

អេស៊ីលីដា  
ACLEDA BANK



Annual Report

2024

# Vision

To be Cambodia's leading and the most trusted commercial bank serving all segments of the community.

# Mission

Our mission is to provide our customers with secured and innovative products and services to manage their financial resources efficiently. At all times, we observe the highest principles of ethical behaviour, respect for society, the law and environment. By doing so, we aim to contribute to improving the quality of lives, ensuring a sustainable and growing benefits to our stakeholders, and to support the socio-economic development of the society as a whole.

# Slogan

The Bank's slogan: The bank you can trust, the bank for the people!

ACLEDA Mobile's slogan: The bank in your hand!

This report has been prepared and issued by ACLEDA BANK to whom any comments or requests for further information should be sent.

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Website: [www.acledabank.com.kh](http://www.acledabank.com.kh)

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## FINANCIAL HIGHLIGHT

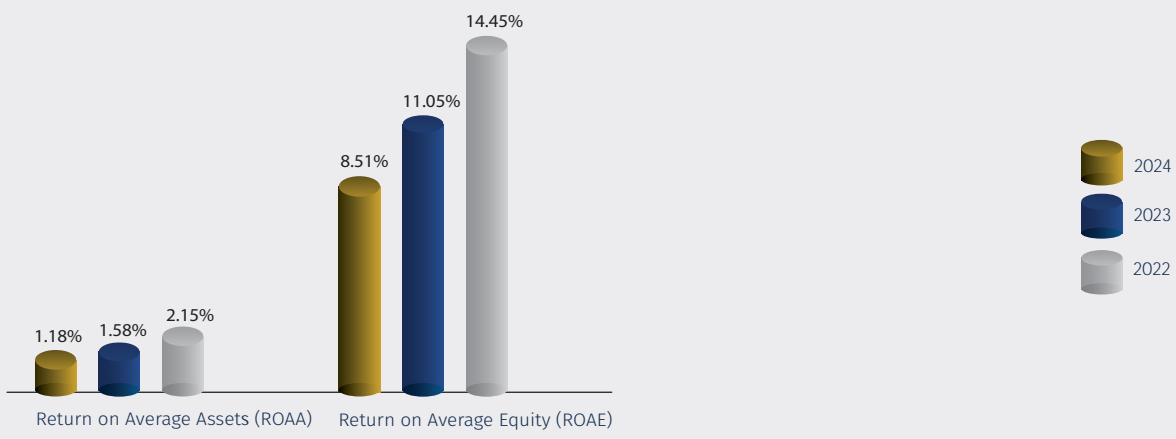
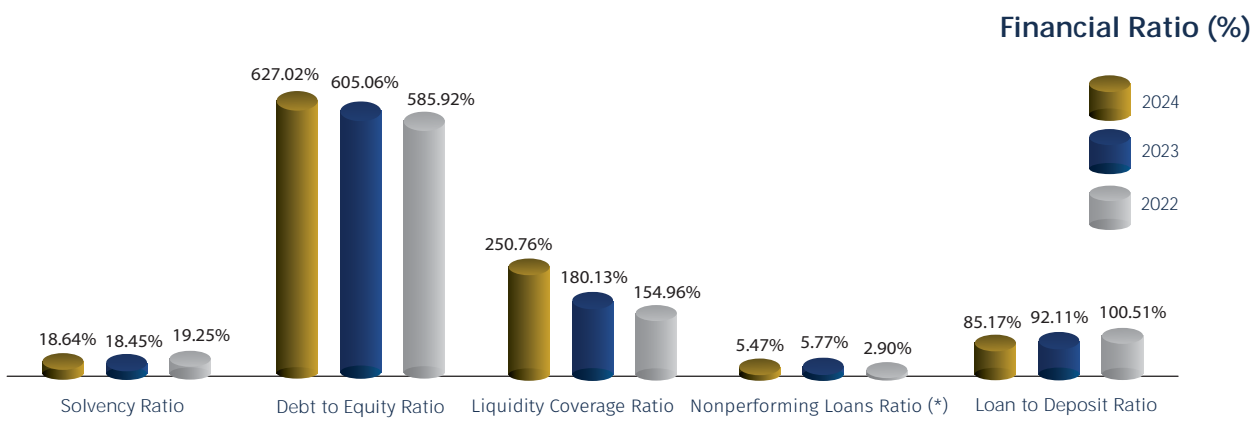
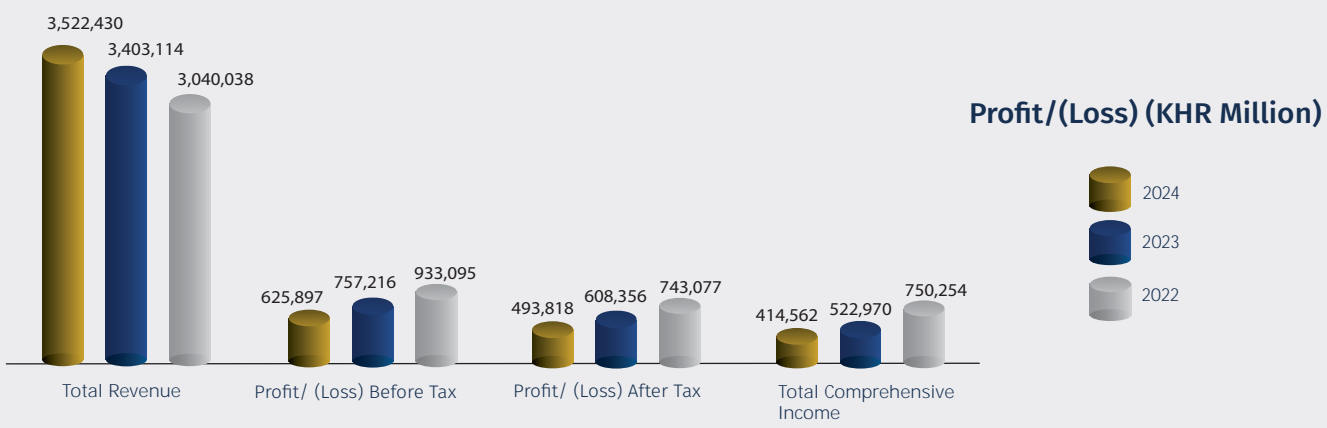
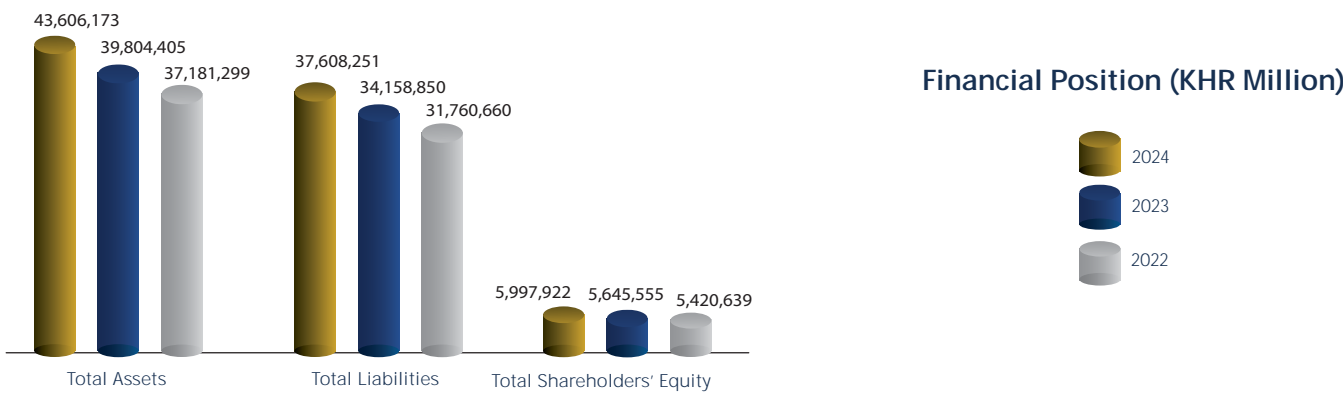
Description	2024	2023	2022
<b>Financial Position (in KHR million)</b>			
Total assets	43,606,173	39,804,405	37,181,299
Total liabilities	37,608,251	34,158,850	31,760,660
Total shareholders' equity	5,997,922	5,645,555	5,420,639
<b>Profit / (Loss) (in KHR million)</b>			
Total revenue	3,522,430	3,403,114	3,040,038
Profit/ (Loss) before Tax	625,897	757,216	933,095
Profit/ (Loss) after Tax	493,818	608,356	743,077
Total Comprehensive Income	414,562	522,970	750,254
<b>Financial Ratios</b>			
Solvency ratio	18.64%	18.45%	19.25%
Debt to equity ratio	627.02%	605.06%	585.92%
Liquidity Coverage Ratio	250.76%	180.13%	154.96%
Non-performing loans ratio (*)	5.47%	5.77%	2.90%
Loan to deposit ratio	85.17%	92.11%	100.51%
Return on average assets (ROAA) (**)	1.18%	1.58%	2.15%
Return on average equity (ROAE) (**)	8.51%	11.05%	14.45%
Interest Coverage ratio (Times)	1.45	1.56	2.03
Book value per share (KHR)	13,790	12,977	12,456
Earnings per share (KHR)	1,139	1,405	1,715
Dividend per share (KHR)	-	140	686
Other Important Ratios	-	-	-

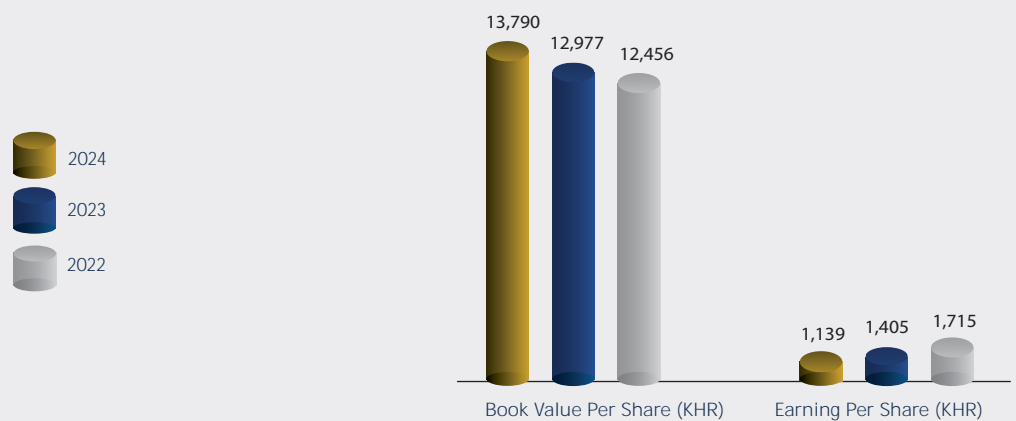
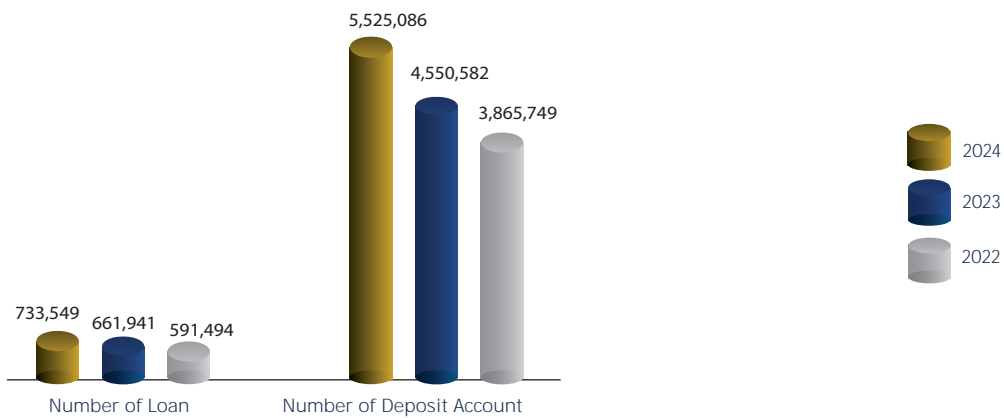
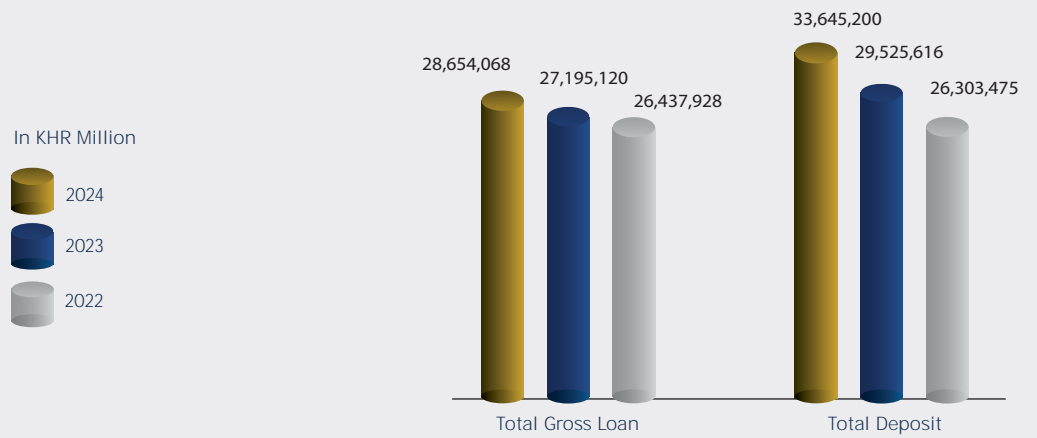
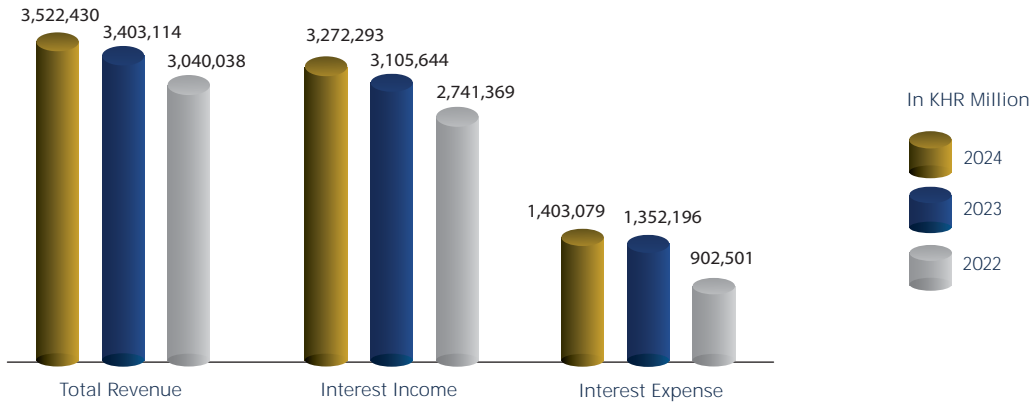
(\*) Non-performing loan ratio = Contractual Principal Balance of Non-Performing Loan/Total Contractual Loan Principal Balance

(\*\*) • These ratios were calculated using the profit attributable to owners of the Bank.

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

# FINANCIAL SUMMARY AND ANNUAL STATISTICAL SUMMARY (CHARTS)





# BOARD OF DIRECTORS

The Directors are appointed by the Shareholders for three-year terms to act on their behalf. The Articles provide that the Board shall consist of nine Directors and that:

- The Board of Directors is responsible for determining the strategy of the BANK and for conducting or supervising the conduct of its business and affairs. Its members shall act in the best interests of the BANK.
- The powers of the Board of Directors are to be exercised collectively and no individual Director shall have any power to give directions to the officers or employees of the BANK, to sign any contracts, or to otherwise direct the operations of the BANK unless specifically empowered to do so by a resolution of the Board of Directors.
- Each Director shall have unlimited access to the books and records of the BANK during ordinary business hours.

The Board of Directors shall elect, by majority vote, one of its members to serve as Chairman who shall preside over meetings of the Board of Directors as well as the AGM.

The Board of Directors assumes responsibility for corporate governance and for promoting the success of the BANK by directing and supervising its business operations and affairs. It appoints and may remove the President & GMD, Senior GCIAO, and Head of COD. It also ensures that the necessary human resources are in place, establishes with management the strategies and financial objectives to be implemented by management, and monitors the performance of management both directly and through the Board Committees.

The Board of Directors established three Committees: Audit, Remuneration and Nomination, Risk Management and IT, and may establish such other committees as it deems necessary or desirable to carry on the business and operations of the BANK. These Board Committees shall exist at the pleasure of the Board of Directors and all members of such Committees shall be approved by the Board. The Committees themselves will not exercise any of the powers of the Board, except insofar as the Board may formally delegate such powers, but may make recommendations to the Board for their collective action. Whilst membership on Board Committees is restricted to Directors themselves, they may invite members of management and others so as to provide operational information and explanation when considered necessary. All Board Committees are chaired by Independent Directors.



**Mr. Chhay Soeun**  
Chairman



**Dr. In Channy**  
Executive Director



**Drs. Pieter Kooi**  
Independent Director



**Ms. Phurik Ratana**  
Independent Director



**Dr. Heng Dyna**  
Independent Director



**Mr. Kay Lot**  
Independent Director







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



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



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

**Mr. Chhay Soeun**  
Chairman



## MESSAGE FROM CHAIRMAN

*On behalf of ACLEDA BANK PLC. ("BANK") and the Board of Directors, I am pleased to present the 2024 Annual Report to all stakeholders.*

The global economy shows resilience growth in 2024 despite facing a number of challenges from ongoing geopolitics tensions, issues in China's property sectors, the extended Russia-Ukraine War, outbreak of conflict between Israel and Hamas in the Middle East, and the escalating fragmentation of geo-economic dynamics. According to the latest IMF report, the estimated global economic growth for 2024 was 3.2%, nearly the same rate as 3.3% in 2023. Concurrently, global headline inflation dropped to 5.7% in 2024 from 6.7% in 2023. The U.S. economy outperformed expectations, expanding by 2.8% in 2024, nearly the same rate of 2.9% in 2023. The Eurozone grew at 1% in 2024, compared to 0.6% in 2023. Conversely, the Chinese economy expanded by 4.8%, lower than last year of 5.2% in 2023. The Japanese economy was estimated to regress in 2024 with a contraction growth of 0.2% from 1.5% in 2023, while ASEAN economies experienced better performance with a growth rate of 4.6% in 2024 compared to 4.1% in 2023.

In Cambodia, the economy sustained momentum amidst global challenges, experiencing estimated growth of 6% in 2024, up from 5% in 2023 according to the Ministry of Economy and Finance's latest projection. This growth is driven by domestic consumption, labour market, stable inflation and exchange rate, strong recovery in the service sector supported by tourism, stable new investment inflows, and substantial growth in garment and non-garment manufacturing exports as well as agricultural exports. However, the real estate and construction sectors continued to experience sluggishness.

In 2024, Cambodia's banking system remains resilient and continues on a steady growth trajectory, supported by strong capital reserves, high liquidity, and the prudential policies introduced by the National Bank of Cambodia. However, the sector faces ongoing challenges, including rising non-performing loans (NPLs), high capital funding costs for banks and microfinance institutions (MFIs), and slower-than-expected loan growth.

During 2024, ACLEDA BANK became the only Cambodian bank to win The World's Safest Banks Award in 2024 (country winners) from the Global Finance Magazine. The award is claimed by Global Finance to have undergone a thorough evaluation of the long-term foreign currency ratings, or debt rating, rated by Fitch, Moody's and Standard & Poor's financial institutions among the 500 largest banks worldwide. Simultaneously, ACLEDA BANK also stands out as the sole Cambodian bank ranked among the top 1,000 banks globally, as recognized in the Banker's "Top 1,000 World Banks 2024". Moreover, ACLEDA BANK received the report from Global Ratings Agency — Standard & Poor's (S&P) which has maintained the Bank's Credit Ratings at "B+/Stable/B". This stable rating outlook reflects that ACLEDA Bank has nourished its long-term financial profile with sufficient capital buffers to respond to all economic conditions. Furthermore, the BANK has signed numerous Memorandum of Understanding ("MOU") with public and private institutions in order to broaden the scope and facilitate the payment of goods and services in Cambodia and overseas.

