interest rates. The change of 25 basis points ("bp") in interest rates of borrowings and subordinated debts at the reporting date would not have a material effect on the interim statement of profit or loss and other comprehensive income of the Group and the Bank.

The Group's and the Bank's exposure to interest rate risk relates to borrowing of funds at both fixed and floating interest rates. This risk is managed by maintaining an appropriate mix between fixed and floating-rate borrowings and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the interim statement of financial position or protecting interest expense through different interest rate cycles.

(ii) *Foreign exchange risk*

The Group operates in Cambodia, Lao PDR, and the Republic of the Union of Myanmar and transacts in many currencies. It is exposed to various currency risks, primarily with respect to KHR, Euro ("EUR"), THB, LAK, Japanese Yen, Australian Dollar ("AUD"), Vietnamese Dong, Canadian Dollar, MMK, and others.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is neither the Group's nor the Bank's functional currency.

The Management measures, closely monitors, and manages foreign exchange risk on a daily basis and takes action on time as necessary. Enough net open currency position is maintained which follows the regulatory requirements and internal risk policies.

The tables in the next pages summarise the Group's and the Bank's exposure to foreign currency exchange rate risk. Included in the tables are the financial instruments at carrying amount by currency.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group							Total
	In US\$ equivalent							
	KHR	USD	THB	EUR	AUD	LAK	Others	
As at 31 March 2024								
Financial assets								
Cash on hand	168,076,428	372,848,384	43,216,916	1,086,901	712,908	5,893,822	2,499,269	594,334,628
Deposits and placements with other banks, net	284,913,630	1,273,059,597	8,574,590	2,999,872	779,305	24,311,219	1,653,187	1,596,291,400
Financial investments	191,746,997	169,046,826	-	-	-	-	-	360,793,823
Loans and advances, net	1,121,056,293	5,373,358,580	25,913,927	-	-	123,534,504	18,834,071	6,662,697,375
Derivative financial instruments	-	5,870,738	-	-	-	-	-	5,870,738
Other financial assets	271,976	32,083,354	6	-	-	310,002	5,143	32,670,481
Total financial assets	1,766,065,324	7,226,267,479	77,705,439	4,086,773	1,492,213	154,049,547	22,991,670	9,252,658,445
Financial liabilities								
Deposits and placements of other banks and financial institutions	33,114,481	324,278,563	217,895	-	-	39,219,807	-	396,830,746
Deposits from customers	1,718,900,343	5,366,448,998	74,137,704	1,473,987	200	76,592,722	2,773,250	7,240,327,204
Lease liabilities	102,692	33,332,414	47,383	-	-	136,625	28,976	33,648,090
Borrowings	57,197,066	633,251,332	-	-	-	6,855,300	938,482	698,242,180
Subordinated debts	-	118,993,574	-	-	-	-	-	118,993,574
Other financial liabilities	22,411,378	34,259,164	109,224	607,926	163,266	452,350	178,028	58,181,336
Total financial liabilities	1,831,725,960	6,510,564,045	74,512,206	2,081,913	163,466	123,256,804	3,918,736	8,546,223,130
Net on-balance sheet position	(65,660,636)	715,703,434	3,193,233	2,004,860	1,328,747	30,792,743	19,072,934	706,435,315
In KHR'000 equivalent (Note 5)	(265,334,631)	2,892,157,577	12,903,855	8,101,639	5,369,467	124,433,474	77,073,726	2,854,705,107
Unused portion of overdrafts	10,082,676	222,805,110	1,461,510	-	-	696,263	-	235,045,559
Guarantees, acceptances, and other financial facilities	9,302,338	58,446,529	33,952	-	-	61,611	112,958	67,957,388
Spot foreign exchange	-	-	-	258,775	162,835	-	168,034	589,644
Credit commitment	19,385,014	281,251,639	1,495,462	258,775	162,835	757,874	280,992	303,592,591
In KHR'000 equivalent (Note 5)	78,334,841	1,136,537,873	6,043,162	1,045,710	658,016	3,062,569	1,135,489	1,226,817,660

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 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 2023								
Financial assets								
Cash on hand	151,910,893	303,036,520	32,204,150	576,681	632,161	5,425,995	2,007,168	495,793,568
Deposits and placements with other banks, net	203,904,887	1,274,696,262	6,902,069	2,028,973	661,619	19,622,074	1,727,294	1,509,543,178
Financial investments	293,036,815	64,507,569	-	-	-	-	-	357,544,384
Loans and advances, net	1,063,884,145	5,365,456,901	27,719,187	-	-	126,405,072	18,199,926	6,601,665,231
Derivative financial instruments	-	5,746,686	-	-	-	-	-	5,746,686
Other financial assets	276,638	7,498,556	6	-	-	775,449	-	8,550,649
Total financial assets	1,713,013,378	7,020,942,494	66,825,412	2,605,654	1,293,780	152,228,590	21,934,388	8,978,843,696
Financial liabilities								
Deposits and placements of other banks and financial institutions	35,361,297	350,660,131	236,472	-	-	33,534,720	-	419,792,620
Deposits from customers	1,676,184,538	4,985,357,773	66,912,556	1,636,186	108	75,311,174	2,618,084	6,808,020,419
Lease liabilities	105,268	32,229,439	1,455	-	-	158,988	32,537	32,527,687
Borrowings	56,947,268	791,134,745	-	-	-	10,795,877	935,660	859,813,550
Subordinated debts	-	117,053,882	-	-	-	-	-	117,053,882
Other financial liabilities	3,050,671	39,244,912	261,341	42,602	9,212	756,382	225,888	43,591,008
Total financial liabilities	1,771,649,042	6,315,680,882	67,411,824	1,678,788	9,320	120,557,141	3,812,169	8,280,799,166
Net on-balance sheet position	(58,635,664)	705,261,612	(586,412)	926,866	1,284,460	31,671,449	18,122,219	698,044,530
In KHR'000 equivalent (Note 5)	(239,526,689)	2,880,993,685	(2,395,493)	3,786,248	5,247,019	129,377,869	74,029,265	2,851,511,904
Unused portion of overdrafts	7,774,042	200,751,086	879,924	-	-	449,617	-	209,854,669
Guarantees, acceptances, and other financial facilities	9,924,693	59,259,292	-	-	-	133,082	-	69,317,067
Credit commitment	17,698,735	260,010,378	879,924	-	-	582,699	-	279,171,736
In KHR'000 equivalent (Note 5)	72,299,332	1,062,142,394	3,594,490	-	-	2,380,325	-	1,140,416,541

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Bank							Total
	In US\$ equivalent							
	KHR	USD	THB	EUR	AUD	LAK	Others	
As at 31 March 2024								
Financial assets								
Cash on hand	168,066,526	371,137,350	41,397,556	1,083,244	712,844	4,619	1,671,150	584,073,289
Deposits and placements with other banks, net	284,913,632	1,267,884,014	2,701,984	2,999,872	779,305	29,670	1,642,995	1,560,951,472
Financial investments	191,746,997	169,046,826	-	-	-	-	-	360,793,823
Loans and advances, net	1,121,056,294	5,373,358,580	25,913,927	-	-	-	-	6,520,328,801
Derivative financial instruments	-	5,870,738	-	-	-	-	-	5,870,738
Other financial assets	271,977	32,346,137	6	-	-	-	-	32,618,120
Total financial assets	1,766,055,426	7,219,643,645	70,013,473	4,083,116	1,492,149	34,289	3,314,145	9,064,636,243
Financial liabilities								
Deposits and placements of other banks and financial institutions	33,114,593	322,405,358	422,749	-	-	-	-	355,942,700
Deposits from customers	1,719,612,687	5,360,050,876	65,917,155	1,473,987	200	-	-	7,147,054,905
Lease liabilities	102,693	31,565,195	-	-	-	-	-	31,667,888
Borrowings	57,197,067	628,484,918	-	-	-	-	-	685,681,985
Subordinated debts	-	118,993,574	-	-	-	-	-	118,993,574
Other financial liabilities	22,397,464	34,147,022	46,695	607,926	163,266	439	169,145	57,531,957
Total financial liabilities	1,832,424,504	6,495,646,943	66,386,599	2,081,913	163,466	439	169,145	8,396,873,009
Net on-balance sheet position	(66,369,078)	723,996,702	3,626,874	2,001,203	1,328,683	33,850	3,145,000	667,763,234
In KHR'000 equivalent (Note 5)	(268,197,444)	2,925,670,673	14,656,198	8,086,861	5,369,208	136,788	12,708,945	2,698,431,229
Unused portion of overdrafts	10,082,676	222,805,110	1,461,510	-	-	-	-	234,349,296
Guarantees, acceptances, and other financial facilities	9,302,338	58,446,529	33,952	-	-	-	112,958	67,895,777
Spot Exchange contracts	-	-	-	258,775	162,835	-	168,034	589,644
Credit commitment	19,385,014	281,251,639	1,495,462	258,775	162,835	-	280,992	302,834,717
In KHR'000 equivalent (Note 5)	78,334,841	1,136,537,873	6,043,162	1,045,710	658,016	-	1,135,489	1,223,755,091