In addition, ACLEDA BANK has continuously improved many functions of self-service operations on ACLEDA Mobile, QR codes, ATMs, and POSs in line with the needs of customers, and the evolution of digital technology to become AC Super App. Meanwhile, the Bank expanded its 206 self-service banking (63 locations in Phnom Penh and 143 locations in provinces) adding to its existing 265 branches. The Bank equipped 1,486 ATMs, 5,553 POS machines, and QR codes based on customers' requests for transactions of transfers and settlements in markets, shops, hotels, educational institutions, hospitals, travel agencies, gas stations, and other businesses across the country. By the end of December 2024, the Bank had more than 4.22 million ACLEDA Mobile registers, especially among those the BANK had more than 0.49 million business partners.

As of 31 December 2024, total deposits increased by USD 1,131.24 million while total loan outstanding grew by USD 461.71 million, if compared to the year ended 2023. The annual performance 2024 compared to the year 2023, the Group achieved a profit attributable to the shareholders of USD 121.19 million, a decrease of 18.14% equivalent to USD 26.86 million.

Finally, I would like to express my sincerest gratitude to all shareholders, customers, employees, the public at large, and especially relevant authorities who always support the contribute to the good performance of the Bank, especially for the year 2024.



**Mr. Chhay Soeun**  
*Chairman, Board of Directors,*  
**ACLEDA BANK PLC.**

**18 March 2025**

## Dr. In Channy

President & Group Managing Director



### MESSAGE FROM PRESIDENT & GROUP MANAGING DIRECTOR

*As we step into 2025, ACLEDA Bank remains unwavering in its mission to lead innovation and deliver exceptional value to our customers and business partners. This year, we are doubling down on our commitment to digital transformation, market expansion, and sustainability, ensuring we meet the evolving needs of our stakeholders and stay ahead in a rapidly changing financial landscape.*

*The **ACLEDA Super App** will continue to be at the heart of our digital strategy, offering cutting-edge features that enhance user experience and extend our reach both domestically and globally. By deepening our integration with government and public sector applications, we aim to create a more inclusive and interconnected financial ecosystem—one that empowers individuals, businesses, and communities to thrive and contribute to sustainable growth.*

*Looking ahead, we are excited about our plans for regional expansion, which will bring enhanced financial accessibility to underserved markets. Coupled with our commitment to sustainability, these efforts underscore our dedication to creating long-term value for our customers, employees, and stakeholders.*

*Cybersecurity remains a priority in 2025. We will strengthen defenses, protect assets, and prioritize customer awareness education to ensure secure and confident digital experiences for all.*

*As we embark on this journey, I am deeply grateful for the trust of our customers and business partners, the dedication of our employees, and the support of our stakeholders. Together, we are building a brighter future—one that drives growth, innovation, and opportunity for all.*

## Performance in 2024

### Competitive Environment

In 2024, Artificial Intelligence (AI) was increasing rapidly and potentially with innovative services supporting to all sectors, especially driving the growth of financial sector in Cambodia.

In the digital era, as consumers are adapting gradually to the context of the digital economy and society, as well as quickly embracing digital banking products and services, Banks and Financial Institutions (BFIs) in Cambodia have been facing fiercer competition, employing various tactics such as marketing channels, promotional strategies, physical and digital branch expansion, pricing, and so forth. In fact, customers have now found it relatively more convenient and highly effective to have access to financial products and services, gained significant financial leverage, and improved their financial literacy and inclusion.

The BANK is actively transforming its branches into self-service banking hubs, offering a diverse array of hybrid options. This digital framework has not only enhanced the efficiency, security, cost-effectiveness, and speed of the economic system, but has also become a vital driver of economic growth. Moreover, it has facilitated greater inclusion by connecting communities nationwide and expanding into ASEAN member's countries and globally. Mobile Banking Application (Mobile App.) has become a significant and popular payment tool for the daily uses and businesses purpose, which result in fierce competition. "ACLEDA Super App – 'The real bank in your hand'" is a multifunctional mobile banking service that provides comprehensive financial and non-financial services with user-friendly platform. It offers modern, stylish, fast, secure, and trusted solutions tailored to meet all needs. ACLEDA Super App currently serves over 4.22 million registered users/partners. Customers can use the app anytime, anywhere globally, as long as they have a Wi-Fi or internet connection, including scanning KHQR/QR codes nationwide in Cambodia and cross-border payments via QR codes in Thailand, Vietnam, and Laos. The volume of digital transactions now contributes up to 99% of the BANK's total transactions.

### Operational Highlights in 2024

- Total loans outstanding at the end of 2024 were US\$7,119.02 million, with US\$1,468.10 million (or 20.62%) allocated to the agriculture sector. In 2023, lending to agriculture totalled US\$1,414.68 million. By the end of December 2024, there were 513,477 active customers for the Group's small business loans.
- Non-performing loans (NPLs) remained high but manageable at 5.47% due to uneven economic activities, sectoral stress and elevated private debt levels.
- Total deposits reached US\$8,359.06 million across approximately 5.53 million accounts.
- The Group reported a profit for the period attributable to the owner of the BANK at US\$121.19 million.
- The BANK consistently made efforts to minimize costs and risks to retain income and maximize profit.
- Fintech products were integrated into the BANK's electronic banking infrastructure, offering customers a range of choices to manage their financial resources.

## Financial Services and SME Businesses

Lending in the "Small" business category grew by 6.49% or US\$195.43 million. The "Personal & Others" category grew by 27.60% or US\$133.44 million. "Housing Loans" balance was US\$163.64 million. The total amount of loans outstanding was US\$7,119.02 million as of the end of 2024.

The Group's deposit balance was US\$ 8,359.06 million (increased by 15.65% or US\$1,131.24 million) and the total number of accounts was around 5,529,025. The retail sector accounted for the largest segment of the BANK's growth in deposits with a large percentage coming from first-time depositors such as employees paid through the BANK's Payroll Service and non-bank customers in rural areas using the E-Wallet via [ACLEDA Super App](#). Financial products and services via Fintech solutions have contributed to such strong growth.

The Group maintains a diversified infrastructure of choices with 319 traditional branches (or offices), and 206 self-service banking with 1,555 ATMs and 5,553 POS terminals. It's interesting to note that the Group has issued a total of 1.76 million debit cards. Moreover, the digitized [ACLEDA Super App](#) has proved very popular with registered users of more than 4.41 million at the end of 2024.

## Medium and Corporate Businesses

In this product category in 2024, cash management services increased substantially through our arrangement and partnership with the public sector, particularly the Social Security Fund (SSF), government payroll direct deposits, registration and license fee payment, and vehicle stamp tax collection. The demands for these services payment via [ACLEDA Super App](#) were particularly strong in 2024 with a number of organizations that signed up, including entities in the public sector, local and international companies, and other organizations, thereby providing excellent opportunities for cross-selling of other products and services.

In addition, the best services offered by the nationwide networks of the BANK have highly attracted and engaged medium and corporate business entities to consistently appreciate, remain loyal to, and prioritize the BANK as the first effective coordinator for financial management and sources of their business operations and settlement. These multiple services have also had a significant positive impact on the BANK's local currency cash flow and have enabled the BANK to fund, strengthen, and expand its local Khmer Riel currency loan portfolios. Meanwhile, the medium and corporate loans outstanding increased by 5.60% compared to 2023 and accounted for 35.05% of the total loans outstanding.

Furthermore, the BANK and its subsidiaries continued to collaborate with their long-term, experienced, and strategic partners. These entities assist our mutual, common customers to manage their financial resources effectively and efficiently. Together with this, these partnerships also significantly contributed to the BANK's long-term funding and also provided a useful source of off-balance sheet revenue, while enhancing the international expertise and experience of the BANK's management and staffs.

## Treasury Local and International

The BANK is remained a prominent provider of Foreign Exchange (FX) service to various sectors and the public at large. Revenue generated from this service has grown consistently, contributing significantly to non-interest income. Committed to its risk management policy, the BANK avoids speculative trading, focusing instead on supporting customers' business needs. It maintains a low-risk approach by managing open positions within prudent ratios, adhering to internal and regulatory limits. This disciplined strategy has ensured steady income and growth, strengthened customer relationships, and fostered lasting partnerships.

Strong inflow of the customers deposit and long-term borrowings fortified the BANK's balance sheet, enabling sustained loan growth throughout the year. This robust financial foundation supports the BANK's rapid expansion and growing operations and activities.

The BANK has been a proactive advocated for the use of Khmer Riel (KHR) by offering local currency loans and participating in government initiatives to enhance Cambodia's financial market. As of 2024, over 19.67% of the BANK's loan portfolio offered in KHR, exceeding the regulatory requirement of 10%. In addition, the BANK actively support government led initiative to develop Cambodia's financial market and also invested its KHR sources of fund in government bonds amounting to KHR269b (=US\$67m). These efforts reflect the BANK's commitment to contributing to the nation's economic growth and financial market modernization.

To strengthen its long-term funding sources, the BANK diversified funding options by cultivating strong relationships with strategic partners globally, particularly in Europe, the USA, and Asia. It has also enhanced relationships with other financial institutions, leveraging an extensive international correspondent network of 252 correspondent banks residing in 43 countries by the end of 2024. This robust network underscores the BANK's global connectivity and reliability.

Additionally, the BANK holds a substantial market share for accounts from local banks and financial institutions, offering comprehensive fund-transfer services nationwide. The BANK continues to comply with internal risk policies, regulatory requirements, and lenders' prudent covenants, ensuring stability and trust within its operations.

## Strategic Priorities for 2025

The BANK you can trust, the BANK for the people!

To determine the basic long-term goals and adopt courses of action, as well as allocate the resources necessary for achieving these goals and select a relevant set of activities to deliver a unique mix of value, The BANK has drawn up and set out the ideally matched strategies elaborating how the BANK will achieve its vision, mission, milestones, goals, and business plans. These strategies primarily include Mobile-First "ACLEDA Super App"; Human Resource Digitalization; Funding; Branding ACLEDA Community; First-class IT; Strategic Partnerships; Environmental, Social, and Governance (ESG); and Subsidiaries.

The BANK aims to contribute to improving the quality of lives, ensuring sustainable and growing benefits to our stakeholders, and supporting the socio-economic development of the society as a whole.

## The Challenges for 2025

As the first listed commercial bank in Cambodia Securities Exchange (CSX), the BANK is accountable to two authorities: the National Bank of Cambodia (NBC) and Securities and Exchange Regulator of Cambodia (SERC). Meanwhile, the BANK is also accountable to the public at large and individual investors. Over three-decade of its history of development, the BANK has earned trust from the general public through its good corporate governance, the management team with many years of considerable experience, and a culture of transparency.

In the ever-evolving landscape of financial technology, particularly in the digital banking era (Bank 4.0), ACLEDA Super App services have undergone a full upgrade with the latest technology and continuously maintain its further regular development over time to maintain its leading position, convenience, security, and attractive modernity.

Despite Cambodia's economy facing a number of challenges such as heightened geopolitical risks, the imperative to accelerate the decarbonization in the economy, the rise in climate-related risks, and dramatic digital transformation, as well as the modest growth in real estate and construction sectors, the outlook for Cambodia's economy in 2025 is still optimistic and robust compared to that in the previous year. On the firm basis of the peace and political stability, it is forecasted that Cambodian economy will grow from 6.0% in 2024 up to at least 6.3% in 2025, driven by rebound in garment and non-garment manufacturing sectors, and more considerable growth in tourism and service sectors, alongside the resilient agriculture and a manageable inflation rate.

Given this economic scenario and forecast for 2025, the BANK sees the opportunities to continue and further strengthen its existing successful strategies while incorporating new strategic directions for 2025 and the following years in order to ensure its growth, success, and prosperity all together with all of our customers and stakeholders.

Last but not least, I would like to express my profound thanks to all our customers, the Board of Directors, the management, staff, and stakeholders, especially the Royal Government of Cambodia, the National Bank of Cambodia (NBC), and Securities and Exchange Regulator of Cambodia (SERC) for all of the unwavering trust, confidence, support, seminal contributions, as well as great efforts, strong will and commitment, solidarity, and synergy in 2024, together with a fervent conviction and anticipation of a happy and prosperous 2025.

**Dr. In Channy**

***President & Group Managing Director,  
ACLEDA BANK PLC.***

**18 March 2025**

# ABBREVIATIONS

Abbreviations	Expansion
ACLEDA BANK/ the BANK	ACLEDA BANK PLC.
the Group	ACLEDA BANK PLC. and its Subsidiaries
ABC	Association of Banks in Cambodia
ABL	ACLEDA Bank Lao Ltd.
ACLEDA	Association of Cambodian Local Economic Development Agencies
ACS	ACLEDA Securities Plc.
AFT	ACLEDA Financial Trust
AGM	Annual General Meeting of the Shareholders
AUB	ACLEDA University of Business Co., Ltd., (previously ACLEDA Training Center Ltd. and after ACLEDA Institute of Business)
AMM	ACLEDA MFI Myanmar Co., Ltd.
BACO	Board Audit Committee
BRENCO	Board Remuneration and Nomination Committee
BRIC	Board Risk and IT Committee
CIFRS	Cambodian International Financial Reporting Standards
CSX	Cambodia Securities Exchange
EDF	Entrepreneurship Development Fund
EGM	Extraordinary General Meeting of the Shareholders
FIPED	Financial Institutions for Private Enterprise Development
GAICD	Graduate of the Australian Institute of Company Directors
Head of COD	Head of Compliance Division
IBF	Institute of Banking and Finance
MAOA	Memorandum and Articles of Association
MCC	Management Credit Committee
MoC	Ministry of Commerce
NBC	National Bank of Cambodia
President & GMD	President & Group Managing Director
Senior GCIAO/GCIAO	Senior Group Chief Internal Audit Officer/ Group Chief Internal Audit Officer
SERC	Securities and Exchange Regulator of Cambodia (previously known as the Securities and Exchange Commission of Cambodia "SECC")
SMBC	Sumitomo Mitsui Banking Corporation (previously Sumitomo Bank)
SSA	Subscription and Shareholders' Agreement



# CONTENTS

Page	
1	Vision and Mission
2	Financial Highlight
3	Financial Summary and Annual Statistical Summary (Charts)
5	Board of Directors
9	Message from Chairman
11	Message from President & Group Managing Director
<b>17</b>	<b>Part 1. General Information of ACLEDA BANK</b>
18	A. Identity of ACLEDA BANK
18	B. Nature of Business
19	C. Group Structure of ACLEDA BANK
20	D. ACLEDA BANK's Milestones
23	E. Market Situation
23	F. Competitive Situation
24	G. Future Plan
25	H. Risk Factors
<b>26</b>	<b>Part 2. Information on Business Operation Performance</b>
27	A. Business Operation Performance including business segments information
29	B. Revenue Structure
<b>30</b>	<b>Part 3. Information on Corporate Governance</b>
31	A. Organization Structure
32	B. Board of Directors
32	C. Executive Management
<b>33</b>	<b>Part 4. Information on Securities' Trading and Shareholders of ACLEDA BANK</b>
34	A. Information on Securities
34	B. Securities' Price and Trading Volume
35	C. Controlling Shareholder (30% or more)
35	D. Substantial Shareholder (5% or more)
35	E. Information on Dividend Distribution in the last 3 (thee) years
<b>36</b>	<b>Part 5. Internal Control Audit Report by Internal Auditor</b>
<b>39</b>	<b>Part 6. Financial Statement Audited by the Independent Auditor</b>
<b>40</b>	<b>Part 7. Information on Related Party Transactions and Conflict of Interest</b>
41	A. Material Transactions with Shareholder who hold at least 5% or more shares of outstanding equity securities
42	B. Material Transactions with Director and Senior Officer
42	C. Transaction with Director and Shareholder related to buy/sell asset and service
42	D. Material Transactions with Immediate Family Members of the Director, Senior Officer and Shareholder who hold at least 5% or more shares
43	E. Material Transactions with the Person, who associated with Director of the Listed Entity, its Subsidiary or Holding Company
44	F. Material Transactions with Former Director or a Person who involved with Former Director
44	G. Material Transactions with Director who is holding any position in a non-profit organization or in any other company other than the listed entity
44	H. Material Transactions with Director who get benefit whether finance or non-financial from the listed entity
<b>45</b>	<b>Part 8. Management's Discussion and Analysis</b>
46	A. Overview of Operation
49	B. Significant Factors Affecting Profit
49	C. Material Changes in Sales and Revenue
50	D. Impact of Foreign Exchange, Interest Rates and Commodity Prices
50	E. Impact of Inflation
50	F. Economic/Fiscal/Monetary Policy Of Royal Government
<b>53</b>	<b>Signature of Directors</b>
<b>54</b>	<b>Appendix: Annual Corporate Governance Report determined by the Director General of the SERC</b>
<b>92</b>	<b>Appendix: Sustainability Report 2024</b>

# PART 1

## GENERAL INFORMATION OF ACLEDA BANK

# ធនាគារខ្មែរ AC Super App



## A. IDENTITY OF ACLEDA BANK

Entity Name in Khmer	ធនាគារ អេស៊ីលីដា ភីអិលស៊ី
In Latin	ACLEDA BANK PLC.
Standard Code	KH1000100003
Address	Building N° 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh, Phnom Penh, Cambodia.
Phone number	+855 (0)23 998 777 / 430 999
Fax	+855 (0)23 430 555
Website	www.acledabank.com.kh
Email	acledabank@acledabank.com.kh
Company registration number	00003077 dated 05 June 2000, issued by MoC
License number	C.B.06 dated 7 December 2023, issued by NBC
Disclosure Document registration number	053/20 SECC/SSR dated 19 March 2020, issued by Securities and Exchange Committee of Cambodia (Currently known as the Securities and Exchange Regulator of Cambodia "SERC")
Representative of ACLEDA BANK PLC.	<b>Dr. In Channy</b>

## B. NATURE OF BUSINESS

ACLEDA Bank Plc. is the largest commercial bank in Cambodia, boasting the most extensive branch and office network in the country. It has been listed on the Cambodia Securities Exchange (CSX) since May 25th, 2020. ACLEDA Bank Plc. currently has four wholly-owned subsidiaries: **ACLEDA Bank Lao Ltd.**, **ACLEDA Securities Plc.**, **ACLEDA University of Business**, and **ACLEDA MFI Myanmar Co., Ltd.** It also has one representative office in Myanmar.

## C. GROUP STRUCTURE OF ACLEDA BANK

No	Company name	Type of relation	Percentage of share holding	Core business	Company registration date	Business address
1	ACLEDA Bank Lao Ltd. (ABL)	ACLEDA Subsidiary	ACLEDA BANK holding 99.90% and AUB holding 0.10%	Operate as a Commercial Bank, through-out the Lao PDR, providing banking and financial services	19 June 2008	#398, Corner of Dongpalane and Dongpaina Road, Unit 20, PhonesavanhNeua Village, Sisattanak District, Vientiane Capital Lao PDR.
2	ACLEDA Securities Plc. (ACS)	ACLEDA Subsidiary	ACLEDA BANK holding 100%	Operate as a Brokerage, providing as a Brokerage Business and also has other business such as Bondholder Representative, Selling Agent Business, Fund Distribution Business and businesses related to the securities sector	01 March 2010	5 <sup>th</sup> floor ACLEDA Building #61, Preah Monivong Blvd, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.
3	ACLEDA University of Business Co., Ltd. (AUB)	ACLEDA Subsidiary	ACLEDA BANK holding 76.6090% and ACLEDA Financial Trust holding 23.3910%	Operate as the educational services of associate, bachelor, and master degree and other businesses related to the education sector	08 June 2011	#1397, Phnom Penh-Hanoi Friendship Blvd., Phum Anlong Kngan, Sangkat khmuonh, Khan Saensokh, Phnom Penh, Kingdom of Cambodia.
4	ACLEDA MFI Myanmar Co., Ltd. (AMM)	ACLEDA Subsidiary	ACLEDA BANK holding 100%	Operate as a deposit taking MFI, providing lending and microfinance services	06 September 2012	Building No.186(B) Shwe Gone Taing Road, Yae Tar Shae Block, Bahan Township, Yangon Region, Myanmar.
5	ACLEDA BANK PLC. (Representative Office)	Rep-Office	ACLEDA BANK holding 100%	Advertising ACLEDA BANK's product and services	06 May 2016	Building No.186(B) Shwe Gone Taing Road, Yae Tar Shae Block, Bahan Township, Yangon Region, Myanmar.