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 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 2023								
Financial assets								
Cash on hand	151,904,672	301,587,525	30,583,206	572,521	631,706	3,910	1,300,777	486,584,317
Deposits and placements with other banks, net	203,904,887	1,268,560,627	2,005,438	2,028,973	661,619	14,981	1,705,496	1,478,882,021
Financial investments	293,036,815	64,507,569	-	-	-	-	-	357,544,384
Loans and advances, net	1,063,884,147	5,365,439,954	27,719,187	-	-	-	-	6,457,043,288
Derivative financial instruments	-	5,746,686	-	-	-	-	-	5,746,686
Other financial assets	275,657	7,884,928	6	-	-	-	-	8,160,591
Total financial assets	1,713,006,178	7,013,727,289	60,307,837	2,601,494	1,293,325	18,891	3,006,273	8,793,961,287
Financial liabilities								
Deposits and placements of other banks and financial institutions	35,361,408	349,098,778	1,945,741	-	-	-	-	386,405,927
Deposits from customers	1,676,954,988	4,979,022,761	57,674,982	1,636,186	108	-	-	6,715,289,025
Lease liabilities	105,268	30,442,080	-	-	-	-	-	30,547,348
Borrowings	56,947,268	786,471,323	-	-	-	-	-	843,418,591
Subordinated debts	-	117,053,882	-	-	-	-	-	117,053,882
Other financial liabilities	3,045,878	38,940,135	235,814	42,602	9,212	76	216,201	42,489,918
Total financial liabilities	1,772,414,810	6,301,028,959	59,856,537	1,678,788	9,320	76	216,201	8,135,204,691
Net on-balance sheet position	(59,408,632)	712,698,330	451,300	922,706	1,284,005	18,815	2,790,072	658,756,596
In KHR'000 equivalent (Note 5)	(242,684,262)	2,911,372,678	1,843,561	3,769,254	5,245,160	76,859	11,397,444	2,691,020,694
Unused portion of overdrafts	7,774,042	200,751,086	879,924	-	-	-	-	209,405,052
Guarantees, acceptances, and other financial facilities	9,924,693	59,259,292	-	-	-	-	-	69,183,985
Credit commitment	17,698,735	260,010,378	879,924	-	-	-	-	278,589,037
In KHR'000 equivalent (Note 5)	72,299,331	1,062,142,394	3,594,490	-	-	-	-	1,138,036,215

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) *Foreign exchange risk* (continued)

Sensitivity analysis

The Group and the Bank are exposed to changes in USD and other foreign currencies' exchange rates. Due to a reasonably possible strengthening or weakening of the USD against foreign currencies, the Group's and the Bank's exposure to other foreign exchange movement is not material.

39.3 Liquidity risk

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 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 and the Bank's liquidity risk management is to ensure that the Group and the Bank can meet its cash obligations in a timely and cost-effective manner. Up to the date of this report, the Group's and the Bank'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 and the Bank are able to maintain a diversified core deposit base comprising of savings, demand, and fixed deposits. This provides the Group and the Bank 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 Department will ensure sufficient funding to meet its payments and settlement obligations on a timely basis.

Principles of the liquidity risk:

- At all times, the related senior management of the Treasury Department shall ensure that the Group's and 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, and capital raising, and that the liquidity risk is managed in accordance with the requirements of the Board of Directors.
- Stress testing is performed regularly to assess various scenarios, which include short, medium and long-term, institution-specific and market-wide stress which may put the Group's and the Bank's liquidity at risk.
- The Treasury Department identifies, monitors, manages, and controls the risk associated with the 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 Group's and the Bank's contingency funding plan.
- The Group and the Bank incorporate 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 its business activities.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(a) Liquidity risk management process (continued)

Internal targets on the liquidity risk: (continued)

- The regulatory limit on the Liquidity Coverage Ratio (“LCR”) should be observed at all times.
- The Group and the Bank will have, at all times, an internal target 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 mobilisation capacity.
- Relevant divisions and departments should regularly assess and monitor the perceived risks of non-compliance with the targets. Any breaches of internal targets should be reported to the ALCO for remedial actions and President & Group Managing Director for approval.
- At all times, the Group and the Bank will have a contingency plan to be executed when it is perceived by the Management 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 Group and the Bank experience a severe liquidity, the Bank must immediately notify the 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 the NBC's Prakas No. B7-017-301 dated 27 September 2017 on Liquidity Risk Management Framework, which consists of risk appetite, risk tolerance, policies, early warning indicators, and monitoring mechanism which are reviewed and endorsed by the BRIC and approved by the Board of Directors. 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 Group's and the Bank's contingency funding plan 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 funding plan is to ensure that the Group and the Bank have 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 and the Bank are measuring, monitoring, and managing its liquidity positions to comply with the LCR.

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 Management when the LCR potentially falls below the minimum requirement.

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(a) Liquidity risk management process (continued)

The Group and the Bank also use 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 position. In addition, The Group and the Bank also perform daily and monthly liquidity stress test in order to identify and quantify its exposures to possible future liquidity stresses and in analysing possible impacts on the cash flows, liquidity position, profitability, and solvency.

(b) Funding approach

The Group's and the Bank's main sources of liquidity 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 Management's daily review of maturity of fixed deposits and key depositors. The Group's and the Bank'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 tables in the succeeding pages present the cash flows payable under non-derivative financial liabilities and the assets held for managing liquidity risk grouped using their remaining contractual maturities as at the end of the reporting period. The amounts disclosed in the tables are the contractual undiscounted cash flows, wherein the Group and the Bank manage the inherent liquidity risk based on contractual undiscounted cash flows.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

39.3 Liquidity risk (continued)

c) Non-derivative cash flows (continued)

	The Group						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 31 March 2024							
Financial liabilities							
Deposits and placements of other banks and financial institutions, net	144,609,640	35,120,336	29,492,707	69,467,711	70,356,266	109,935,390	458,982,050
Deposits from customers	3,769,193,924	458,912,808	565,361,211	1,595,918,489	1,040,555,134	71,571,030	7,501,512,596
Lease liabilities	1,278,564	2,132,516	3,026,681	6,297,919	23,031,168	3,411,412	39,178,260
Borrowings*	997,381	23,341,248	66,647,891	295,145,136	416,623,519	15,525,904	818,281,079
Subordinated debts*	-	19,568,755	1,242,282	59,739,729	32,679,674	39,972,137	153,202,577
Other financial liabilities	57,898,265	19,217	44,194	218,010	1,650	-	58,181,336
Total financial liabilities (contractual maturity dates)	3,973,977,774	539,094,880	665,814,966	2,026,786,994	1,583,247,411	240,415,873	9,029,337,898
<i>In KHR'000 equivalent (Note 5)</i>	<i>16,058,844,185</i>	<i>2,178,482,410</i>	<i>2,690,558,278</i>	<i>8,190,246,243</i>	<i>6,397,902,788</i>	<i>971,520,543</i>	<i>36,487,554,447</i>
Assets held for managing liquidity risk (contractual maturity dates)	2,757,627,431	380,571,270	514,842,798	1,061,231,390	4,805,200,483	1,663,910,535	11,183,383,907
<i>In KHR'000 equivalent (Note 5)</i>	<i>11,143,572,451</i>	<i>1,537,888,502</i>	<i>2,080,479,747</i>	<i>4,288,436,047</i>	<i>19,417,815,152</i>	<i>6,723,862,472</i>	<i>45,192,054,371</i>
As at 31 December 2023							
Financial liabilities							
Deposits and placements of other banks and financial institutions, net	160,371,721	66,105,277	40,517,345	38,733,466	68,741,670	105,647,885	480,117,364
Deposits from customers	3,555,435,489	629,423,161	554,245,546	1,172,869,911	1,077,210,062	74,239,775	7,063,423,944
Lease liabilities	1,286,316	1,850,608	3,345,708	6,008,065	22,340,588	3,055,579	37,886,864
Borrowings*	6,167,614	93,830,239	18,914,511	91,389,063	770,431,952	24,699,577	1,005,432,956
Subordinated debts*	-	-	19,568,754	15,943,334	76,842,435	40,848,062	153,202,585
Other financial liabilities	43,044,777	284,426	5,357	256,448	-	-	43,591,008
Total financial liabilities (contractual maturity dates)	3,766,305,917	791,493,711	636,597,221	1,325,200,287	2,015,566,707	248,490,878	8,783,654,721
<i>In KHR'000 equivalent (Note 5)</i>	<i>15,385,359,671</i>	<i>3,233,251,809</i>	<i>2,600,499,648</i>	<i>5,413,443,172</i>	<i>8,233,589,998</i>	<i>1,015,085,237</i>	<i>35,881,229,535</i>
Assets held for managing liquidity risk (contractual maturity dates)	2,590,051,852	387,106,029	510,138,284	1,007,148,263	4,806,873,731	1,499,995,677	10,801,313,836
<i>in KHR'000 equivalent (Note 5)</i>	<i>10,580,361,817</i>	<i>1,581,328,128</i>	<i>2,083,914,890</i>	<i>4,114,200,654</i>	<i>19,636,079,191</i>	<i>6,127,482,341</i>	<i>44,123,367,021</i>