## D. ACLEDA BANK'S MILESTONES

During 2024, ACLEDA Bank was expanding its self-automation banking services as part of its focus on digitalization in Cambodia. Through this expansion, it reduced the need for additional staff at the counter, which would allow our existing staffs to be more productive. To meet customer needs, the Bank changed its mobile application interface to enhance its capabilities with the latest developments in global financial technology. With the new ACLEDA mobile interface, the Bank had provided convenient, fast, and highly secure banking transactions to the customers broadly. It also has reduced costs and saves customers time since they no longer need to go to any physical branch to conduct most of their transactions. Having the ACLEDA mobile seems we have a mini bank in our hands. Moreover, ACLEDA Bank had developed, enhanced, and launched many new functions in ACLEDA mobile App as listed below:

- Get instant loan approval;
  - Open bank account and term deposit;
  - Create virtual card;
  - Pay tax for property and all types of vehicles;
  - Download summary account statement;
  - Download loan schedule;
  - Repay loan of other financial institutions;
  - Receive payments notification;
  - Pay insurance premium;
  - Restore Bakong's account;
  - Customize Bank account's name;
  - Add purpose of own account fund transfer;
  - Notify alert to keep balance for loan against term deposit repayment;
  - Rate on the use of ACLEDA mobile Banking;
  - Pay bill for PSP's agent;
  - Shopping on ACLEDA Mobile (ACLEDA E-shop);
  - Set and Change new PIN;
  - Link and Fund transfer to trading account;
  - Receive money via Pay Me;
  - Make payment via QR code (KHQR, QR Cross Border);
  - Request to print KHQR;
  - Create my KHQR;
  - Check QR transaction;
  - Request payment (Pay Me);
  - Make Payment via Tap to Pay;
  - Save transaction in favorite; and
  - Send and receive money worldwide in minutes via MoneyGram, Western Union, and Thunes;
  - Register for Informal Economy (Cam-IE);
  - Buy/Sell Shares on CSX;
  - Check for cadastral information and make payment for the construction services;
  - Change themes;
  - Enable authorize payment;
  - Enable Privacy mode;
  - Update Khmer Identity Card via CamDX system; etc.
- For further details of each function above, please visit the link: <https://www.acledabank.com.kh/qr/toanchet>
- On 20 January 2024, ACLEDA BANK was appreciated and recognized as the trusted partner of Data Security and Data Privacy from ControlCase, a global provider of certification, cybersecurity, and continuous compliance services.
  - On 23 January 2024, ACLEDA BANK received a Certificate of Compliance for Payment Card Industry Data Security Standard (PCI DSS), recognized globally.
  - On 1 February 2024, ACLEDA BANK received a Certificate of Appreciation from the Ministry of Labour and Vocational Training for the Efforts in Combating AIDS and Drugs in the Workplace in 2023.
  - On 8 February 2024, ACLEDA BANK signed a Memorandum of Understanding ("MoU") with the Ministry of Justice on the Use of E-Payment Services of ACLEDA BANK for Criminal Record Application Fee.
  - On 14 February 2024, ACLEDA Institute of Business a subsidiary of ACLEDA BANK PLC., transferred to ACLEDA University of Business (AUB), a leading business school with the highest quality standard to develop future generations to support the socio-economic development in Cambodia and the Region.
  - On 19 February 2024, ACLEDA BANK received a letter of appreciation from the National Authority for Combating Drugs for our outstanding contribution to the fight against drugs in 2023.
  - On 21 February 2024, ACLEDA BANK received 7 Leadership Awards for 2023 from Visa. These Leadership Awards include: 1. Ecommerce Merchant Sales Volume, 2. Domestic Merchant Sales Volume, 3. Active Net New Merchant Onboarded, 4. Consumer Debit Payment Volume, 5. Spend Per Active Card for Visa Debit in Affluent Segment, 6. Total Active Terminal, and 7. Transaction Per Active Terminal.
  - On 5 March 2024, ACLEDA BANK officially launched the "WeChat Pay" application for cross-border payments via the QR code of ACLEDA BANK, a leading bank in Cambodia. As part of this initiative, ACLEDA BANK will adopt "WeChat", and from February 2024, "WeChat" provided by Tenpay Payment Technology Co. Ltd., will facilitate payments via dedicated POS terminals at member stores of ACLEDA mobile, ACLEDA BANK's mobile payment service.
  - On 10 March 2024, ACLEDA BANK received a Certificate of appreciation from the Raksa Koma Organization for generous donation.
  - On 18 March 2024, ACLEDA BANK donated US\$ 150,000 for the second year to the Samdech Techo Voluntary Youth Doctor Association (TYDA) to provide free health care services to Cambodian people nationwide.

- On 25 March 2024, ACLEDA Bank Lao Ltd., an overseas subsidiary of ACLEDA BANK PLC. and the first Cambodian bank expanded to Laos, was honored to pay a courtesy visit Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia, on the occasion of Samdech Thipadei meeting with young Cambodian trainees and students as well as the Cambodian Business Club in Vientiane, Lao PDR. ACLEDA Bank Lao Ltd., is a Cambodian commercial bank that has been doing business in the Lao PDR for more than 15 years and has 37 branches in 15 provinces across the country.
- On 04 April 2024, ACLEDA BANK collaborated with the Business Association (BNI) to organize the Business networking under the theme: The banking solutions to grow your business. The event will bring all companies with effective financial solutions to support the process of expansion to all businesses. ACLEDA BANK plays a pivotal role in supporting business beyond the basic financial services to provide facilitation and promote investment growth, strengthen security, and increase business efficiency.
- On 08 April 2024, ACLEDA BANK received a Certificate of Appreciation from the Cambodian Red Cross ("CRC") for a contribution of KHR 800million on their 161st anniversary of World Red Cross and Red Crescent Day on 08 May 2024 under the theme "Together with CRC for a Healthy Community and Climate Resilience".
- On 10 April 2024, the management and staff of ACLEDA BANK extended our warmest congratulations to the Association of Banks in Cambodia (ABC) on the occasion of the 30th anniversary of establishment of ABC "30 Years of Growth & Friendship".
- On 29 April 2024, ACLEDA BANK received a 2023 Certificate of Excellence from Bank of America for Best Payment Partner Bank. This certificate recognizes our achieving an outstanding straight-through processing rate.
- On 09 May 2024, ACLEDA Securities Plc., a local subsidiary of ACLEDA BANK and a leading securities firm in Cambodia, officially announced that after successfully interfaced Mobile Trading App of Cambodia Securities Exchange (CSX) with ACLEDA mobile App of ACLEDA BANK and obtained the approval from Securities and Exchange Regulator of Cambodia (SERC), ACLEDA Securities Plc. launched CSX Trade on ACLEDA mobile App of ACLEDA BANK. This will enable both local and foreign investors to trade shares on CSX easily and safely, as well as promote and encourage the use of Khmer Riel on the Cambodian capital market.
- On 17 May 2024, ACLEDA BANK received a Certificate of Appreciation from the Association of Banks in Cambodia for its contribution as a Platinum Sponsorship on "Cybersecurity Day" under the theme "Building Trust and Security".
- On 19 June 2024, ACLEDA BANK was selected by the National Bank of Cambodia (NBC) as a bank to connect the Financial Transparency Corridor (FTC) project between Cambodia and Singapore. The FTC, established in July 2023 under the supervision of the National Bank of Cambodia and the Monetary Authority of Singapore, is now fully operational in its first pilot phase, powered by Proxtera's digital infrastructure. The FTC is a digital infrastructure for pre-agreement between banking and financial institutions in Cambodia and Singapore, which are members of the project, enabling the use of data on small and medium enterprises in both countries more efficiently and effectively, empowering them to better assess risks and providing enhanced & faster financing for SMEs engaged in cross-border trade.
- On 19 June 2024, ACLEDA BANK received a Certificate of Participation from Proxtera Pte Ltd for contributing to the commemoration of the start of the Cambodia-Singapore Financial Transparency Corridor.
- On 28 June 2024, ACLEDA BANK received the two-year "GOLD" Certificate of Tax Compliance for the tax year of 2024 and 2025 from the General Department of Taxation.
- On 31 July 2024, ACLEDA BANK signed a Memorandum of Understanding "MoU" with CCB International (Holdings) Limited "CCB International" on Strategic Cooperation to carry out business cooperation and to initiate and identify business opportunities, to facilitate and support corporations, investment institutions, high-net-worth individuals and/or professional investors and trading counterparties in Cambodia, Hong Kong, and Mainland China markets. This collaboration reflects our commitment to delivering exceptional financial solutions and building potential long-term strategic partner.
- On 05 August 2024, ACLEDA BANK Headquarters and all branches nationwide held a celebration of the historic event of the groundbreaking ceremony of "Funan Techo Canal". Funan Techo Canal will greatly benefit the socio-economic situation of Cambodia as a whole and leave it as a historical legacy for future generations under the shadow of peace.
- On 09 August 2024, Ministry of Labor and Vocational Training "MLVT" and ACLEDA BANK signed a Memorandum of Understanding "MoU" on providing loans to workers and trainees working abroad under the high presidency of Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia. The MoU aimed to establish strategic cooperation and mutual understanding between the MLVT and ACLEDA BANK in order to provide the reasonable size, acceptable interest rates, and best conditions of loans for supporting workers who want to work abroad.

- On 15 August 2024, ACLEDA BANK received a Certificate of appreciation from the National Bank of Cambodia (NBC) in recognition of our participation to support public schools students' visits to the Preah Srey Içanavarman Museum of Economy and Money (SOSORO), promoting the understanding of Cambodia's economic and monetary history, and highlighting the corporate social responsibility efforts of the Cambodian banking sector.
- On 19 August 2024, the National Bank of Cambodia soft launched of "Bakong Tourists" app. All tourists can easily register to use this Bakong Tourists app conveniently and securely, just using their e-mail, tourists can deposit and withdraw money at any ACLEDA BANK's branch nationwide and scan pay through "ACLEDA KHQR" anywhere.
- On 22 August 2024, ACLEDA BANK received a Certificate of Appreciation from The Association of Banks in Cambodia to ACLEDA BANK for supporting their program "Cambodia Banking Conference 2024".
- On 24 August 2024, ACLEDA BANK received a Certificate of Appreciation from Corporate Connections Cambodia to ACLEDA BANK for supporting of their event "Cambodia National Conference 2024" at SUN & MOON, Riverside Hotel.
- On 30 August 2024, Ministry of Interior and ACLEDA BANK jointly signed a Memorandum of Understanding on the Use of E-Payment Services of ACLEDA BANK for Visa Fee Collection from Customers via Cambodia e-Arrival. This Memorandum of Understanding is obviously crucial for connecting with the development of technology, offering the convenient and quick services to foreign travelers travelling to Cambodia for getting E-Visa and fulfilling arrival cards via Cambodia e-Arrival.
- On 04 September 2024, Cambodia Securities Exchange (CSX) and ACLEDA BANK co-organized the "Listed Companies Forum" on the topic of "Potential of ACLEDA BANK PLC.". It was conducted at ACLEDA BANK's Head Office and participated by the public, local, and international investors. The purpose of today's forum was to promote the potential of ACLEDA BANK in order to enhance the investors to be aware of the Bank's current and future opportunities as well as to provide them with the opportunity to observe directly the activities and progress of the Bank's business operations.
- On 14 September 2024, ACLEDA BANK received a Certificate of Appreciation from the Airavata Khmer Elephant Foundation to ACLEDA BANK for a donation to help protect Khmer elephants, their forest and the related cultural heritage.
- On 21 September 2024, ACLEDA BANK received a Certificate of Appreciation from the Ministry of Environment for supporting their program 7th World Cleanup Day under theme "Clean Cambodia, Khmer Can Do" and Partner certificate for supporting of the 7th World Cleanup Day from Let's Do It World Organization.
- On 8 October 2024, ACLEDA BANK received a Certificate of Appreciation from the Association of Bank in Cambodia to ACLEDA BANK in recognition of generous Platinum Sponsor in printing the Safe Finance Modules for the Strengthening Safe Finance in Community Project.
- On 11 October 2024, ACLEDA BANK received a Certificate of Appreciation from H.E. Hun Many, Deputy Prime Minister and Minister of Public Service, to Dr. In Channy, President & Group Managing Director of ACLEDA BANK, who was invited to attend as an honorary speaker to share his experiences on the topic of "Innovation and Leadership in the Private Sector" at the Best Practice Sharing Program on "Innovation and Leadership" organized by the Ministry of Civil Service.
- On 18 October 2024, ACLEDA BANK was honored and warmly welcomes H.E. YIM LEAT, Deputy Governor and delegation of the National Bank of Cambodia to pay an official visit to the Headquarters of ACLEDA BANK.
- On 24 October 2024, ACLEDA BANK stands out as the sole Cambodian bank ranked among the top 1,000 banks globally, as recognized in the Banker's "Top 1,000 World Banks 2024".
- On 25 October 2024, ACLEDA BANK received Token of Appreciation and Certificate of Achievement are being honoured to Dr. In Channy for his outstanding achievement as Creative Business Designer 2024 from The Institute of Business Designers in Kolkata, India.
- On 25 October 2024, ACLEDA BANK received The Best Cash Settlement Agent Award 2024 and The Best Corporate Governance Award 2024 from Securities and Exchange Regulator of Cambodia and Cambodia Securities Exchange in the Cambodia Stock Market Exhibition "My First Stock" 2024.
- On 25 October 2024, ACLEDA BANK won the Best Corporate Disclosure Award 2024 after a comprehensive evaluation by Securities and Exchange Regulator of Cambodia and Cambodia Securities Exchange in the Cambodia Stock Market Exhibition "My First Stock" 2024.
- On 27 October 2024, ACLEDA BANK received a Certificate of Appreciation from The Association of Banks in Cambodia to ACLEDA BANK for supporting their Bankers' Cycling event under the theme "Cycling to Promote Khmer Riel and Sustainability of Banking Sector".

- On 1 November 2024, ACLEDA BANK was proud to announce the opening of the 265th branch in Pramaoy Commune, Veal Veang District, Pursat Province. This expansion reflects our commitment to providing customers and the public with secured and innovative products and services.
- On 4 November 2024, ACLEDA BANK became the only Cambodian bank to win The World's Safest Banks Award in 2024 (country winners) from the Global Finance Magazine. The award is claimed by Global Finance to have undergone a thorough evaluation of the long-term foreign currency ratings, or debt rating, rated by Fitch, Moody's and Standard & Poor's financial institutions among the 500 largest banks worldwide.
- On 8 November 2024, ACLEDA Bank's management and staff at Headquarters and branches in Phnom Penh voluntarily participated in the blood donation to rescue all patients who need blood transfusions. It represents that the Bank is participating in social and human activities in order to meet the needs of blood to rescue people's lives to the National Blood Transfusion Center Cambodia.
- On 20 November 2024, ACLEDA BANK received a Straight-Through Processing (STP) Award 2023 from The Bank of New York Mellon (BNY). This award recognizes our excellent achievement in outstanding payment formatting performance for MT103/MT202 payments.
- On 21 November 2024, ACLEDA BANK signed a Memorandum of Understanding between ACLEDA BANK and the Orienda International Hospital Co., Ltd., on Strategic Partnership and Collaboration on Providing the International Quality Standards for health services to management, staff, their families, and customers of ACLEDA BANK.
- On 22 November 2024, Mr. Chhay Yaroth, Head of Information Security Division of ACLEDA BANK, had been honored with the CSO30 ASEAN Award in 2024.
- On 24 November 2024, ACLEDA BANK received a Certificate of Appreciation from Khmer Enterprise for our sponsorship in the Entrepreneurial Ecosystem Day 2024.
- On 25 November 2024, ACLEDA BANK received an International Security Standards Certificate ISO/IEC 27701:2019. and ISO/IEC 27001:2022. These achievements demonstrate our commitment as a leading bank in Cambodia to protect the confidentiality, integrity, availability, and privacy of our customers' information.
- On 26 November 2024, ACLEDA BANK signed a Memorandum of Understanding on the Usage of E-Payment Services of ACLEDA BANK for settlement of goods on CambodiaTrade Market to provide convenient, quick, and secure payment services as well as to facilitate e-commerce operations on CambodiaTrade Market.
- On 12 December 2024, ACLEDA Bank received the report from Global Ratings Agency — Standard & Poor's (S&P) which has maintained the Bank's Credit Ratings at "B+/Stable/B". This stable rating outlook reflects that ACLEDA Bank has nourished its long-term financial profile with sufficient capital buffers to respond to all economic conditions.
- On 13 December 2024, ACLEDA BANK received a Certificate of appreciation from The Association of Banks in Cambodia to ACLEDA BANK for supporting their program "Bankers' Annual Dinner 2024".
- On 16 December 2024, ACLEDA BANK and General Secretariat of the Digital Economy and Business Committee, signed a Memorandum of Understanding ("MOU") on the one who are in the Informal Economy Registration via Digital Platform for Informal Economy Development under the highest presidency of Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia. This MOU is extremely pivotal to participate in the implementation of the Royal Government of Cambodia's national policies and strategies in order to enhance the supports and strengthen capacity building, productivity, and resilience of the informal economy as well as promote the national economy growth.
- On 19 December 2024, ACLEDA BANK jointly signed a Memorandum of Understanding ("MOU") with Minister of Interior on usage of E-Payment Services and POS Terminals of ACLEDA BANK for collecting Visa Fee from Customers (Visa on Arrival). This MOU is obviously significant for connecting technological advancement to a digital economy as well as offering the comprehensive payment approach with the convenience and secure for foreign travelers traveling to Cambodia to obtain Visa on Arrival at international airports of Cambodia quickly.
- On 23 December 2024, ACLEDA BANK Launched WeChat Pay for Chinese Travelers to Pay Visa on Arrival Fees. The launch of WeChat Pay acceptance for Cambodia's Visa Arrival Fee Collection, together with Cambodia's leading commercial bank ACLEDA Bank Plc. and WeChat Pay TENCENT, through ACLEDA Bank's E-payment using NETSTARS' International Payment Solution "StarPay".
- On 31 December 2024, ACLEDA Bank's head office and a total of 71 branches, received a certificate of appreciation from the Ministry of Labor and Vocational Training for its efforts in combating AIDS and drugs in the workplace in 2024.



## E. MARKET SITUATION

As of November 2024, ACLEDA Bank Plc. maintained market shares of approximately 14.28% and 12.22% for deposits and loan balances, respectively. Following the reopening of domestic economic activities in 2022, ACLEDA Bank Plc. continued to experience growth in savings services by the end of 2024. The total number of accounts increased by 938,370, with total deposit balances rising by approximately KHR 4.50 trillion (equivalent to USD 1,118.12 million). Lending services also grew, with the total number of accounts increasing by 73,879 and loan balances rising by approximately KHR 1.72 trillion (equivalent to USD 428.10 million) compared to 2023.