* The amounts for variable interest rate instruments are subject to change depending on the variable interest rates determined at the end of the reporting period.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.3 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 31 March 2024							
Financial liabilities							
Deposits and placements of other banks and financial institutions, net	144,678,763	25,876,378	14,758,832	52,034,041	69,340,419	109,935,390	416,623,823
Deposits from customers	3,729,329,246	452,830,789	556,625,001	1,575,061,755	1,020,673,476	66,730,162	7,401,250,429
Lease liabilities	1,271,104	1,976,613	2,939,374	6,170,018	22,072,769	584,826	35,014,704
Borrowings*	997,381	21,398,381	65,740,111	289,810,962	410,927,130	15,371,314	804,245,279
Subordinated debts*	-	19,568,755	1,242,282	59,739,729	32,679,674	39,972,137	153,202,577
Other financial liabilities	57,483,859	13,860	32,588	-	1,650	-	57,531,957
Total financial liabilities (contractual maturity dates)	3,933,760,353	521,664,776	641,338,188	1,982,816,505	1,555,695,118	232,593,829	8,867,868,769
In KHR'000 equivalent (Note 5)	15,896,325,586	2,108,047,360	2,591,647,618	8,012,561,497	6,286,563,972	939,911,663	35,835,057,696
Assets held for managing liquidity risk (contractual maturity dates)	2,694,311,470	368,018,617	498,537,000	1,031,126,526	4,700,143,241	1,658,168,183	10,950,305,037
In KHR'000 equivalent (Note 5)	10,887,712,650	1,487,163,231	2,014,588,017	4,166,782,292	18,993,278,837	6,700,657,628	44,250,182,655
As at 31 December 2023							
Financial liabilities							
Deposits and placements of other banks and financial institutions, net	158,567,437	60,207,937	31,571,579	22,055,432	67,351,603	105,647,885	445,401,873
Deposits from customers	3,516,772,679	622,263,484	544,560,867	1,156,437,784	1,054,409,436	69,343,309	6,963,787,559
Lease liabilities	1,239,754	1,809,456	3,174,337	5,846,655	21,400,227	228,533	33,698,962
Borrowings*	6,167,613	90,057,010	16,931,147	85,781,334	764,278,442	24,157,092	987,372,638
Subordinated debts*	-	-	19,568,754	15,943,334	76,842,435	40,848,062	153,202,585
Other financial liabilities	42,238,852	251,066	-	-	-	-	42,489,918
Total financial liabilities (contractual maturity dates)	3,724,986,335	774,588,953	615,806,684	1,286,064,539	1,984,282,143	240,224,881	8,625,953,535
In KHR'000 equivalent (Note 5)	15,216,569,178	3,164,195,873	2,515,570,304	5,253,573,642	8,105,792,554	981,318,639	35,237,020,190
Assets held for managing liquidity risk (contractual maturity dates)	2,533,749,275	373,217,124	491,500,359	979,111,143	4,699,212,093	1,493,460,967	10,570,250,961
In KHR'000 equivalent (Note 5)	10,350,365,788	1,524,591,952	2,007,778,967	3,999,669,019	19,196,281,400	6,100,788,050	43,179,475,176

* The amounts for variable interest rate instruments are subject to change depending on the variable interest rates determined at the end of the reporting period.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(d) Derivative financial instruments

The following tables detail the Group's and the Bank's liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows or outflows from the derivative financial instruments that settle on a net basis and the undiscounted gross inflows or outflows from those derivatives that require gross settlement. The amount payable or receivable is not fixed; the amount disclosed has been determined with reference to the projected interest rates as illustrated by the yield curves existing as at the end of each reporting period.