Regarding the cost situation for banking institutions, the average interest rate on loans in KHR and USD increased to 12.11% and 10.30% respectively, compared to 2023 rates of 12.05% and 9.92%. In the microfinance sector, the average interest rate on loans in KHR and USD decreased to 16.64% and 14.25% respectively, from 16.91% and 14.69% in 2023. For deposit rates in the banking sector, the average interest rate in KHR and USD fell to 5.71% and 5.18%, down from 6.74% and 5.64% in 2023. Meanwhile, in the microfinance sector, the average deposit rates in KHR and USD declined to 6.44% and 6.51%, compared to 7.27% and 7.65% in 2023. <sup>(1)</sup>

## F. COMPETITIVE SITUATION

The banking and microfinance sectors have shown remarkable growth. As of December 2024, there were:

- 59 commercial banks (28 locally incorporated banks, 20 subsidiary banks, and 11 foreign branch banks)
- 9 specialized banks (4 locally incorporated banks and 5 foreign banks)
- 89 microfinance institutions (4 MDIs and 85 MFIs)
- 13 leasing companies
- 4 third-party processors
- 5 representative offices of foreign banks in Cambodia
- 30 payment service providers
- 1 credit information sharing system provider
- 114 rural credit operators
- 3,327 money exchangers

(Source: NBC Report, CMA Report, and Actual Updates)

Meanwhile, credit customers increased by 3% to KHR 242.9 trillion (USD 59.9 billion). The banking sector saw a 3.3% increase, compared to the previous year's 14.8%, reaching KHR 220.1 trillion (USD 54.3 billion) with a total of 2.4 million accounts. The microfinance sector experienced a 1.9% growth, compared to the previous year's -42.6%, reaching KHR 21.4 trillion (USD 5.3 billion) with 1.6 million accounts. The financial leasing sector decreased by 21.7% to KHR 1.4 trillion (USD 320.0 million) with 52,637 accounts. Rural credit institutions provided a total of KHR 205.3 billion (USD 50.6 billion) in credit to 54,523 customers. Meanwhile, customer deposits increased by 16.3% to KHR 230.9 trillion (USD 57 billion). <sup>(1)</sup>

The banking sector has undergone significant changes in customer behavior, market dynamics, pricing, and competition. Despite these shifts, ACLEDA Bank has maintained a competitive advantage across its products and services, operational network, capital, and technical resources, continuing to experience robust growth.

As at the end of December 2024, compared to 2023:

- The number of credit customers and total credit balance increased by 11.77% and 6.21%, respectively.
- Savings services increased by 8.37% in the number of accounts and 13.74% in deposit balances.

In addition, to gain a competitive advantage, the bank has continued to modernize its products and services with digital technology. This modernization enables the bank to take the lead in enhancing customer business operations and payments, such as:

- **AC Super App:**
  - More than 4.41 million users, an increase of 42% (equivalent to 1.4 million)
  - Over 922 million transactions, an increase of 147% (equivalent to 549 million), with a transaction volume exceeding 631 trillion Riel, an increase of 65% (equivalent to 247 trillion Riel)
- **KHQR & ACLEDA E-Commerce Merchants:**
  - More than 555 thousand users, an increase of 45% (equivalent to 173 thousand)
  - Over 417 million transactions, an increase of 266% (equivalent to 303 million), with a transaction volume exceeding 147 trillion Riel, an increase of 126% (equivalent to 81 trillion Riel)

**Reference:** (1) [https://www.nbc.gov.kh/download\\_files/publication/annual\\_rep\\_kh/Annual\\_Report\\_2024\\_KHM.pdf](https://www.nbc.gov.kh/download_files/publication/annual_rep_kh/Annual_Report_2024_KHM.pdf)

## G. FUTURE PLAN

ACLEDA Bank plans to continue maximizing its potential and distinguishing itself from other banking and financial institutions as Cambodia's leading and most trusted commercial bank. This will be achieved through the AC Super App, product innovation, technological advancements, healthy business partnerships (including public and private sectors), corporation and high net worth segments, the largest branch network with cross-border QR payments in the region and beyond, premium services, well-trained HR with strong ethics and morality, and the enhancement of digital/electronic banking services available 24/7. Additionally, ACLEDA Bank plans to strengthen its Phygital, maintaining both physical and digital (virtual) branches. This includes self-service banking (SSB), physical offices, ATM, CRM, TDM, VTM, POS, SmartPay and other latest digital services. (Source: Strategic Planning Division (SPD))

## H. RISK FACTORS

### 1. Analyst

ACLEDA Bank's business, operating results, financial position, and future status depend on the global and national macroeconomic situation. The significant risks and challenges are: 1) Lower-than-expected economic growth of major trading partners such as the United States, Europe, and China, 2) Continued tightening on international financial markets and prolongation of the U.S. benchmark interest rate cut, 3) Escalating tensions and geopolitical fragmentation, the protracted Russia-Ukraine war, and the emergence of war in the Middle East have led to high inflation and declining demand, 4) The rising of non-performing loans, which could dampen consumption and investment, 5) Slower growth in the construction and real estate sectors, and 7) The climate change (droughts, floods and other disasters). The material risk factors related to ACLEDA Bank's business are as follow:

#### 1-1 Capital and Liquidity Risk

ACLEDA Bank ensures to have sufficient capital and liquidity to fund its business operations, as capital and liquidity is a risk that could have a material impact on the Bank's business growth and operational performance, expenses, reputation, and compliance. The escalating tension and geopolitical fragmentation, prolonged reduction of interest rate in international markets and related risks could affect the flow of external funding sources which are high price and limited.

#### 1-2 Credit Risk

Credit clients or counterparties failing to meet their repayment obligations would have a material impact on the Bank's profitability and future prospects. The impact on tourism and support services left behind by the COVID-19 pandemic and the slowdown in the construction and real estate sectors have slowed credit growth and increased of non-performing loans (NPLs).

### 2. Management opinion and Risk mitigation

ACLEDA Bank understands the identified risks and believes that these risk factors can be effectively managed, mitigated and as well as turned into opportunities:

#### 2-1 Capital and Liquidity Risk Management Measures

- Introduced risk management measures to mitigate the capital and liquidity risk as well as ensure the business continuity by maintaining a high level of funds to support business growth and to respond to unprecedented events in a timely manner.
- Continuously seek for sources of fund by maintaining good relation and signing agreements with potential lenders, partners and clients, and diversifying sources of fund to ensure sustainable business operations.

#### 2-2 Credit Risk Management Measures

- Cautiously implement the National Bank of Cambodia's circulars, particularly, the classification and provisioning requirement on restructured loans, which aims for minimizing credit risks to ensure the financial stability and support the recovery of economic activities.
- Strengthen and enhance capacity of the governance by clearly define the roles and responsibilities for implementation, while policies, operating manuals, procedures, internal control related to credit assessment and review are in place to ensure that loans provided to customers are well assessed on sources of income, cash flow, repayment capacity, and environmental and social impact with the aim of assuring that credit risks and losses are minimized.
- Gently solve the loan problem based on the real circumstances and encouraged the credit officers to communicate and solve the loan problem with clients professionally.

# PART 2

## INFORMATION ON BUSINESS OPERATION PERFORMANCE

# ធនាគារខ្មែរ AC Super App



# A. BUSINESS OPERATION PERFORMANCE INCLUDING BUSINESS SEGMENTS INFORMATION

As of December 2024, the sales and revenue of the Bank and its subsidiaries had performed well. The main key performances are as follows:

Key Performance	Actual Data		
	2024	2023	2022
<b>Loan</b>			
Number of Loan	733,549	661,941	591,494
Total Loan Outstanding (Million KHR)	28,654,068	27,195,120	26,437,928
<b>Deposit</b>			
Number of Account	5,525,086	4,550,582	3,865,749
Deposit Balance (Million KHR)	33,645,200	29,525,616	26,303,475
<b>E-Banking Product/Channel</b>			
<b>ATM Card</b>			
Number of Card	1,802,418	1,939,098	1,799,909
Number of Txn	17,107,788	19,851,801	21,058,609
Value of Txn (Million KHR)	15,685,006	17,145,411	18,683,335
<b>Mobile Banking</b>			
Number of Register	4,411,080	3,451,606	2,845,886
Number of Txn	922,793,511	373,036,336	148,799,661
Value of Txn (Million KHR)	631,012,334	383,043,596	206,660,262
<b>Internet Banking</b>			
Number of User	24,033	24,825	22,164
Number of Txn	5,037,142	3,529,209	2,318,789
Value of Txn (Million KHR)	35,318,578	26,529,381	26,158,705
<b>E-Commerce</b>			
Number of partners	164	88	73
Number of Txn	3,297,309	3,983,167	3,619,936
Value of Txn (Million KHR)	2,016,601	2,019,001	1,804,136
<b>ATM &amp; CRM Terminal</b>			
Number of Machine	1,416	1,314	1,114
Number of Txn	69,545,487	41,554,993	35,298,214
Value of Txn (Million KHR)	85,549,934	46,801,982	39,160,976

Key Performance	Actual Data		
	2024	2023	2022
<b>TDM Terminal</b>			
Number of Terminal	26	26	26
Number of Txn	185	304	1,487
Value of Txn (Million KHR)	11,072	16,143	111,134
<b>VTM Terminal</b>			
Number of Terminal	96	96	43
Number of Txn	154,480	130,987	43,089
Value of Txn (Million KHR)	1	5	16
<b>CBD Terminal</b>			
Number of Terminal	17	17	17
Number of Txn	90,027	88,908	75,020
Value of Txn (Million KHR)	401,814	506,550	571,098
<b>POS Machine</b>			
Number of Machine	5,553	4,728	4,358
Number of Txn	5,683,247	1,900,400	2,159,175
Value of Txn (Million KHR)	1,095,503	614,403	591,603
<b>KHQR Merchant</b>			
Number of merchants	555,554	382,217	239,751
Number of Txn	413,905,665	110,148,848	16,459,377
Value of Txn (Million KHR)	145,002,591	63,175,720	7,777,491
<b>ACLEDA Virtual Cards</b>			
Number of Virtual Cards	45,275	27,106	8,898
Number of Txn	768,260	182,376	34,907
Value of Txn (Million KHR)	97,396	18,818	3,018

Key Performance	Actual Data		
	2024	2023	2022
<b>i-bank Payband</b>			
No of Issued i-bank Payband	10,513	10,603	4,960
Number of Txn	4,335	12,710	18,742
Value of Txn (Million KHR)	12,559	14,511	31,762
<b>Network Operations And Staffs</b>			
<b>ACLEDA Bank Plc.</b>			
Number of Branch Operation	265	264	264
Number of Self Service Banking	206	177	125
Number of Staff	11,971	12,045	12,083
<b>Subsidiaries (Local &amp; Overseas)</b>			
Number of branch Office	56	56	56
Number of Staff	1,483	1,458	1,499

## B. REVENUE STRUCTURE

Source of Revenue (in KHR million)	2024		2023		2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Interest Income	3,272,293	92.90%	3,105,644	91.26%	2,741,369	90.18%
Fee and commission Income	176,263	5%	191,849	5.64%	193,949	6.38%
Other Income, net	73,874	2.10%	105,621	3.10%	104,720	3.44%
<b>Total Revenue</b>	<b>3,522,430</b>	<b>100%</b>	<b>3,403,114</b>	<b>100%</b>	<b>3,040,038</b>	<b>100%</b>

# PART 3

## INFORMATION ON CORPORATE GOVERNANCE

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## B. BOARD OF DIRECTORS

### Board Composition

No	Name	Position	Date of term being Director	Expired Date of being Director
1	Mr. Chhay Soeun	Chairman	18 August 2014	31 October 2025
2	Dr. In Channy	Executive Director	18 August 2014	18 August 2026
3	Drs. Pieter Kooi	Independent Director	12 January 2004	12 January 2028
4	Dr. Heng Dyna	Independent Director	11 December 2023	11 December 2026
5	Ms. Phurik Ratana	Independent Director	08 November 2021	08 November 2027
6	Mr. Kay Lot	Independent Director	07 May 2024	07 May 2027
7	Mr. Stéphane MANGIAVACCA	Non-Executive Director	22 April 2020	03 February 2025
8	Mr. Kyosuke Hattori	Non-Executive Director	08 November 2021	19 March 2025
9	Dr. Albertus Bruggink	Non-Executive Director	12 May 2021	10 January 2028

Corporate Secretary Name: Mrs. Buth Bunseyha, Mr. Sen Sokla, Mrs. Tep Sarchenda

## C. EXECUTIVE MANAGEMENT

No	Name	Gender	Position
1	Dr. In Channy	M	President & Group Managing Director
2	Mrs. Mar Amara	F	Senior Group Chief Financial Officer
3	Mr. Ly Thay	M	Senior Group Chief Administrative Officer
4	Mrs. Buth Bunseyha	F	Senior Group Chief Legal Officer and Corporate Secretary
5	Mr. Mach Theary	M	Senior Group Chief Information Officer
6	Dr. Loeung Sopheap	M	Group Chief Risk Officer
7	Mr. Yin Virak	M	Group Chief Treasury Officer
8	Mrs. Sok Sophea	F	Group Chief Operations Officer

Note: Detailed information of the corporate governance, please see the attached appendix.

# PART 4

## INFORMATION ON SECURITIES' TRADING AND SHAREHOLDERS OF ACLEDA BANK

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## A. INFORMATION ON SECURITIES

### 1. Information on Equity Securities (for equity listed entity)

Information	Description
Name of equity securities	Ordinary Share
Equity securities' symbol	ABC
Class of equity securities	Voting Share
Par value per equity securities	KHR 4,000
IPO Price	KHR 16,200
The total number of outstanding shares	433,163,019 Shares
Market capitalization (Million Riel)	3,266,049
Permitted Securities Market	Cambodia Securities Exchange, Listing date: 25 May 2020

### 2. Information on Debt Securities (for debt listed entity): N/A

## B. SECURITIES' PRICE AND TRADING VOLUME

Common Share (2024)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Trading Price	Maximum	10,480	10,000	10,000	9,660	7,940	7,620	7,620	7,540	7,540	7,480	7,200	7,760
	Average	10,008	9,914	9,686	8,579	7,642	7,528	7,529	7,485	7,492	7,358	6,987	6,989
	Minimum	9,800	9,720	9,500	7,180	7,300	7,380	7,460	7,380	6,760	7,180	6,900	6,820
Trading Volume	Maximum	67,716	63,645	85,711	464,283	302,282	62,454	50,878	62,033	91,416	74,774	119,924	130,656
	Average	25,106	26,675	23,987	94,243	89,107	39,268	27,587	33,233	33,521	31,559	38,836	41,723
	Minimum	8,145	12,823	5,912	18,045	21,428	18,187	13,525	7,054	6,244	10,826	14,805	7,826

## C. CONTROLLING SHAREHOLDER (30% OR MORE): N/A

## D. SUBSTANTIAL SHAREHOLDER (5% OR MORE)

Name	National	Number of Shares	Percentage
ACLEDA Financial Trust	Cambodian	122,694,061	28.3251%
Sumitomo Mitsui Banking Corporation	Japanese	78,259,310	18.0669%
COFIBRED	French	52,530,223	12.1271%
ORIX Corporation	Japanese	52,530,223	12.1271%
Shareholders Legalised from ASA, Plc.	Cambodian	24,916,808	5.7524%
<b>Total</b>		<b>330,930,625</b>	<b>76.3986%</b>

## E. INFORMATION ON DIVIDEND DISTRIBUTION IN THE LAST 3 (THREE) YEARS (FOR EQUITY LISTED ENTITY)

Detail of dividend distribution	2023	2022	2021
Profit attributable to owners of the Bank (in KHR million)	608,505	742,765	679,002
Total Cash dividend (in KHR million)	60,851	297,106	237,651
Total share dividend (in KHR million)	-	-	-
Other dividend	-	-	-
Dividend payout ratio (%)	10%	40%	35%
Dividend yield (%)	*1.40%	6.34%	5.22%
Dividend per share (KHR)	140	686	549

\* Closing Price on 31 December 2023 was KHR 10,060

\* Closing Price on 31 December 2022 was KHR 10,820

\* Closing price on 31 December 2021 was KHR 10,520

• Dividend yield = Dividend per share / Current Share Price (31/12/20XX)

• Dividend payout ratio = Dividend per share / Earning per share

# PART 5

## INTERNAL CONTROL AUDIT REPORT BY INTERNAL AUDITOR

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## I. INTRODUCTION

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the bank operations. To help the bank and subsidiaries to accomplish the objective of bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes, the internal audit function is led by the Senior Group Chief Internal Officer, who is authorized to communicate and interact directly with the Board Audit Committee.

## II. SCOPE OF INTERNAL AUDIT ENGAGEMENTS

The scope of Internal Audit activities consists of three core engagements to apply the systematic and disciplined approach to examine and evaluate internal control, risk management perspectives and the processes of the bank's operation.

- **Assurance Review:** To review the bank's policies, operating manuals, procedures and conduct the control testing to ensure the effectiveness of compliance control in monitoring of compliance with regulatory requirements and adequate risk management processes to mitigate risks.
- **Information Security Audit:** To carry out audit techniques to ensure the reliability, effectiveness and integrity of the management information systems, including the relevance, accuracy, completeness, availability, confidentiality and comprehensiveness of data, and to follow standard executive audits based on National Bank of Cambodia (NBC)'s Technology Risk Management Guidelines.
- **Investigate Assessment:** To conduct a comprehensive examination on red flags of common internal/ external fraud schemes including misappropriation, bribery and corruption to ensure effective and strong controls over conflicts of interest and the adequacy of procedures to safeguard the bank's assets.

## III. SUMMARY OF PERFORMING INTERNAL AUDIT ENGAGEMENT IN 2024

The activities of internal audit consisted of defining the scope of assessment, submitting the audit plan to the Board Audit Committee for approval, performing and controlling engagements, communicating the results, providing a written report, monitoring corrective action taken by management.

The annual internal audit plan for the year 2024 was established based on the comprehensive risk assessment method to align with the bank strategy to define the audit objective and scope of each engagement. The Board Audit Committee approved the annual internal audit plan, including the budget to support the internal audit activities, human resources and professional knowledge development.

The 2024 internal audit plan approved by the Board Audit Committee was successfully performed including 74 Assurance Review engagements, 29 Investigate Assessment engagements and 20 Information Security Audit engagements to cover the entire bank locations at both Head Office and branch levels. The engagements also covered the following audit areas, namely Financial Audit, Digital Banking Audit, Market Risk Audit, Operation Audit, Credit Audit, Information Security Audit, Liquidity Risk Management Audit, AML/CFT Audit.

Where material issues have been identified through internal audit reviews, recommendations have been communicated to management, and internal audit have ensured that management have set up the appropriate corrective actions with proper timelines for improvement such as updating/developing policies, operating manuals and procedures, strengthening and training management and staff.

The monthly consolidation of internal audit reports is submitted to the Board Audit Committee and copied to senior management. The content of the audit reports includes management's actions to be taken and those actions are the subject of follow up audits to monitor the correction of audit findings.

## IV. CONCLUSION

The internal audit engagement plan in 2024 was completely achieved and strictly applied the risk based approach to all the audit areas and audit locations to provide the recommendations on effective controls on risk management, internal control processes and procedures and compliance controls.

To respond to the internal audit recommendations, the bank management set up corrective action plan to enhance control environment for the day-to-day bank operations.

Based on the internal audit results of 2024 engagements, the bank's framework of governance, risk management and control are adequately designed for the system to perform in accordance with the regulations, internal policies, and procedures.

Read and Approved

Date: 04 February 2025



Ms. Phurik Ratana  
Chair of Board Audit Committee



Ms. Kim Sotheavy  
Senior Group Chief Internal Audit Officer

# PART 6

## FINANCIAL STATEMENT AUDITED BY THE INDEPENDENT AUDITOR

PLEASE REFER TO THE ANNEX FOR FINANCIAL STATEMENTS AUDITED BY INDEPENDENT AUDITOR

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# PART 7

## INFORMATION ON RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

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The Listed entity shall disclose material transactions information, with related parties in the last 2 (two) years, specifying name, relation between the listed entity and related parties, size of transaction and the type of interest which arise from that relationship as follows:

## A. Material Transactions with shareholder who hold at least 5% or more shares of outstanding equity securities.

There were 5 shareholders who hold at least 5% or more shares of outstanding equity securities including: (1) AFT, (2) SMBC, (3) COFIBRED (4) ORIX Corporation and (5) Shareholders Legalised from ASA, Plc.