	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 March 2024						
Interest rate swap - cash flow hedges						
- (inflow)	-	(1,106,854)	(2,416,261)	(3,316,063)	-	(6,839,178)
- outflow	-	118,577	261,056	351,578	-	731,211
Net settlement	-	(988,277)	(2,155,205)	(2,964,485)	-	(6,107,967)
<i>In KHR'000 equivalent (Note 5)</i>	-	(3,993,627)	(8,709,183)	(11,979,484)	-	(24,682,294)

	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 2023						
Interest rate swap - cash flow hedges						
- (inflow)	-	(345,647)	(9,118,378)	(3,585,672)	-	(13,049,697)
- outflow	-	85,190	4,107,172	381,578	-	4,573,940
Net settlement	-	(260,457)	(5,011,206)	(3,204,094)	-	(8,475,757)
<i>In KHR'000 equivalent (Note 5)</i>	-	(1,063,967)	(20,470,777)	(13,088,724)	-	(34,623,468)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(d) Derivative financial instruments (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 March 2024						
Interest rate swap - cash flow hedges						
- (inflow)	-	(1,106,854)	(2,416,261)	(3,316,063)	-	(6,839,178)
- outflow	-	118,577	261,056	351,578	-	731,211
Net settlement	-	(988,277)	(2,155,205)	(2,964,485)	-	(6,107,967)
<i>In KHR'000 equivalent (Note 5)</i>	-	(3,993,627)	(8,709,183)	(11,979,484)	-	(24,682,294)
	The Bank					
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
At 31 December 2023						
Interest rate swap - cash flow hedges						
- (inflow)	-	(345,647)	(9,118,378)	(3,585,672)	-	(13,049,697)
- outflow	-	85,190	4,107,172	381,578	-	4,573,940
Net settlement	-	(260,457)	(5,011,206)	(3,204,094)	-	(8,475,757)
<i>In KHR'000 equivalent (Note 5)</i>	-	(1,063,967)	(20,470,777)	(13,088,724)	-	(34,623,468)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(e) Off-balance sheet items

i. *Loan commitments and guarantees*

The dates of the contractual amounts of the Group's and the Bank's off-balance sheet financial instruments that are committed to extend as credit to customers and other facilities are summarised in tables 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 31 March 2024						
Unused portion of overdrafts	235,045,559	-	-	-	-	235,045,559
Bank guarantees	7,655,388	6,350,713	34,392,822	16,621,037	-	65,019,960
Letters of credit	567,070	1,668,424	701,934	-	-	2,937,428
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	(592,661)	-	-	-	-	(592,661)
- outflow	589,644	-	-	-	-	589,644
Net	(3,017)	-	-	-	-	(3,017)
Total	243,265,000	8,019,137	35,094,756	16,621,037	-	302,999,930
<i>In KHR'000 equivalent (Note 5)</i>	<i>983,033,865</i>	<i>32,405,333</i>	<i>141,817,909</i>	<i>67,165,611</i>	<i>-</i>	<i>1,224,422,718</i>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(e) Off-balance sheet items (continued)

i. *Loan commitments and guarantees* (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 2023						
Unused portion of overdrafts	209,854,669	-	-	-	-	209,854,669
Bank guarantees	10,430,022	10,361,292	30,864,065	15,358,626	-	67,014,005
Letters of credit	359,681	1,340,203	603,178	-	-	2,303,062
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
Total	220,644,372	11,701,495	31,467,243	15,358,626	-	279,171,736
<i>In KHR'000 equivalent (Note 5)</i>	<i>901,332,260</i>	<i>47,800,607</i>	<i>128,543,688</i>	<i>62,739,987</i>	<i>-</i>	<i>1,140,416,542</i>