As at 31 December 2024, ACLEDA Bank has material transactions with shareholders who hold at least 5% or more of the securities currently circulating in market as below:

Description	2024		2023	
	USD	KHR '000	USD	KHR '000
<b>Balances with related parties</b>	<b>799,357</b>	<b>3,217,412</b>	<b>655,991</b>	<b>2,679,723</b>
SMBC	799,357	3,217,412	655,991	2,679,723
<b>Deposits</b>	<b>5,550,518</b>	<b>22,340,835</b>	<b>4,258,182</b>	<b>17,394,674</b>
AFT	5,475,578	22,039,201	4,206,571	17,183,843
Current Accounts	2,662,418	10,716,232	2,637,117	10,772,623
Saving accounts	68,031	273,825	68,031	277,907
Fixed deposits	2,745,129	11,049,144	1,501,423	6,133,313
SMBC	74,940	301,634	51,611	210,831
Current Accounts	74,940	301,634	51,611	210,831
<b>Loan from shareholders</b>	<b>49,387,111</b>	<b>198,783,122</b>	<b>64,585,867</b>	<b>263,833,267</b>
SMBC	34,282,111	137,985,497	49,491,659	202,173,427
AFT	15,105,000	60,797,625	15,094,208	61,659,840
<b>Fee and commission income</b>	<b>403</b>	<b>1,640</b>	<b>115</b>	<b>472</b>
AFT	272	1,107	22	90
SMBC	131	533	93	382
<b>Interest expenses</b>	<b>6,015,479</b>	<b>24,489,015</b>	<b>6,092,700</b>	<b>25,040,997</b>
AFT	1,202,757	4,896,424	795,563	3,269,764
SMBC	4,812,722	19,592,591	5,297,137	21,771,233

## B. Material Transactions with Director and Senior Officer

As of 31 December 2024, ACLEDA BANK has material transactions with directors and senior officer as below:

Description	2024		2023	
	USD	KHR '000	USD	KHR '000
Loans and advances	10,331,855	41,585,717	10,496,771	42,879,309
Interest income	935,678	3,809,145	896,019	3,682,638
Deposit	6,600,635	26,567,556	5,417,287	22,129,618
Interest expense	123,009	500,770	118,301	486,217
Fee and remuneration expense	7,581,463	30,864,135	11,343,358	46,621,202

## C. Transactions with Director and Shareholder related to buy/Sell asset and service

As of 31 December 2024, ACLEDA Bank has no transaction with the director and shareholder related to buy/sell asset and service.

## D. Material transactions with immediate family members of the director, Senior Officer and Shareholder who hold at least 5% or more shares

As of 31 December 2024, ACLEDA Bank has material transactions with immediate family members of the director, Senior Officer and Shareholder who hold at least 5% or more shares as below:

Description	2024		2023	
	USD	KHR '000	USD	KHR '000
Loans and advances	3,429,489	13,803,693	2,577,562	10,529,341
Deposit	2,824,990	11,370,585	2,552,213	10,425,790

E. Material transactions with the person, who associated with director of the listed entity, its Subsidiary or Holding Company, whose relationship has occurred in any transactions or have been made by the listed entity

As at 31 December 2024, ACLEDA Bank has material transactions with subsidiaries as below:

Description	2024		2023	
	USD	KHR '000	USD	KHR '000
<b>Balances with related parties</b>	<b>801,084</b>	<b>3,224,363</b>	-	-
AUB	801,084	3,224,363	-	-
<b>Balances with related parties</b>	<b>39,306</b>	<b>158,207</b>	<b>15,871</b>	<b>64,833</b>
ABL	39,306	158,207	15,871	64,833
<b>Interest income</b>	<b>2,121</b>	<b>8,635</b>	<b>18,247</b>	<b>74,995</b>
AUB	2,121	8,635	-	-
ABL	-	-	18,247	74,995
<b>Account receivable</b>	<b>258,093</b>	<b>1,038,825</b>	<b>449,377</b>	<b>1,835,705</b>
AMM	258,027	1,038,559	246,542	1,007,124
AUB	66	266	202,835	828,581
<b>Deposits</b>	<b>5,602,867</b>	<b>22,551,540</b>	<b>6,210,525</b>	<b>25,369,996</b>
ABL	3,410,229	13,726,172	3,788,654	15,476,652
Current accounts	3,410,229	13,726,172	3,788,654	15,476,652
ACS	2,096,393	8,437,982	2,311,189	9,441,208
Saving accounts	8,493	34,184	251,289	1,026,516
Fixed deposits	2,087,900	8,403,798	2,059,900	8,414,692
AUB	96,245	387,386	110,682	452,136
Current accounts	96,245	387,386	52,405	214,074
Fixed deposits	-	-	58,277	238,062
<b>Fee and commission income</b>	<b>40,709</b>	<b>165,726</b>	<b>26,974</b>	<b>110,862</b>
ABL	13	53	13	53
Bank service fee	13	53	13	53
ACS	5,667	23,070	2,921	12,005
Bank service fee	5,667	23,070	2,921	12,005
AUB	35,029	142,603	24,040	98,804
Bank service fee	35,029	142,603	24,040	98,804
<b>Interest expense</b>	<b>153,046</b>	<b>623,050</b>	<b>208,101</b>	<b>855,295</b>
ACS	149,049	606,778	164,201	674,866
AUB	3,997	16,272	43,900	180,429
<b>Fee and commission expense</b>	<b>1,293,205</b>	<b>5,264,637</b>	<b>1,963,126</b>	<b>8,068,448</b>
AUB	1,293,205	5,264,637	1,963,126	8,068,448
<b>Other commitments</b>	<b>(14,587)</b>	<b>(59,384)</b>	<b>(17,675)</b>	<b>(72,644)</b>
AUB	(14,587)	(59,384)	(17,675)	(72,644)

## F. Material transactions with former director or person who involved with former director

As of 31 December 2024, ACLEDA Bank has material transaction with former director or person who involved with former director as below:

Description	2024		2023	
	USD	KHR '000	USD	KHR '000
Loans and advances	310,589	1,250,121	433,486	1,770,790
Deposit	855,085	3,441,717	1,646,510	6,725,993
Interest expense	63,617	258,985	96,527	394,313
Interest income	19,094	77,732	22,635	92,464
Fee and remuneration expense	-	-	58,022	237,020

## G. Material transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity

As of 31 December 2024, ACLEDA Bank has material transaction with director who is holding any position in a non-profit organization or in any other company other than the listed entity as below:

Description	2024		2023	
	USD	KHR '000	USD	KHR '000
Loans and advances	790	3,180	12	49
Deposit	543,863	2,189,049	493,661	2,016,605
Interest expense	12,262	49,919	501	2,047
Interest income	170	692	-	-
Fee and remuneration expense	280,955	1,143,768	287,106	1,172,828

## H. Material transactions with director who get benefit either finance or non-financial from the listed entity

As of 31 December 2024, there were executive directors, non-executive directors and independent directors who got benefit either finance or non-financial from the Bank as below:

Description	2024		2023	
	USD	KHR '000	USD	KHR '000
Loans and advances	790	3,180	12	49
Deposit	2,358,570	9,493,244	2,377,289	9,711,226
Fee and remuneration expense	530,061	2,157,878	589,578	2,423,166

# PART 8

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The discussion and analysis focused on the operational and financial results based on Financial Statements as of 31 December 2024 audited by Independent Auditor. The Audited Financial Statements had been prepared in accordance with CIFRS. Only the key components of the Audited Financial Statements and key factors that affect the Group's profitability were discussed and analysed.

## A. OVERVIEW OF OPERATION

### 1. Revenue Analysis

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

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

### 2. Revenue by segment analysis

Source of Revenue (in KHR million)	2024		2023		2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Interest Income	3,272,293	92.90%	3,105,644	91.26%	2,741,369	90.18%
Fee and commission Income	176,263	5%	191,849	5.64%	193,949	6.38%
Other Income, net	73,874	2.10%	105,621	3.10%	104,720	3.44%
<b>Total revenue</b>	<b>3,522,430</b>	<b>100%</b>	<b>3,403,114</b>	<b>100%</b>	<b>3,040,038</b>	<b>100%</b>

In 2024, the total revenue increased by KHR 119.32 billion or 3.51% compared to 2023 due to the effectiveness of a broad range of banking products and services in digital era and the increase in customers.

### 3. Gross profit margin analysis

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

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

Statement of Profit or loss (in KHR million)	2024	2023	Variance	
			Amount	Percentage
Interest Income	3,272,293	3,105,644	166,649	5.37%
Interest expense	(1,403,079)	(1,352,196)	(50,883)	3.76%
<b>Net interest income</b>	<b>1,869,214</b>	<b>1,753,448</b>	<b>115,766</b>	<b>6.60%</b>
Fee and commission income	176,263	191,849	(15,586)	(8.12%)
Fee and commission expense	(18,669)	(16,265)	(2,404)	14.78%
<b>Net fee and commission income</b>	<b>157,594</b>	<b>175,584</b>	<b>(17,990)</b>	<b>(10.25%)</b>
Allowance for Impairment losses on loans and advances, deposits and placements with other banks, other receivables and investment securities	(307,599)	(171,320)	(136,279)	79.55%
Allowances for Impairment losses on off-balance sheet commitments	(154)	(9)	(145)	1,611.11%
<b>Net impairment losses</b>	<b>(307,752)</b>	<b>(171,329)</b>	<b>(136,423)</b>	<b>79.63%</b>
<b>Income after impairment losses</b>	<b>1,719,056</b>	<b>1,757,703</b>	<b>(38,647)</b>	<b>(2.20%)</b>
Other income, net	73,874	105,621	(31,747)	(30.06%)
Other operating expenses	(1,167,033)	(1,106,108)	(60,925)	5.51%
<b>Profit before income tax</b>	<b>625,897</b>	<b>757,216</b>	<b>(131,319)</b>	<b>(17.34%)</b>

The increase in customer confidence in the Group, the deposit as of December 2024 grew to US\$8.36 billion which increased by US\$1,131.24 million or 15.65% from December 2023. Following the requirement of regulation related to the loan reclassifications, and in order to withstand and absorb all risks which would have impact on loans and advances to customers, the Bank increased the allowance for impairment losses by US\$33.87 million comparing to fiscal year 2023. As a result, Profit attributable to Owners of the Bank for fiscal year 2024 was US\$121.19 million (or KHR 493.38 billion).

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

Statement of Profit or loss (in KHR million)	2024	2023	Variance	
			Amount	Percentage
<b>Profit before income tax</b>	<b>625,897</b>	<b>757,216</b>	<b>(131,319)</b>	<b>(17.34%)</b>
Income tax expense	(132,079)	(148,861)	16,782	(11.27%)
<b>Profit for the year</b>	<b>493,818</b>	<b>608,356</b>	<b>(114,538)</b>	<b>(18.83%)</b>



## 6. Total comprehensive income (loss) analysis

Total comprehensive income (in KHR million)	2024	2023	Variance	
			Amount	Percentage
<b>Profit for the year</b>	<b>493,818</b>	<b>608,356</b>	<b>(114,538)</b>	<b>(18.83%)</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Exchange differences	(87,319)	(45,439)	(41,880)	(92.17%)
<b>Items that are or may be reclassified subsequently to profit or loss:</b>				
Currency translation differences – foreign subsidiaries	22,296	(23,984)	46,280	192.96%
Remeasurement of the effective portion of derivatives arising from cash flow hedge	(14,234)	(15,963)	1,729	10.83%
<b>Other comprehensive income/(loss) for the year</b>	<b>(79,257)</b>	<b>(85,386)</b>	<b>6,129</b>	<b>7.18%</b>
<b>Total comprehensive income for the year</b>	<b>414,562</b>	<b>522,970</b>	<b>(108,408)</b>	<b>(20.73%)</b>

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

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

After breaking down the geographical boundaries by combining digital and physical infrastructures, the home-grown bank is successfully catering to a diverse customer base – including individuals and corporate clients in urban, semi-urban and rural vicinities. With its hallmark of offering superior banking services, ACLEDA offers a comprehensive suite of financial services – loans, fund transfer, deposit, trade financing, internet banking, ACLEDA mobile, among others supported by its digital infrastructure and physical offices, the Bank is efficiently reaching out to assist farmers to work their farmland or provide working capital for SMEs. By narrowing the financing gap – more than 600 thousand Cambodians today have access to ACLEDA BANK's services – it is in the forefront driving financial inclusion in the Kingdom.

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

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

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

## B. SIGNIFICANT FACTORS AFFECTING PROFIT

### 1. Demand and supply conditions analysis

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

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

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

The Group has been diversifying hybrid infrastructure of choices with 321 offices, gradually transforming them to self-service centres with 206 banking self-service, 1,416 ACLEDA ATM & CRM, 26 Term Deposit Machine, 96 Virtual Teller Machine, 17 Cash Bag Deposit Machine and 5,553 POS terminals. It's interesting to note that the Group issued 1.80 million ACLEDA ATM cards to its customers. Meanwhile, the digitized ACLEDA mobile has proved very popular which number of registered users has reached 4.41 million registers as at the end of December 2024, all enabling the rapid circulation of money in the economy.

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

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

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

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

### 2. Fluctuations in prices of raw materials analysis

None Applicable.

### 3. Tax Analysis

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

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

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

### 4. Exceptional and extraordinary items analysis

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

## C. MATERIAL CHANGES IN SALES AND REVENUE

In order to support the business growth of customers, the Group has offered very competitive interest rate for all new loan applications and by making it easier for its customers, all loan applications can be made through ACLEDA mobile. As a result, gross loan outstanding at the end of 2024 increased by KHR1,458.95 billion or 5.36% compared to the end of 2023.

## D. IMPACT OF FOREIGN EXCHANGE, INTEREST RATES AND COMMODITY PRICES

In the year 2024, the KHR exchange rate versus the US dollar has a good trend at roughly KHR4,072 per USD, with the appreciation of KHR's value by 0.9%, from the previous year KHR4,111 per USD. This appreciation due in part from the continuing recovery in economic activities such as tourism, the garment sector, non-garment manufacturing, and other services, which have increased demand for the local currency. Looking ahead, the KHR is expected to remain stable, driven by market demand and supply trends, a gradual recovery in economic activity, growing public confidence in the currency, and support from the National Bank of Cambodia (NBC), which closely monitors and manages the exchange rate to maintain national currency stability, purchasing power, and equality while implementing monetary policy.

Regarding ACLEDA Bank, the institution actively measures, monitors, and manages its currency position daily, operating within proper and sufficient open positions in line with the NBC regulations and internal risk policies. Consequently, there has been no significant impact on the Bank.

In 2024, the US Federal Reserve cut the Fed funds rate target range by 100 basis points, from the range of 5.25 - 5.50% to the range of 4.25 - 4.50%. However, this had no substantial impact on ACLEDA Bank because the bank operates by matching both sides of its assets and liabilities at a fixed interest rate and continually monitoring conditions to take prompt action to mitigate any potential impact.

As for commodity prices, the Bank does not offer related services, and therefore, there has been no impact on the Bank in this area.

## E. IMPACT OF INFLATION

The average annual inflation rate for 2024 is predicted, by the Ministry of Economic and Finance, to be around 2.7% as local economy continues recovers and overseas commodity prices remain stable. However, the Bank's operations have not been directly tied to inflation rates. As a result, there was no significant impact on banking operations.

## F. ECONOMIC / FISCAL / MONETARY POLICY OF ROYAL GOVERNMENT

- **Economic:**

According to the National Bank of Cambodia, the country's economic growth is expected to reach 6.2% in 2025, with inflation forecasted to be moderate at 2.6%. Economic activity will primarily be supported by the growth of garment exports and the increase in non-garment products. Additionally, tourism and agriculture are anticipated to continue making good progress, although the construction and real estate sectors are expected to remain weak. <sup>(1)</sup>

Referencing recent news releases, several well-known institutions have provided their predictions for Cambodia's GDP in 2024. The Asian Development Bank (ADB) maintained its growth forecast for Cambodia at 5.8% for 2024 and 6.0% for 2025. It revised its previous inflation forecast for 2024 from 2.0% to 0.5%, reflecting slower increases in food prices and lower fuel prices in the first half of 2024, according to the Asian Development Outlook (ADO) in September 2024.

The International Monetary Fund (IMF) projects Cambodia's economy to grow by 5.5% in 2024 and 5.8% in 2025, as per the Regional Economic Outlook for Asia and the Pacific, October 2024. The World Bank (WB) projects Cambodia's real GDP growth to improve slightly, reaching 5.5% in 2025 and 2026. Although domestic demand is expected to improve further in the next two years, supported by an improving labor market and favorable inflation expectations, the recovery remains incomplete. This is because the recovery in domestic consumption, which accounts for about two-thirds of GDP, will be hampered by subdued domestic credit growth stemming from a prolonged downturn in the construction and real estate sectors. Additionally, the negative wealth effect of falling house prices and high household debt, with debt service payments approaching 50% of income, is likely to dampen consumption going forward <sup>(2), (3), (4)</sup>

As a result, the Cambodian economy is estimated to grow at a robust 6% in 2024, compared to 5% in 2023. This growth is mainly supported by high expansion in the manufacturing sector and a steady recovery in the tourism sector. Additionally, the agriculture sector continued to progress, with increases in rice, rubber, and fisheries production. Meanwhile, the construction and real estate sectors experienced weak growth due to falling demand, and property prices were in a correction phase.

On the external side, Cambodia's balance of payments is estimated to have a surplus of USD 432.5 million, primarily due to an increase in the net foreign assets of the financial account, while surpluses in the current and capital accounts decreased. Furthermore, international reserves increased by 12.6% to USD 22.5 billion, equivalent to approximately seven months of imports of goods and services, which is well above the minimum level for developing countries (three months). <sup>(1)</sup>

## • Fiscal:

For the 12 months of 2024, the General Department of Taxation's online revenue data management system recorded actual tax revenue of 13,894.53 billion riels (approximately 3,430.75 million dollars). This amount represents 82.39% of the target set in the Finance Law for the year's management. <sup>(6)</sup>

In 2024, His Excellency the Deputy Prime Minister endorsed the measures undertaken by the General Department of Taxation for further implementation:

1. Dissemination and Implementation of Tax Incentives and Facilitation Measures: Strengthen the dissemination and careful implementation of tax incentives and facilitation measures for the private sector, as outlined in the 19th Royal Government-Private Sector Forum chaired by His Excellency the Prime Minister on November 13, 2023.
2. Updating Legal Documents: Continue to prepare and/or update legal documents (announcements, instructions, and/or notices) to implement tax incentives and facilitation measures set by the Royal Government, ensuring careful adherence to the Prime Minister's high recommendations for service quality and efficiency.
3. Enhancing Service Quality and Efficiency: Focus on improving the quality of service and work efficiency in line with the high recommendations of the Prime Minister and the four work approaches of His Excellency the Deputy Prime Minister, Minister of Economy and Finance.
4. Developing an e-Administration Program: Launch an e-Administration program to support taxpayer services, making it easier for taxpayers and the public to electronically submit administrative documents to the tax administration for processing.
5. Modernizing the Tax Administration: Transform the General Department of Taxation into a modern Tax Administration 3.0 by seeking high-level support from His Excellency the Deputy Prime Minister to encourage relevant ministries and institutions to participate in modernization efforts.
6. Continue to modernize information technology (IT) systems and programs proactively through development and updates. Consistently invest in and develop IT systems and supporting infrastructure. Further strengthen data analysis capabilities to promote tax compliance, making it easier to fulfill tax obligations and harder to evade. By continuously developing additional functions based on input from users from all walks of life, the systems can become more comprehensive and easy to use.
7. Cooperation with the Ministry of Land Management: Develop standard operating procedures (SOPs) for issuing tax-exempt immovable property certificates and request real estate data to collect stamp duty, property tax, and capital gains tax.
8. International Cooperation and Research: Actively engage in international research and cooperation frameworks to discuss and learn from major tax administrations and institutions, including the Asia-Pacific Fiscal Administration Study and Research Group (SGATAR), the Belt and Road Initiative for Tax Cooperation (BRITACOM), and the Forum on Tax Administration (FTA).
9. Supporting Legal Documents Finalize legal documents supporting the 2023 fiscal law and decisions of the 19th Royal Government and Private Sector Forum.
10. Strengthening cooperation with the private sector and chambers of commerce.
11. Continue to advance the preparation, negotiation, and expansion of the scope of Double Taxation Agreements (DTA) with various countries.
12. Continue to enhance transparency and accountability of tax payments by enterprises in the beer and non-alcoholic beverage production sector through Strengthen the implementation of security camera mechanisms in beer and non-alcoholic beverage factories across all enterprises. Monitor flowmeters in the production chain on-site, led by the leadership of the General Department of Taxation and Continue to improve the implementation of work procedures and ensure the regular presence of officers.
13. Prepare legal documents and action plans to support the implementation of tax-related measures as outlined in the Royal Government's National Strategy for Informal Economic Development 2023-2028.
14. Anti-Money Laundering and Terrorist Financing Efforts: Participate in anti-money laundering and terrorist financing frameworks with the National Coordinating Committee and the Sub-Committee on the Implementation of the Action Plan of the Asia-Pacific Group on International Cooperation (APEC).
15. To disseminate the new tax law to taxpayers, the public, private sector teams, organizations, and associations in all forms. Additionally, continue to prepare and update legal documents on taxes to ensure compliance with the new tax law.
16. Continue human resource reform efforts by promoting and striving to strengthen the implementation of laws and labor regulations. Be flexible but firm based on legal aspects in providing services to taxpayers and managing tax revenue collection.
17. To strengthen the provision of consultation services and the dissemination of laws and legal documents on taxation in all aspects. Focus especially on providing consultation services via telephone (Call Center-1277) and organizing the "Cambodian Tax" program (GDT Facebook Live) to explain and resolve citizens' difficulties and questions.
18. Continue to enhance tax registration work and update enterprise information. Additionally, continue to collaborate, improve, and promote enterprise registration work through the Information Technology Center (CamDX) to make it more efficient and comprehensive.
19. Continue to strengthen the effectiveness and efficiency of the spokesperson and rapid response team of the General Department of Taxation. Actively participate with the public opinion monitoring and rapid response team of the Ministry of Economy and Finance to monitor public opinion issues and disseminate information. This will help ensure that the public is more aware of the efforts and significant achievements made by the Royal Government for the nation. <sup>(5)</sup>

## • Monetary:

In 2024, general money (M2) grew by 17.5% compared to 2023, recovering from a record low of 8.3% in 2022. This increase was driven by a 19.9% rise in foreign currency deposits and a 12.5% rise in riel deposits, while currency in circulation decreased by 2.8% due to the development of electronic payments. The Cambodian economy continued to exhibit a high degree of dollarization, reflected in the ratios of foreign currency deposits to general money (85.1%), foreign currency deposits to total deposits (90.9%), and foreign currency loans to total loans (88.2%).

Meanwhile, liquidity provision in KHR to banking and financial institutions through LPCO amounted to KHR 4.32 trillion (approximately USD 1.08 billion), an increase of 74.08% compared to the previous year. Liquidity absorption from the banking system through the issuance of negotiable certificates of deposit (NCDs) can also be used as collateral for liquidity operations in KHR by the National Bank of Cambodia and the interbank market. The total absorption of NCDs increased by 57.8% to KHR 26.8 trillion compared to 2023. NCD issuance decreased in the first quarter due to increased demand for KHR in the market for tax payments and agricultural collection, but increased again later in the year.

The average NCD interest rate in KHR decreased from 0.94% in 2023 to 0.93%. Specific NCD interest rates were:

- 7-day NCD: 0.63% (up from 0.56%)
- 14-day NCD: 0.55% (down from 0.62%)
- 28-day NCD: 0.84% (down from 0.86%)
- 91-day NCD: 1.28% (down from 1.33%)
- 182-day NCD: 0.99% (down from 1.03%)
- 364-day NCD: 1.30% (up from 1.23%)

At the end of 2024, the 7-day NCD interest rate was increased from 0.75% to 1% to improve the efficiency of liquidity absorption.

In USD, liquidity absorption remained stable at between USD 200-500 million per month. Total liquidity absorption in USD was USD 3.8 billion, a decrease of 26.3% compared to 2023. The average US dollar NCD interest rate decreased from 1.07% in 2023 to 0.69%. Specific NCD interest rates in USD were:

- 7-day NCD: 0.22% (down from 0.74%)
- 14-day NCD: 0.27% (down from 0.78%)
- 28-day NCD: 0.31% (down from 0.86%)
- 91-day NCD: 1.09% (down from 1.29%)
- 182-day NCD: 1.08% (down from 1.37%)
- 364-day NCD: 1.16% (down from 1.39%)

As a result, inflation in 2024 was 0.8%, the lowest rate in more than a decade, compared to 2.1% in 2023. This low inflation was due to lower fuel prices, slower food price growth, and low core inflation. Government measures to ease food and fuel prices, along with the appreciation of the KHR, also contributed to reducing inflationary pressures. Meanwhile, the exchange rate averaged KHR 4,071 per USD, compared to KHR 4,110 per USD in 2023. <sup>(1)</sup>

In 2024, the National Bank of Cambodia set to implement seven monetary policies to support the Royal Government's efforts to restore national economic growth:

1. Manage Money Supply: Ensure an appropriate level of money supply.
2. Maintain Exchange Rate Stability: Monitor and intervene as necessary to maintain price stability and public confidence in the national currency.
3. Promote the Use of Riel: Improve the use and knowledge of the riel.
4. Strengthen Monetary Instruments: Improve and enhance existing monetary and political instruments and develop new monetary instruments.
5. Develop the Corridor Interest Rate Framework: Establish the Corridor interest rate framework.
6. Raise Awareness: Increase awareness among banking and financial institutions about the monetary policy framework and instruments of the National Bank of Cambodia. <sup>(1)</sup>

## Reference:

- (1) [https://www.nbc.gov.kh/download\\_files/publication/annual\\_rep\\_kh/Annual\\_Report\\_2024\\_KHM.pdf](https://www.nbc.gov.kh/download_files/publication/annual_rep_kh/Annual_Report_2024_KHM.pdf)
- (2) <https://www.adb.org/news/adb-maintains-cambodia-growth-forecast-2024-2025>
- (3) <https://www.imf.org/en/Publications/REO/APAC/Issues/2024/10/31/regional-economic-outlook-for-asia-and-pacific-october-2024>
- (4) <https://documents1.worldbank.org/curated/en/099120924052010564/pdf/P506814195fb5d00e198eb150a46c722a27.pdf>
- (5) <https://www.tax.gov.kh/u6rhf7ogbi6/gdtstream/2e8790c9-020b-453f-b743-4b1bad3729a8>
- (6) <https://www.tax.gov.kh/u6rhf7ogbi6/gdtstream/62b90142-df75-4188-a35e-287d607aa5a0>

# SIGNATURE OF DIRECTORS

18 March 2025  
Read and Approved



Mr. Chhay Soeun, Chairman

18 March 2025  
Read and Approved



Dr. In Channy, Director

18 March 2025  
Read and Approved



Drs. Pieter Kooi, Director

18 March 2025  
Read and Approved



Dr. Heng Dyna, Director

18 March 2025  
Read and Approved



Ms. Phurik Ratana, Director

18 March 2025  
Read and Approved



Mr. Kay Lot, Director

18 March 2025  
Read and Approved



Mr. Kyosuke Hattori, Director

18 March 2025  
Read and Approved



Dr. Albertus Bruggink, Director

# ANNUAL REPORT APPENDIX FOR ACLEDA BANK 2024

## ANNUAL CORPORATE GOVERNANCE REPORT

# ធនាគារខ្មែរ AC Super App



# PART 1

## SHAREHOLDERS

# មេស៊ី ស៊ូប៊ីអេស- ធនាគារខ្មែរ

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## A. SHAREHOLDERS STRUCTURE (BY 31 DECEMBER 2024)

### 1. Shareholder Information

Description	Nationality	Type of Shareholder	Number of Shareholders	Number of Shares	Percentage
Less than 5%	Cambodian	Individual	18,108	64,785,425	14.9564%
		Legal Person	5	1,662,970	0.3839%
	Non Cambodian	Individual	482	1,349,590	0.3116%
		Legal Person	9	35,598,457	8.2183%
From 5% to less than 30%	Cambodian	Individual	-	-	-
		Legal Person	2	146,446,821	33.8087%
	Non Cambodian	Individual	-	-	-
		Legal Person	3	183,319,756	42.3212%
From 30%	Cambodian	Individual	-	-	-
		Legal Person	-	-	-
	Non Cambodian	Individual	-	-	-
		Legal Person	-	-	-
<b>Total</b>			<b>18,609</b>	<b>433,163,019</b>	<b>100.00%</b>

### 2. Shareholders Who are Directors, Senior Officials and Employees

Shareholders	Number of Shareholders	Number of Shares	Percentage
Director	2	1,032,348	2.4161%
Senior Officials	8	2,012,054	4.7089%
Employees	6,785	39,684,249	92.8750%
<b>Total</b>	<b>6,795</b>	<b>42,728,651</b>	<b>100.00%</b>

## **B. SHAREHOLDERS' AND PROTECTION OF SHAREHOLDERS' RIGHTS**

### **1. Rights of Shareholders**

Any holder of each share shall be entitled to have:

- The rights to join General Meeting of Shareholders;
- The rights to vote directly or by proxy at any meeting of Shareholders;
- The right to receive any dividend or benefits distributed by the BANK;
- The right to receive the remaining property of the BANK on dissolution; and
- The right to obtain all kind of information including the BANK's business information, the BANK's accounting records and to check the shareholder names list at the BANK's Headquarters during working hours or at the General Meeting of Shareholders.

### **2. Protection of Shareholders' Rights and the Company's Practice of the Protection of Shareholders' Rights**

The rights of Shareholders are protected by the MAOA of ACLEDA BANK. In accordance with Article 14 (14.1 point 1) of the MAOA of the BANK, The ordinary share of the BANK provides the holder 1 (one) vote in General Meeting of Shareholders".

### **3. Protection of Minority Shareholders' Rights and the Company's Practice of the Protection of Shareholders' Rights**

Each ordinary share has one vote. The rights of minority shareholders are protected by the MAOA of the BANK.

## **C. GENERAL SHAREHOLDER MEETING**

### **1. Procedure of General Shareholder Meeting and Voting**

The BANK has adopted a General Meeting Voting Policy, which is to provide clear rules and guidance to the Shareholders on how the voting process is to be conducted.

#### **Quorum**

The quorum for any shareholders' meetings shall be shareholders present in person or by proxy, holding at least 51% (fifty-one percent) of total voting shares.

#### **Notice**

The written notice will be provided to all shareholders addressed in different ways: hard copy and/or electronic version at least twenty (20) days, but no more than fifty (50) days, in advance of the scheduled meeting. The notice of the Shareholders meeting clearly specify the date and time and place at which the general meeting is held.

#### **During the meeting and voting process**

The Chairman will start the meeting with a welcome speech, determine whether a quorum is present, and announce the agenda. The Chairman would need to clarify the voting procedures to all shareholders presented at the Shareholders meeting before any resolution is put to the vote.

The BANK appoints their staff in advance to facilitate the voting process. The result will be announced after the counting of ballots and proxies by the manual/ system.

#### **After the meeting**

The BANK is subject to continuous disclosure and reporting obligations under Prakas 007/18 K.M.K/BB.K. dated October 30th, 2018 of SERC on Corporate Disclosure and in accordance with the Corporate Disclosure Policy of the BANK.

## 2. Information of General Shareholder Meeting

No	Date	Type of Meeting	Quorums	Agendas	Resolutions
01	25 April 2024	AGM	84.65%	<p>Matters for Decision:</p> <ul style="list-style-type: none"> <li>Approval of distribution of cash dividend.</li> <li>Approval of amendment to Article 8 and Appendix 3 of MAOA of ACLEDA BANK.</li> <li>Approval of Board of Director fees in line with the 2023 inflation rate.</li> <li>Approval of annual increase in Chairman's salary</li> <li>Approval and renewal of mandates of directors of ACLEDA Bank Plc.</li> <li>Approval of setting a record date for determining of shareholders who are entitled to receive dividend.</li> </ul>	<p>The shareholders passed the following resolutions:</p> <ul style="list-style-type: none"> <li>The approval of distribution of cash dividend at 10% of the 2023 Profit for the Year Attributable to Owners of ACLEDA BANK of KHR608,505,189,000 equal to KHR60,850,524,327.63 at KHR140.4795 per share and transfer the remaining balance of 2023 Profit for the Year Attributable to Owners of ACLEDA BANK to Retained Earnings. The Shareholders voted in the favour of 98.45 percent.</li> <li>Approval of amendment to Article 8 and Appendix 3 of MAOA of ACLEDA BANK. The Shareholders voted in the favour of 98.95 percent.</li> <li>Approval of Board of Directors fees of ACLEDA BANK in line with the 2023 inflation rate of 2.1%. The Shareholders voted in the favour of 99.10 percent.</li> <li>Approval of annual increase in salary of Chairman of the Board of Directors as below: <ul style="list-style-type: none"> <li>To increase in salary of Mr. Chhay Soeun, Chairman of the Board, with grading "A+" retro-effective from 01 January 2024;</li> <li>To add 2023 inflation rate of 2.1% to his salary retro-effective from 01 April 2024.</li> </ul> The Shareholders voted in the favour of 98.92 percent.</li> <li>Approval of reappointment of Mr. Chhay Soeun as a director of ACLEDA BANK from his retirement age of 70 years on 10 April 2024 until 31 December 2024. The Shareholders voted in the favour of 99.14 percent.</li> <li>Approval of reappointment of Drs. Pieter Kooi as an independent director of ACLEDA BANK for the next 3 years term. The Shareholders voted in the favour of 99.10 percent.</li> <li>Approval of reappointment of Ms. Phurik Ratana as an independent director of ACLEDA BANK for the next 3 years term. The Shareholders voted in the favour of 99.09 percent.</li> <li>Approval of reappointment of Mr. Stéphane MANGIAVACCA from COFIBRED as a director of ACLEDA BANK for the next 3 years term. The Shareholders voted in the favour of 99.13 percent.</li> <li>Approval of reappointment of Dr. Albertus BRUGGINK from ORIX as a director of ACLEDA BANK for the next 3 years term. The Shareholders voted in the favour of 99.12 percent.</li> <li>Approval of a record date on 07 May 2024 for determination of shareholders entitled to receive dividend. The Shareholders voted in the favour of 99.17 percent.</li> </ul>

No	Date	Type of Meeting	Quorums	Agendas	Resolutions
02	07 February 2024	EGM	81.24%	<ul style="list-style-type: none"> <li>Approval and appointment of Mr. Kay Lot as an Independent Director of ACLEDA Bank</li> <li>Approval of amendment to the Appendix 1 ("List of Composition of Board of Directors of ACLEDA Bank Plc.") of the ACLEDA Bank's MAOA</li> </ul>	<ul style="list-style-type: none"> <li>Approval and nomination of Mr. Kay Lot as an Independent Director of ACLEDA Bank. The Shareholders voted in the favour of 100 percent.</li> <li>Approval of amendment to the Appendix 1 ("List of Composition of Board of Directors of ACLEDA Bank Plc.") of the ACLEDA Bank's MAOA. The Shareholders voted in the favour of 99.73 percent.</li> </ul>
03	31 October 2024	EGM	84.37%	<ul style="list-style-type: none"> <li>Approval of nomination of external auditor of ACLEDA Bank for the financial year 2025</li> <li>Approval and reappointment of mandate of Director of ACLEDA Bank.</li> </ul>	<ul style="list-style-type: none"> <li>Approval of PricewaterhouseCoopers ("PwC") as the external auditor of ACLEDA BANK for the financial year 2025. The Shareholders voted in the favour of 100 percent.</li> <li>Approval of reappointment of Mr. Chhay Soeun as a director of ACLEDA BANK for ten months term from 01 January 2025 until 31 October 2025. The Shareholders voted in the favour of 99.90 percent.</li> </ul>

## D. DIVIDEND DISTRIBUTION

### 1. Dividend Policy

The BANK put in place a Dividend Policy to set the principles to guide the determination of dividends to the shareholders properly and effectively. The BANK classifies dividends into the following categories:

- Cash dividend;
- Stock dividend; and
- Other forms determined by the decisions of the Board of Directors and Shareholders, and permitted by applicable laws, regulations, and international best practices.

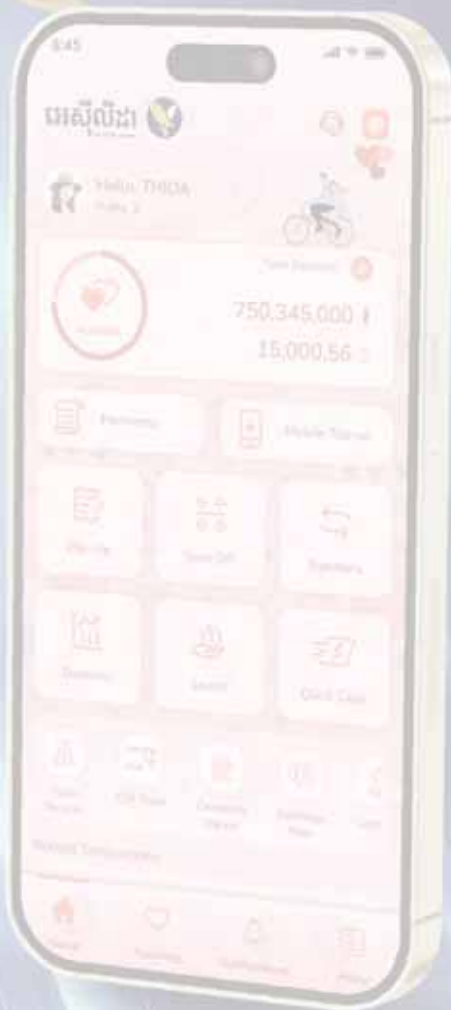
### 2. Historical Information of Dividend Distribution of the last 3 years.

No	Detail of Dividend Distribution	2024	2023	2022
1	Announcement Date of Dividend Distribution	25 April 2024	28 April 2023	08 June 2022
2	Record Date	07 May 2024	10 May 2023	06 May 2022
3	Dividend Payment Date	17 May 2024 (Cash)	19 May 2023 (Cash)	10 June 2022 (Cash)

# PART 2

## BOARD OF DIRECTORS

មេត្តា ស្នូលិកមេបង  
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## A. BOARD OF DIRECTORS

### 1. Board Composition

No	Name	Position	Appointment Date	Ending Date
1	Mr. Chhay Soeun	Chairman	18 August 2014	31 October 2025
2	Dr. In Channy	Executive Director	18 August 2014	18 August 2026
3	Drs. Pieter Kooi	Independent Director	12 January 2004	12 January 2028
4	Dr. Heng Dyna	Independent Director	11 December 2023	11 December 2026
5	Ms. Phurik Ratana	Independent Director	08 November 2021	08 November 2027
6	Mr. Kay Lot	Independent Director	7 May 2024	07 May 2027
7	Mr. Stéphane MANGIAVACCA	Non-Executive Director	22 April 2020	03 February 2025
8	Mr. Kyosuke Hattori	Non-Executive Director	08 November 2021	19 March 2025
9	Dr. Albertus Bruggink	Non-Executive Director	12 May 2021	10 January 2028

### 2. Director Biography

#### Mr. Chhay Soeun, Chairman

##### Board Committees: Audit

Cambodian. Born on April 1954. Mr. Soeun became a member of the Board of Directors in August 2014. He joined ACLEDA in January 1993 and worked there until his retirement on April 2014. His last position at ACLEDA BANK PLC. was as Executive Vice President & Group Chief Financial Officer. From 1980 to 1992, he was an accountant and deputy chief accountant at the Kampot Provincial Department of Commerce.

At present, he is Chairman of the Board of Directors of ACLEDA BANK PLC., Cambodia, a Board member of ACLEDA BANK Lao Ltd. (ABL), and a Board member of ACLEDA MFI Myanmar Co., Ltd. (AMM).

He obtained his Executive Master of Business Administration in Finance and Accounting from Preston University, California, USA. He is also a Graduate of the Australian Institute of Company Directors (GAICD).

#### Dr. In Channy, Director

Cambodian. Born in June 1960. Dr. Channy is President & Group Managing Director of ACLEDA BANK PLC., a position he has held since it was established as a bank in 2000. He became a member of the Board of Directors of ACLEDA BANK PLC. in August 2014. He was one of the founders of the Association of Cambodian Local Economic Development Agencies (ACLEDA) since January 1993. As President of the Executive Committee he leads the Executive Management Team which is responsible for overall strategic planning and running the day-to-day business of ACLEDA BANK PLC. and its Group as well as implementation of its business plan. He is directly accountable to the Board of Directors.

His other responsibilities within the Group include Chairman of ACLEDA BANK Lao Ltd. and ACLEDA MFI Myanmar Co. Ltd., Shareholder Representative for ACLEDA BANK Lao Ltd., ACLEDA Securities Plc., the ACLEDA University of Business, and ACLEDA MFI Myanmar Co., Ltd. He is also the Chairperson of Board of Trustees of ACLEDA Financial Trust.