ACLEDA BANK PLC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(e) Off-balance sheet items (continued)

i. *Loan commitments and guarantees* (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 March 2024						
Unused portion of overdrafts	234,349,296	-	-	-	-	234,349,296
Bank guarantees	7,655,388	6,350,713	34,392,822	16,559,426	-	64,958,349
Letters of credit	567,070	1,668,424	701,934	-	-	2,937,428
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	(592,661)	-	-	-	-	(592,661)
- outflow	589,644	-	-	-	-	589,644
Net	(3,017)	-	-	-	-	(3,017)
Total	<u>242,568,737</u>	<u>8,019,137</u>	<u>35,094,756</u>	<u>16,559,426</u>	<u>-</u>	<u>302,242,056</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>980,220,266</u>	<u>32,405,333</u>	<u>141,817,909</u>	<u>66,916,640</u>	<u>-</u>	<u>1,221,360,148</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(e) Off-balance sheet items (continued)

i. *Loan commitments and guarantees* (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 2023						
Unused portion of overdrafts	209,405,052	-	-	-	-	209,405,052
Bank guarantees	10,430,022	10,361,292	30,730,983	15,358,626	-	66,880,923
Letters of credit	359,681	1,340,203	603,178	-	-	2,303,062
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
Total	<u>220,194,755</u>	<u>11,701,495</u>	<u>31,334,161</u>	<u>15,358,626</u>	<u>-</u>	<u>278,589,037</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>899,495,574</u>	<u>47,800,607</u>	<u>128,000,048</u>	<u>62,739,987</u>	<u>-</u>	<u>1,138,036,216</u>

ii. *Other financial facilities*

Other financial facilities are also included above based on the earliest contractual date as disclosed in Note 35(c).

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities as disclosed in Note 38. 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 is determined by reference to quoted prices in active markets or by using valuation techniques based on observable inputs or unobservable inputs. The Management's 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 the design, validation methodologies, and processes to ensure reasonable determination of the fair values.

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 the fair value based on 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENT (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value (continued)

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.

The following table shows the fair value of financial assets and liabilities analysed by various levels within the fair value hierarchy as at 31 March 2024 and 31 December 2023:

(a) Financial instruments measured at fair value

	The Group				The Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 March 2024								
Financial assets								
Financial investments	-	-	189,670	189,670	-	-	189,670	189,670
Derivative financial instruments	-	5,870,738	-	5,870,738	-	5,870,738	-	5,870,738
Total financial assets	-	5,870,738	189,670	6,060,408	-	5,870,738	189,670	6,060,408
In KHR'000 equivalent (Note 5)	-	23,723,653	766,456	24,490,109	-	23,723,653	766,456	24,490,109
	The Group				The Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2023								
Financial assets								
Financial investments	-	-	189,670	189,670	-	-	189,670	189,670
Derivative financial instruments	-	5,746,686	-	5,746,686	-	5,746,686	-	5,746,686
Total financial assets	-	5,746,686	189,670	5,936,356	-	5,746,686	189,670	5,936,356
In KHR'000 equivalent (Note 5)	-	23,475,212	774,802	24,250,014	-	23,475,212	774,802	24,250,014

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3 fair value measurement during the three-month period ended 31 March 2024 (31 December 2023: Nil).

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**NOTES TO THE INTERIM FINANCIAL STATEMENT (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value (continued)

(a) Financial instruments measured at fair value

i. Derivative financial instruments

As at the reporting date, the Group's and the Bank's derivative financial instruments are valued using the discounted cash flow method and are verified with the interest rate swap providers. Under the discounted cash flow method, future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

ii. Financial investments

Financial investments at FVOCI consist of the Bank's investment in CBC with 5% as equity cash investment and 1% through the Association of Banks in Cambodia amounting to US\$153,529 and in SWIFT required by the SWIFT SCRL from all its members amounting to US\$36,141 as at 31 March 2024 (31 December 2023: US\$153,529 and US\$36,141, respectively). There is no gain/loss recognised in other comprehensive income due to fair value approximate the carrying amount. These investments are neither redeemable nor transferable and there is no market for them. The Group and the Bank do not intend to dispose these investments.

(b) Financial instruments not measured at fair value

As at the reporting date, the fair values of the 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 approximates their carrying values as at the reporting date due to the relatively short-term maturity of these instruments.

ii. Financial investments

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. Debt securities include corporate and government bonds which were valued at amortised cost, and were purchased for the purpose of holding them until maturity and for earning interest.

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. Inputs into the valuation techniques include expected lifetime credit losses, interest 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.

Inputs into the models may include data from third party and information obtained from other market participants, which include observed primary and secondary transactions. Its carrying value approximates fair value as at the reporting date.