Outside ACLEDA BANK, he was a Chairman of the Association of Banks in Cambodia for two consecutive terms from 2019 to March 2022. He is currently a council member of the Association of Banks in Cambodia and he is a member of working group on Legal, Taxation and Governance.

He completed an Executive Course on Financial Institutions for Private Enterprise Development (FIPED) at Harvard University, USA in 1998. He holds a Doctorate of Business Administration and is also a Graduate of the Australian Institute of Company Directors (GAICD).

## Drs. Pieter Kooi, Director

### Board Committees: Remuneration and Nomination (Chair), Audit

Dutch. Born in 1958. Drs. Kooi joined the Board in October 2000. Starting in 1993, he advised ACLEDA as a microfinance consultant over a period of seven years in its course from a development program into a commercial bank. From 1999, he worked as a short-term microfinance consultant on projects in 15 countries located mainly in Africa and Asia. From September 2002 until December 2005, he was Director of the Microfinance Unit of UNCDF in New York. From March 2006 till May 2011, Drs. Kooi supported ACLEDA Bank Plc. as a part-time consultant in the establishment of ACLEDA Bank Lao Ltd., ACLEDA Training Center Ltd. (currently ACLEDA University of Business Co., Ltd.) and ACLEDA Securities Plc. At present Drs. Kooi serves on several boards within the ACLEDA Bank Group.

## Dr. Heng Dyna, Director

### Board Committees: Risk Management and IT

Cambodian. Dr. Heng Dyna joined the Board in 2023, bringing more than 10 years of cross-country experience as a financial sector specialist. He has extensive experience in risk analysis and led several technical assistance programs to central banks and ministries of finance in Asia, Africa, and Europe. He also serves on voluntary basis as a board member of the Cambodian Economic Association. Dr. Heng completed Asset and Portfolio Management program at the Wharton School and Oxford Private Markets Investment Program at the Saïd Business School. He earned a Ph.D. Degree in economics in Australia and is a Graduate and Member of the Australian Institute of Company Directors (GAICD).

## Ms. Phurik Ratana, Director

### Board Committees: Audit (Chair)

Cambodian (and French). Born in 1972, Ms. Ratana Phurik-Callebaut joined the Board in November 2021 and is also the chairwoman of the Board of ACLEDA Institute of Business (currently ACLEDA University of Business Co., Ltd.) since November 2022. She is a CFA Charterholder. She also obtained a Post-Graduate Diploma (DEA) in Industrial Economics, a Master of Science in Foreign Trade and a Master in Economics and Finance at University of Paris 1 Panthéon-Sorbonne. She is also a Graduate of the Australian Institute of Company Directors (GAICD).

Ratana has more than 25 years' experience in international trade, investment, private sector development, and finance. She has a strong background as a consultant and economist with experience in high-level management positions. She is currently a Senior Private Sector and Investment Consultant for various international organizations and serves on the advisory boards of Khmer Enterprise, Impact Hub and SmallWorld. She was an Independent Director for various financial institutions in Cambodia.

In addition, she is the founder and chairperson of the Cambodia Community of Investment Professionals (CFA Community in Cambodia) dedicated to building local skills in finance. She has held various positions in Cambodia, primarily focused on promoting the country as an investment destination, including Executive Director of EuroCham Cambodia, business consultant of DFDL, partner at the private equity firm Cambodia Emerald and director of the French Cambodian Chamber of Commerce). She also worked in Switzerland as portfolio manager for a private bank and as an economist at UNCTAD.

## Mr. Kay Lot, Director

### Board Committees: Risk Management and IT (Chair)

Cambodian, Born in 1970. Mr. Kay Lot joined the Board in May 2021. He is an entrepreneur with senior management experience in finance, banking, media, and telecommunications. Prior to joining ACLEDA BANK, he served as independent director, and chair of the audit committee, in one of the largest Microfinance Deposit-Taking Institutions in Cambodia.

Currently he is chairman of the board of Artisans Angkor Co., Ltd., a social enterprise based in Siem Reap, a shareholder in a digital media agency, and a construction company. He also serves as an Independent Director for BSP Finance Cambodia and Digital Divide Data, a social impact company based in New York.

He obtained IFRS Certification from The Association of Chartered Certified Accountants (ACCA), and an EMBA from Essec Business School. He is also a Graduate of the Australian Institute of Company Directors (GAICD).

## Mr. Stéphane MANGIAVACCA, Director

### Board Committees: Remuneration and Nomination

French. Born in 1975. Mr. Mangiavacca joined the Board in March 2020. He started his career with the French Ministry of Finance, working in China. He then joined the Internal Audit of BPCE Group where he became Senior Manager of Quantitative Audit. Until 2024 H2, he worked for BRED Banque Populaire as an Executive Board member, Head of International and being a Board member of several French and international banks of BRED Group. He was Chief Risk & Compliance Officer prior to that, until January 2020. He graduated from ECOLE NATIONALE SUPERIEURE DES MINES DE SAINT-ETIENNE, Engineering Diploma with honors and studied at University of New Brunswick in Canada.

## Mr. Kyosuke Hattori, Director

### Board Committees: Risk Management and IT

Japanese. Born in 1975. Mr. Kyosuke Hattori joined the Board in November 2021. He began his career with Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation (SMBC)) after graduating from Sophia University. In April 2001, Mr. Hattori was appointed to an Assistant Vice President, Shin-Yokohama Corporate Business Office, SMBC. In October 2002, Mr. Hattori was assigned as an Assistant Vice President, Corporate Finance Services Department, Tokyo. In December 2003, he was transferred to work at Singapore branch. In July 2005, he was promoted to a Vice President, Singapore Branch. In July 2009, He was nominated as a Vice President, Public Relations Department, Tokyo. In October 2012, he was further promoted to a Senior Vice President, Corporate Planning Department, Tokyo. He was changed his duty station to work at Emerging Markets Business Division, and Planning Department, International Banking Unit in April 2014 and 2016 respectively. In April 2017, he was elevated to a Senior Vice President and Group Head, Planning Department, International Banking Unit. In April 2020, he was changed the duty station to work at Business Development Department, Tokyo. He was then transferred to work in Singapore in June 2021 as Joint General Manager of Planning Department, Asia Pacific Division and now works for Asia Growing Markets Department, Asia Business Development Division as Joint General Manager. He graduated from Sophia University with a Bachelor of Arts in Law in March 1998.

## Dr. Albertus Bruggink, Director

### Board Committees: Remuneration and Nomination, and Risk Management and IT

Nederlandse, Born in 1963. Dr. Albertus Bruggink joined the Board in May 2021.

Outside ACLEDA Bank, he is currently an independent consultant based in the Netherlands and he is a corporate advisor to ORIX Corporation in Tokyo and independent chairman of the Audit Committee of ORIX Europe. Furthermore, he joined the Board of Foundation Westerbork Fund (Netherlands) in January 2022. He has worked for 30 years at Rabobank in different roles in finance, risk management and treasury/capital markets, both domestically and internationally of which the last 12 years as member of the Executive Board (CFRO). During his career, he served on a number of board of directors, predominantly in the Netherlands, and has served as the chairman of the audit committees of such Boards on a number of occasions. Dr. Bruggink received an MSc in Business Administration from University of Twente in 1986 and a PhD in Financial Engineering from University of Twente in 1989. He is currently a part-time professor in Financial Engineering and Risk Management at University of Twente.

Furthermore, he acts as a member of supervisory boards of Medisch Spectrum Twente (Netherlands), TFG/XAC Bank (Mongolia) and Stichting Alliade, Heerenveen (Netherlands).



### 3. Director, Shareholder of Co-owner of Other Company

No	Name	Company	Director, Shareholder or Co-owner
1	Mr. Chhay Soeun	N/A	N/A
2	Dr. In Channy	AFT Association of Banks in Cambodia (ABC) Working group on Legal, Taxation and Governance.	Chairperson council member Member
3	Drs. Pieter Kooi	N/A	N/A
4	Mr. Stéphane MANGIAVACCA	BRED Banque Populaire BRED group	Executive Board member, Head of International Member
5	Mr. Kyosuke Hattori	Asia Growing Markets Department, Asia Business Development Division	General Manager
6	Dr. ALBERTUS BRUGGINK	ORIX Corporation ORIX Europe Westerbork Fund University of Twente MST Netherlands Ormat Technologier, USA TFG / XAC Bank, Mongolia Gravis Capital, UK	Advisor Chairman Board Professor Member Member Member Member
7	Mr. Kay Lot	Artisans Angkor Co., Ltd., BSP Financial Cambodia Plc. Digital Divide Data, New York.	Chairman Independent Director Independent Director
8	Ms. PHURIK RATANA	Khmer Enterprise, Impact Hub and SmallWorld CFA Community in Cambodia	Advisor Founder and Chairperson
9	Dr. Heng Dyna	Cambodian Economic Association	Member

## 4. Board Roles, Duties, Responsibilities and Performance

The Directors are appointed by the Shareholders for three-year terms to act on their behalf. The Board shall consist of nine Directors and that:

- The Board of Directors is responsible for determining the strategy of the BANK and for conducting or supervising the conduct of its business and affairs. Its members shall act in the best interests of the BANK.
- The powers of the Board of Directors are to be exercised collectively and no individual Director shall have any power to give directions to the officers or employees of the BANK, to sign any contracts, or to otherwise direct the operations of the BANK unless specifically empowered to do so by a resolution of the Board of Directors.
- Each Director shall have unlimited access to the books and records of the BANK during ordinary business hours.

The Board of Directors shall elect, by majority vote, one of its members to serve as Chairman who shall preside over meetings of the Board of Directors as well as the Annual General Meeting.

The Board of Directors assumes responsibility for corporate governance and for promoting the success of the BANK by directing and supervising its business operations and affairs. It appoints and may remove the President & GMD, Senior GCIAO/GCIAO, and Head of COD. It also ensures that the necessary human resources are in place, establishing with management the strategies and financial objectives to be implemented by management, and monitors the performance of management both directly and through the Board Committees.

The Board of Directors established three Committees: Audit, Remuneration and Nomination, Risk Management and IT, and may establish such other committees as it deems necessary or desirable to carry on the business and operations of the BANK. These Board Committees shall exist at the pleasure of the Board of Directors and all members of such Committees shall be approved by the Board. The Committees themselves will not exercise any of the powers of the Board, except in so far as the Board may formally delegate such powers, but may make recommendations to the Board for their collective action. Whilst membership on Board Committees is restricted to Directors themselves, they may invite members of management and others so as to provide operational information and explanation when considered necessary. All Board Committees are chaired by Independent Directors.

A complete list of existing Board Committees, their membership and their activities during 2024 appears on pages 69-71 of this report.

## 5. Board Meetings

No	Date	Type of Meeting	Name of Directors Attending the Meeting
01	03 January 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot
02	07 February 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot
03	14 February 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot
04	21 March 2024	Physical Meeting	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot
05	27 March 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot

No	Date	Type of Meeting	Name of Directors Attending the Meeting
06	02 April 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot
07	08 May 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot
08	13 June 2024	Physical Meeting	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink, Mr. Kay Lot
09	08 July 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink
10	11 July 2024	By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink

No	Special Meeting by E-mail	Name of Directors Attending the Meeting
11	06 August 2024 By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink
12	30 August 2024 By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink
13	30 October 2024 By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink
14	06 November 2024 By E-mail (02 E-mail)	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink
15	06 November 2024 By E-mail	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink
16	20 December 2024 Physical meeting	Mr. Chhay Soeun, Dr. In Channy, Drs. Pieter Kooi, Ms. Phurik Ratana, Dr. Heng Dyna, Mr. Kay Lot, Mr. Stéphane Mangiavacca, Mr. Kyosuke Hattori, Dr. Albertus Bruggink

## B. BOARD COMMITTEE

### 1. Board Committee Structure

On 26 June 2019, the Board revised Board Committees structure and composition with reference to Cambodian law and the requirements of the NBC, the best practice and any other factors specific to the BANK's situation. The latest composition of Board Committees has been revised on 07 May 2024.

#### 1.1 Board Audit Committee (BACO)

##### Scope & Purpose

The BACO is established by the Board of Directors of ACLEDA BANK PLC. to monitor and review the integrity of the financial statements, the internal financial control system including Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), the internal audit, and the services provided by external auditors.

##### Members

- Ms. Phurik Ratana, Independent Director, Chair
- Drs. Pieter Kooi, Independent Director, member
- Mr. Chhay Soeun, Non-Executive Director, member

##### Significant Issues and Activities in 2024

The BACO met 4 times in 2024 whereas 1 time in February, 1 time in May, 1 time in August, and 1 time in November. The main proceedings were:

##### Audit Financial Reporting Process

- Reviewed, approved and endorsed to the Board of Directors for final approval, the financial audited statements of 2023.
- Reviewed and approved 2024 interim financial statements for March, June and September and endorsed to the Board of Directors for final approval.

##### Internal Control

- Reviewed and approved the internal control report of the year 2023 for submission to the National Bank of Cambodia.

##### Internal Audit

- Reviewed and approved the Internal Audit report of the year 2023 to disclose, as CSX requires.
- Reviewed the internal audit reports and analysed any unusual trends or incidents.
- Proposed the 2023 incentive of the Senior Group Chief Internal Audit Officer and recommended to Board for approval.
- Evaluated and graded the 2023 performance of the Senior Group Chief Internal Audit Officer and recommend to Board for approval.
- Reviewed and approved the Internal Audit report 2023 on AML Audit for submission to Cambodia Financial Intelligence Unit (CAFIU).
- Reviewed and approved the internal audit plan for fiscal year 2025.
- Reviewed and approved the criteria incentive 2025 for Senior Group Chief Internal Audit Officer and endorsed to the BRESCO for the Board final approval.

##### External Audit

- Reviewed and evaluated the performance of external audit for the year 2023.
- Reviewed and approved the audit scopes and fees of engagement AML/CFT audit for the year 2024.
- Reviewed and approved the audit scopes and fee of engagement Financial Audit for the year 2025.

##### Other topics

- Reviewed and approved the revised TOR of BACO and recommended to the Board for final approval.
- Annually reviewed the policies: Audit Policy, Internal Control Policy, Corporate Disclosure Policy, Dividend Policy and General Policy Guidelines.

## 1.2 Board Remuneration and Nomination Committee (BRESCO)

### Scope & Purpose

The Committee is established by the Board of Directors of ACLEDA Bank to provide an independent opinion on advising the Board in the matters of:

- a) The remuneration of Directors, President & GMD, Senior GCIAO, and Head of COD of the Bank, and Directors of subsidiaries; and
- b) The selection of suitable candidates for the member of Board of Directors, the President & GMD, Senior GCIAO, and Head of COD of the Bank.

### Members

- |                             |                                |
|-----------------------------|--------------------------------|
| • Drs. Pieter Kooi,         | Independent Director, Chair    |
| • Dr. Albertus Bruggink,    | Non-Executive Director, member |
| • Mr. Stéphane Mangiavacca, | Non-Executive Director, member |

The Committee, from time to time, may ask members of management and outside professional advisers to attend all or part of any meeting to provide additional information and explanation as they consider necessary.

### Significant Issues and Activities in 2024

The BRESCO met 5 times in 2024 whereas 1 time in February by E-mail, 1 time in March, 1 time in June, 1 time in September, and 1 time in December. The main proceedings were:

- Reviewed and endorsed to the Board for final approval of BRESCO annual report 2023. Reviewed and endorsed to the Board for approval of reappointment of director mandates of ACLEDA Bank Plc. and subsidiaries.
- Reviewed and endorsed to Board for approval of nomination of Drs. Pieter Kooi as a new director of ACLEDA Bank Lao Ltd..
- Reviewed and endorsed to Board for approval of appointment of Mrs. Kim Sotheavy as a director of ACLEDA MFI Myanmar Co., Ltd.
- Reviewed and endorsed to Board for approval of appointment of Mr. NAY Soksamnang, as a director of ACLEDA Bank Lao Ltd.
- Reviewed and endorsed to the Board for recognition and approval of the nomination of Mrs. Kim Sotheavy from ACLEDA FINANCIAL TRUST as a director of ACLEDA Bank Plc.
- Reviewed the trend of profitability and administrative cost.
- Reviewed and endorsed to the Board for final approval of 2023 inflation rate for the payment to the Bank's employees from 01 April 2024 onward.
- Reviewed and endorsed to the Board for final approval of incentive and annual increase in salary of Dr. In Channy, President & GMD for the year 2023 performance.
- Reviewed and endorsed to the Board for further approval of annual increase in salary of Chairman of the Board retro-effective from 01 January 2024.
- Reviewed and endorsed to the Board for further approval of the increase in director fees of ACLEDA Bank Plc. and its subsidiaries.
- Reviewed and endorsed to the Board for final approval of Appendix E of Corporate Governance Policy tied to Board fees and expenses.
- Reviewed and endorsed to the Board for final approval of amendment to TOR of BRESCO.
- Reviewed the audit report in connection with the pension and retirement benefits plan.
- Reviewed the employees' pension and retirement benefits plan.
- Reviewed relevant laws and regulations.
- Reviewed succession plan of all senior positions of the Bank and subsidiaries.
- Reviewed the actual level and composition of employment costs for the year to date.
- Reviewed management's proposal for employment costs in the next year BP.
- Approved and nominated Mrs. Kim Sotheavy from AFT as a new director of ACLEDA Bank Plc. to replace Mr. Chhay Soeun.
- Reviewed and endorsed to the Board for consideration and approval of Mr. Thath Dynoth as a new Group Chief Internal Audit Officer of ACLEDA Bank Plc. to be a new Group Chief Internal Audit Officer to replace Mrs. Kim Sotheavy effective from 11 November 2025.
- Annually reviewed of Bank's policies.
- Annually reviewed of TOR of BRESCO.
- Reviewed and endorsed to the Board for approval of President & GMD's 2025 incentive criteria.
- Reviewed and endorsed to the Board for approval of SGCIAO's 2025 incentive criteria.
- Reviewed and endorsed to the Board for approval of Head of COD's 2025 incentive criteria.
- Made annual self-appraisal of BRESCO.
- Reviewed annual self-appraisal format of the Board.

### 1.3 Board Risk and IT Committees (BRIC)

#### Scope & Purpose

The Committee is established by the Board of Directors of ACLEDA BANK PLC. ("the BANK") to assist the Board of Directors in the effective discharge of its responsibilities for risk management, compliance, and information technology and to regularly review management's ability to assess and manage the BANK's risks.

#### Members

- Mr. Kay Lot, Independent Director, Chair (Effective on 07 May 2024)
- Mr. Kyosuke Hattori, Non-Executive Director, member
- Dr. Albertus Bruggink, Non-Executive Director, member
- Dr. Heng Dyna, Independent Director, member

The Committee, from time to time, may ask members of management and outside professional advisers to attend all or part of any meeting to provide additional information and explanation as they consider necessary.