**NOTES TO THE INTERIM FINANCIAL STATEMENT (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED**

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value (continued)

(b) Financial instruments not measured at fair value (continued)

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-term maturity of these instruments. While 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 since the Group and the Bank offer similar interest rate on the instrument with similar maturities and terms.

The estimated fair value of the deposits and placements with no stated maturities, which includes non-interest bearing deposits, and deposits payable on demand is the amount payable as at the reporting date.

v. Other financial assets and other financial liabilities

The carrying amounts of other financial assets and other financial liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

vi. 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 as at the reporting date instead of the applicable prevailing market interest rates. The Group and the Bank believe that the effective interest rates were not significantly different with the prevailing market interest rates on the ground that there was no change in interest rates following the lenders' consideration of the Group's and the Bank's credit risk profile as at the reporting date. On this basis, the fair value of borrowings, subordinated debts, and lease liabilities approximates their carrying values as at the reporting date.

41. CAPITAL RISK MANAGEMENT

The Group's and the Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the interim statement of financial position, are:

- To comply with the capital requirement set by the NBC;
- To safeguard the Group's and 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 ratios, LCRs and other prudential ratios.

The tables in the succeeding page summarise the composition of regulatory capital which follows the requirements of the NBC. These amounts are based on the consolidated and separate interim financial statements as at 31 March 2024 and 31 December 2023.

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NOTES TO THE INTERIM FINANCIAL STATEMENT (CONTINUED)
AS AT 31 MARCH 2024 AND FOR THE THREE-MONTH PERIOD THEN ENDED

41. CAPITAL RISK MANAGEMENT (continued)

	The Group			
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,750,411,760	1,769,470,933
Share premium	11,706,215	11,706,215	47,304,815	47,819,888
Retained earnings	221,201,655	210,670,372	893,875,888	860,588,470
General reserves based on the NBC Prakas	524,576,552	524,576,552	2,119,813,847	2,142,895,215
Less: Intangible assets	(10,331,903)	(10,761,308)	(41,751,220)	(43,959,943)
Less: Loans to related parties	(13,871,099)	(13,539,928)	(56,053,111)	(55,310,606)
Less: Other losses	(61,354,597)	(59,649,230)	(247,933,926)	(243,667,105)
	<u>1,105,089,842</u>	<u>1,096,165,692</u>	<u>4,465,668,053</u>	<u>4,477,836,852</u>
Tier 2 complementary capital				
General provision based on the NBC Prakas	66,510,741	62,841,294	268,769,904	256,706,686
Subordinated debts (*)	116,749,256	116,749,256	471,783,743	476,920,711
Less: Equity participation in banking or financial institutions	(2,010,000)	(2,010,000)	(8,122,410)	(8,210,850)
	<u>181,249,997</u>	<u>177,580,550</u>	<u>732,431,237</u>	<u>725,416,547</u>
	<u>1,286,339,839</u>	<u>1,273,746,242</u>	<u>5,198,099,290</u>	<u>5,203,253,399</u>
			The Bank	
	31 March 2024 US\$	31 December 2023 US\$	31 March 2024 KHR'000 (Note 5)	31 December 2023 KHR'000 (Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,750,411,760	1,769,470,933
Share premium	11,706,215	11,706,215	47,304,815	47,819,888
Retained earnings	191,521,786	182,661,825	773,939,537	746,173,555
General reserves based on the NBC Prakas	510,741,556	510,741,556	2,063,906,628	2,086,379,256
Less: Intangible assets	(9,315,163)	(9,829,455)	(37,642,574)	(40,153,324)
Less: Loans to related parties	(13,400,924)	(13,074,333)	(54,153,134)	(53,408,650)
	<u>1,124,416,489</u>	<u>1,115,368,827</u>	<u>4,543,767,032</u>	<u>4,556,281,658</u>
Tier 2 complementary capital				
General provision based on the NBC Prakas	65,133,516	61,416,504	263,204,538	250,886,419
Subordinated debts (*)	116,749,256	116,749,256	471,783,743	476,920,711
Less: Equity participation in banking or financial institutions	(71,312,716)	(71,312,716)	(288,174,685)	(291,312,445)
	<u>110,570,056</u>	<u>106,853,044</u>	<u>446,813,596</u>	<u>436,494,685</u>
	<u>1,234,986,545</u>	<u>1,222,221,871</u>	<u>4,990,580,628</u>	<u>4,992,776,343</u>

(*) This represents subordinated debts approved by the NBC to be treated as part of complementary capital and only represent the outstanding principal amount.