#### Significant Issues and Activities in 2024

The BRIC met 14 times in 2024 whereas 1 time in January, 2 times in February, 2 times in March, 2 times in June, 2 times in July, 1 time in September, 02 times in October, 1 time in November and 1 time in December. The main proceedings were:

- Reviewed and discussed the Group and the BANK's overall risk profiles reported quarterly by the Group Chief Risk Officer to ensure that the key risk indicators are identified and mitigation plan in place. In addition, to ensure full compliance with the regulatory requirements, internal targets, and Risk Appetite Statement mandated by the Board.
- Assessed and discussed the potential strategic risks for ACLEDA BANK and its subsidiaries.
- Discussed and further refined the risk analysis processes, tools and stress tests, and reverse stress tests, factoring simultaneous occurrence of risks including potential effects of COVID-19 pandemic, slow growth of real estate and construction sector.
- Reviewed the internal capital adequacy assessment process (ICAAP) and capital adequacy ratio reports which was aimed for assessing the Bank's overall capital adequacy and determined a strategy for maintaining appropriate capital levels.
- Assessed the structure and composition of the credit portfolio and, particularly, its quality and compliance with internal policies.
- Monitored and discussed the restructuring of facility, refinancing of facility, reclassification of facility, and write-off of facility.
- Analysed possible impacts of range of risk scenarios on and off balance sheet, income statement and prudential ratios, including risks related to interest rate, liquidity and maturity.
- Reviewed the potential risks in light of the high standards set by the Board of Directors on Environmental, Social, and Governance (ESG) aspect and customer protection.
- Reviewed and analysed IT issues and strategy, cyber security risks for the BANK as a Digital Bank.
- Reviewed and analysed the development of the banking industry in Cambodia to assess competitive and business risks.
- Discussed strategies to optimally manage potential risk events in the long-term interest of ACLEDA BANK and its customers.
- Reviewed and approved management's funding and contingency funding plans to support business growth.
- Reviewed the Compliance Division reports and analysis of any suspicious transactions.
- Reviewed and approved the incentive scheme targets for the Compliance Division and endorsed to the Board for final approval.
- Reviewed and approved the Compliance Division budget plan for fiscal year 2025.
- Reviewed the terms of reference of Board Risk Management and IT Committee (BRIC).
- Reviewed and endorsed the following policies for approval by the Board: Risk Management Policy, Liquidity Risk Management Framework, Trade of ACLEDA BANK Shares Policy, Credit Policy, Environmental, Social and Governance (ESG) Policy, IFRS9 Impairment Policy, Credit Scoring Policy, Compliance Policy, Anti-Money Laundering and Combating the Financing of Terrorism Policy, KYC/Customer Due Diligence Policy, Whistle-blower's Protection Policy, Related Party Transactions Policy, Conflict of Interest Policy, Trade of ACLEDA BANK Shares Policy, Insider Trading Policy, Code of Conduct Policy, Information Technology (IT) Governance Policy, Information Security Policy, and Customer Complaint Policy.
- Reviewed and endorsed for approval by the Board the Risk Appetite Statement, and its key risk indicators' level (RAS KRIs).
- Conducted an annual self-assessment of its performance relative to the Board Risk Management and IT Committee's purpose, duties, and responsibilities in order to ensure the effective discharge of its responsibility.



## 2. Changes of Committee Member

No	Committee	Name	Reason
1	BACO	N/A	N/A
2	BRENCO	N/A	N/A
3	BRIC	Mr. Kay Lot	Mr. Kay Lot has been nominated as a chair of BRIC, effective 07 May 2024.

## C. REMUNERATION AND COMPENSATION

### 1. Brief Policies of Remuneration or Compensation for Directors and Senior Officers

#### Director

- The Shareholders of ACLEDA BANK and its subsidiaries determine the remuneration and benefits of directors from time to time through the Shareholders' Agreement, based on the proposal of the Board of Directors.
- The Shareholders of ACLEDA BANK and its subsidiaries nominate the Directors of the Board as stipulated in their respective MAOA

#### Senior Officers

- The Board of ACLEDA BANK shall appoint a suitably qualified person as its President & GMD, Senior GCIAO/GCIAO, and Head of COD of the BANK.
- The Board of ACLEDA BANK approve the remuneration of the President & GMD, Senior GCIAO/GCIAO, and Head of COD of the BANK.
- The Boards of ACLEDA BANK and its subsidiaries shall approve the overall annual budget for the remuneration of the Directors and employees.
- The Boards of ACLEDA BANK and its subsidiaries will evaluate its own performance on an annual basis.

### 2. Remuneration and Compensation Receivers

No	Remuneration and Compensation Receiver	Remuneration and Compensation Amount	Other
1	Directors	\$498,066.95	
2	Executive Directors and Senior Officer	\$3,567,325.23	
3	Top 5 Employees Receiving Remuneration and Compensation Receivers	\$2,625,746.83	

## D. ANNUAL PERFORMANCE EVALUATION OF BOARD OF DIRECTORS, DIRECTORS, COMMITTEE AND CEO

No	Description	Evaluation Process	Marking Criteria
1	Board of Directors	The Board makes self-assessment of their performances	<ul style="list-style-type: none"> <li>Authorities, roles, and responsibilities stipulated in their Board charter, MAOA, and applicable law</li> <li>Participation in the Board meetings</li> </ul>
2	Directors	The Directors make self-assessment of their performances	<ul style="list-style-type: none"> <li>Authorities, roles, and responsibilities stipulated in their Board charter, MAOA, and applicable law</li> <li>Participation in the Board meetings</li> </ul>
3	Committees	The Board committees make self-assessment of their performances	<ul style="list-style-type: none"> <li>Authorities, roles, and responsibilities stipulated in their Terms of References</li> <li>Participation in the Board meetings</li> </ul>
4	President & GMD	The performance of President & GMD is evaluated by BRESCO and is recommended to the Board for final approval.	Performance criterion (Both quantitative and qualitative) set by BRESCO and recommend to the Board for final approval.

## E. TRAINING FOR DIRECTORS AND SENIOR OFFICERS

Training courses for directors and senior officers in 2024 as below:

### Local Training

No	Name	Position	Topic	Venue	Training Type	Conducted Training by	Date of Training
1	Mrs. Sok Sophea	Group Chief Operations Officer	Leading People Through Change	Phnom Penh	Training	SUMITOMO MITSUI BANKING CORPORATION (SMBC)	16 January 2024
2	Mrs. Buth Bunseyha	Senior Group Chief Legal Officer and Corporate Secretary	The Law on Banking and Finance Duties of Corporate Disclosure and Usage of e-disclosure system of CSX	Phnom Penh	Workshop Training	National Bank of Cambodia (NBC) Cambodia Securities Exchange (CSX)	15 January 2024 16 February 2024
3	Dr. Loeung Sopheap	Group Chief Risk Officer	Financial Stability	Phnom Penh	Seminar	National Bank of Cambodia (NBC)	20 February 2024

### Overseas Training

No	Name	Position	Topic	Venue	Training Type	Conducted Training by	Date of Training
1	Dr. In Channy	President & Group Managing Director	SMBC Group Asia Partners Executive Summit ( APEXS)	Japan	Event	SUMITOMO MITSUI BANKING CORPORATION (SMBC)	10 to 11 January 2024
2	Mr. Chhay Soeun	Chairman of Board of Director	Renewal Overseas Standard Graduate	Australia	Membership	Australian Institute of Company Directors	30 July 2023 to 31 July 2024
3	Drs. Pieter Kooi	Independent Director	Annual Fee AICD	Australia	Membership	Australian Institute of Company Directors	30 July 2023 to 31 July 2024
4	Mrs. Mar Amara	Senior Group Chief Financial Officer	Renewal Overseas Standard Graduate	Australia	Membership	Australian Institute of Company Directors	28 February 2023 to 29 February 2024
			SMBC Group Asia Partners Executive Summit ( APEXS)	Japan	Event	SUMITOMO MITSUI BANKING CORPORATION (SMBC)	10 to 11 January 2024

No	Name	Position	Topic	Venue	Training Type	Conducted Training by	Date of Training
5	Mrs. Kim Sotheavy	Senior Group Chief Internal Audit Officer	Renewal Overseas Standard Graduate	Australia	Membership	Australian Institute of Company Directors	26 April 2023 to 30 April 2024
6	Mr. Ly Thay	Senior Group Chief Administrative Officer	The Company Directors Course	Australia	Training	Australian Institute of Company Directors	03 to 09 April 2024
7	Mrs. Sok Sophea	Group Chief Operations Officer	The Singapore FinTech Festival 2024	Singapore	Festival	SUMITOMO MITSUI BANKING CORPORATION (SMBC)	06 to 08 November 2024
8	Dr. Loeung Sopheap	Group Chief Risk Officer	UN Climate Change	Azerbaijan (Baku)	Conference	Ministry of Environment	11 to 15 November 2024
9	Mrs. Buth Bunseyha	Senior Group Chief Legal Officer and Corporate Secretary	Leadership, Ethics, and Corporate Accountability	United States	Online training	Harvard Business School Online	05 June 2024 to 17 July 2024
10	Mr. Mach Theary	Senior Group Chief Information Officer	Annual Fee AICD / New Overseas Affiliate	Australia	Membership	Australian Institute of Company Directors	01 December 2023 to 30 November 2024
11	Mr. Yin Virak	Group Chief Treasury Officer	The Climate Business Forum: Asia Pacific (CBF)	Australia	Training	Australian Institute of Company Directors	13 to 17 May 2024
			The Climate Business Forum: Asia Pacific (CBF)	Hong Kong	Forum	International Finance Corporation (IFC) and Hong Kong Monetary Authority (HKMA)	27 to 28 February 2024
			The Company Directors Course	Australia	Training	Australian Institute of Company Directors	03 to 09 April 2024

# PART 3

## CODE OF BUSINESS CONDUCTS PRACTICES

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## A. CODE OF BUSINESS CONDUCTS PRACTICES FOR DIRECTORS AND SENIOR OFFICERS POLICIES

- **Law Enforcement**

ACLEDA BANK conducts its business in compliance with applicable laws and regulations and in accordance with the highest ethical principles. ACLEDA BANK Group requires all directors and employees to comply with all local laws/regulations applicable to the BANK wherever it does business. Further, each of us must have an understanding of the BANK policies, laws, rules and regulations that apply to our specific roles. Hence, ACLEDA BANK put in place a Compliance Policy to ensure that, at all times, the BANK complies with the spirit of the legal environment and the BANK's policies.

- **Build Trust and Credibility**

Trust and credibility we earn from our stakeholders including but not limit to employees, customers and shareholders are part of our success in business. We gain credibility by adhering to our commitments, and reaching company goals solely through honorable conduct.

- **Code of Conduct Policy**

The BANK set up its Code of Conduct Policy to set ethical standards for all staff members of the BANK with the following important principles:

1. **Honesty, Fairness and Integrity:** All staff shall act honestly and with integrity in all of their dealings, and staff members will not discriminate on the grounds of people's race, religion, gender, marital status, or disability.
2. **Personal Transactions:** Shall not use the name of ACLEDA BANK to further any personal or other business transaction.
3. **Confidentiality of Information:** Ensure the confidential information relating to customers, staff and ACLEDA BANK's operations, and respect the privacy of others.
4. **Ensuring the Integrity of Records and Internal Controls.**
5. **Abiding by the Law:** Staff members shall observe and abide by the law, rules and regulations of the Kingdom of Cambodia and internal policies of ACLEDA BANK at all times.

- **Avoid Conflicts of Interest (Conflict of Interest Policy)**

The BANK created its conflict of interest policy to enable all staff members of ACLEDA BANK easily identify, prevent, and manage conflict of interest which may arise in the course of the BANK's business.

- **Corporate Disclosure Policy**

The BANK put in place the Corporate Disclosure Policy to ensure that Corporate Information is disclosed to the relevant authorities, investors, customers, creditors, employees and the general public in a timely, accurate, complete, understandable, convenient and affordable manner.

- **Insider Trading Policy**

The Insider Trading Policy of the BANK is designed:

- To protect the interests of investors and the reputation of the BANK
- To prevent misuse of Material Non-public information (MNI)
- Ensure compliance to the regulatory requirements.

Under this policy, Insiders (directors and employees of the BANK or its subsidiaries, certain consultants, contractors, and agents) who receive or have access to MNI are prohibited from purchase/ sale/ engage in any transactions, directly or indirectly, involving the Securities listed on the CSX/ other permitted securities markets. (Securities: refers to securities issued by the BANK or other listed companies if Insiders have MNI about these through their work with the BANK.)

## • Liquidity Risk Management Framework

The BANK has set up this framework in order to:

- Ensure that the BANK maintains at all times a stable and diversified funding base, which enables the BANK to meet its daily liquidity needs and covers both expected and unexpected funding requirements at a reasonable cost.
- Manage the BANK's liquidity and funding in a way that creates long-term value for the shareholders.
- Reduce the severity of potential liquidity problems, lower their impact on the BANK and protect all stakeholders.

## • Whistle Blower's Protection Policy

The BANK has adopted a Whistle Blower's Protection Policy:

- To protect each whistle blower who expresses a concern in good faith, without malice and with no expectations of personal gain.
- To encourage all employees to inform the relevant level of management of any activity or matter which is detrimental to the best interests of the BANK and the general public.

## • Environmental, Social and Governance ("ESG") Policy

The BANK has adopted the ESG policy:

- To ensure that the BANK will at all times strive to provide financial services particularly to projects and initiatives that are sustainable with respect to nature and the environment.
- To provide a framework of guidelines within which the BANK can operate in a sustainable manner so that our impact on the environment, society and governance in which we operate is managed in a responsible way.
- To comply with the environmental laws and guidelines of Cambodia.

## • Fighting Against Corruption

The BANK prohibits offering or receiving bribes or corrupt payments in any form. Such prohibition has been raised and mentioned some part in Collective Labor agreement, Internal Regulation, Code of Conduct, Detail in Misconduct and Operating Manual of Gift Commission and Persuasion of the BANK. All employees shall comply with laws and regulation in force. ACLEDA BANK Group is strongly committed to conducting our business with honesty, integrity and in accordance with all applicable laws including anti-corruption law. Any employee who violates the laws and terms of relevant policy will be subject to disciplinary action.

## • Policy on Anti-Money Laundering and Combating the Financing of Terrorism (AML & CFT)

In our day to day business activities, we must apply the principles and procedures set out in the AML & CFT Policy. All levels of the BANK management and staff are obligated to report all types of suspicious transactions and shall be required to keep confidentiality of any information obtained on suspected customer's transaction and record has been made. Head of COD obliges to independently submit the information of suspicious transactions to the Cambodian Financial Intelligence Unit within 24 hours after receive reporting and there is a reasonable ground of suspicion. Head of COD shall record his/her opinion if such reasonable grounds do not exist.

## • Related Working Policy/Internal Rules

We respect all applicable law, including local laws and regulations that apply to our business. The BANK has a clear collective labor agreement which is made pursuant to the Chapter V of the Labour Laws of the Kingdom of Cambodia.

The collective labor agreement of the BANK set forth the terms and detail conditions of employment, productivity of employees, and monitor the relationship between Employer and Employees as well as Employer and Shop Stewards.

## • Conflict Resolution

The best approach to resolve a conflict in the workplace is to prevent it from happening in the first place. The collective labor agreement of the BANK also stipulated the grievance procedures for presenting and settling workplace disputes. Raising and recognizing the problems to debate to clear all unreasonable doubtful and misunderstandings that is a priority work shall be taken action by ACLEDA BANK and the Shop Stewards.

## • Fair Dealing

The BANK committed to conducting our business in a transparent, fair and honest manner and also committed to deliver fair dealing outcomes for our customers by ensuring that all products and services we offer comply with the laws and regulations and are suitable for our customers.

## B. PUBLISHING OF CODE OF BUSINESS CONDUCTS PRACTICES

The Boards approved the Code of Conduct Policy and it had been implemented since 2014.

## C. MECHANISMS AND PROCEDURES FOR ASSESSING CODE OF BUSINESS CONDUCTS PRACTICES

In order for employees to understand the code of business conduct and the scope of implement, the BANK has set up the procedure as follows:

### New Recruit

All new selected recruits and nominated to work in ACLEDA BANK or subsidiaries, must be prepared code of conduct when sign works contract. She/he must read all points of code of conduct content and clarify understanding and claim the implement by stamping a right thumbprint as a proof.

### Existing Employees

- All changed position staffs, nominated and promoted employees, the latest direct management have to prepare new code of conduct to employee for rereading all points of content and stamp right thumbprint as a proof.
- All employees come to test at Human Resources Division have to write code of conduct of new position.
- Employees who is earlier or meet the deadline of working appraisal have to do as below:
- Direct management has to give code of conduct to employees for reading deeply the meaning and content stated in the letter attached with performance appraisal.
- After reading the meaning of code of conduct, employees have to stamp right thumbprint as a proof.

## D. RELATED PARTIES TRANSACTIONS

### 1. Related Parties Transactions Policies

No	Related Parties	Policies
1	Holding Company	None
2	Joint Venture	None
3	Subsidiary	Operating Manual on Related Party Transactions
4	Majority Shareholders and Controlling Shareholders	Operating Manual on Related Party Transactions
5	Directors and Their Family	Operating Manual on Related Party Transactions
6	Employees and Their Family	Operating Manual on Related Party Transactions
7	Other	None

## 2. Important Transactions with Related Parties

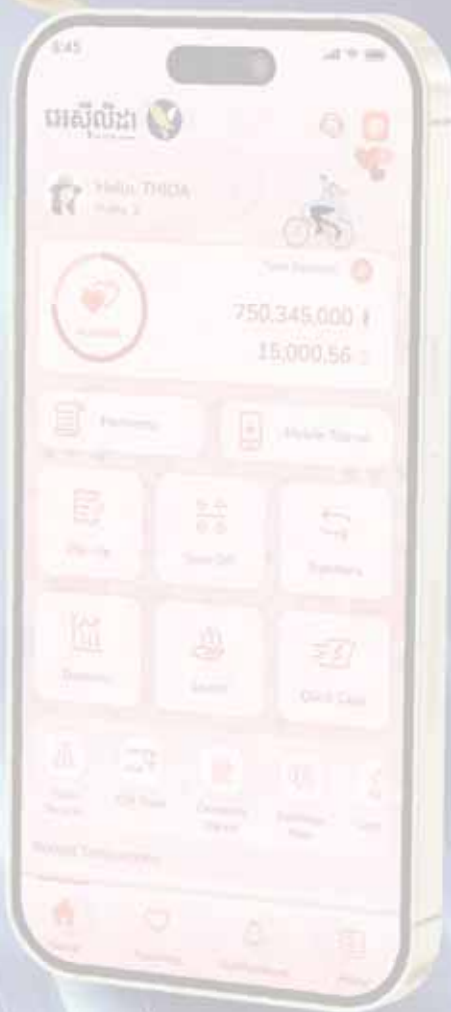
No	Name	Type of Transactions	Transaction Size		Transaction Summary
			USD	KHR'000	
1	Shareholder who hold at least 5% or more shares of outstanding equity securities	Balance with related parties	799,357	3,217,412	Deposit with shareholders
		Deposit from related parties	5,550,518	22,340,835	Deposit from shareholders
		Borrowing from related parties	49,387,111	198,783,122	Borrowing from shareholders
		Fee and commission income from related parties	403	1,640	Fee and commission income from Shareholders
		Interest Expense	6,015,479	24,489,015	Interest expense to shareholders
2	Director and Senior Officer	Loans and advances	10,331,855	41,585,717	Loans and advances to director and senior officer
		Deposit from related parties	6,600,635	26,567,556	Deposit from director and senior officer
		Interest Income	935,678	3,809,145	Interest income from director and senior officer
		Interest Expense	123,009	500,770	Interest expense to director and senior officer
		Fee and Commission Expense	7,581,463	30,864,135	Fee and commission expense to director and senior officer
3	Immediate family members of the director, Senior Officer and Shareholder who hold at least 5% or more shares	Loans and advances	3,429,489	13,803,693	Loans and advances to the immediate family members of the director, Senior Officer and shareholder
		Deposit	2,824,990	11,370,585	Deposit from the immediate family members of the director, Senior Officer and shareholder
4	Subsidiary	Loans and advances	801,084	3,224,363	Loans and advances to subsidiary
		Balance with related parties	39,306	158,207	Deposit with subsidiary
		Deposit	5,602,867	22,551,540	Deposit from subsidiary
		Account Receivable	258,093	1,038,825	Account receivable from subsidiary
		Interest Income	2,121	8,635	Interest income from subsidiary
		Fee and Commission Income	40,709	165,726	Fee and commission income from Subsidiary
		Interest Expense	153,046	623,050	Interest expense to subsidiary
		Fee and Commission Expense	1,293,205	5,264,637	Fee and commission expense to Subsidiary
		Other commitment	(14,587)	(59,384)	ECL on financial guarantee on AUB's Borrowing



# PART 4

## RISK MANAGEMENT, INTERNAL CONTROL AND AUDITING

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## A. BRIEF RISK MANAGEMENT SYSTEM OR RISK MANAGEMENT POLICIES

ACLEDA BANK is constantly pursuing efficient risk management system to enhance its effectiveness of risk oversight and control function where the safety and soundness of the BANK rely on. The BANK's risk management approach consists of the identification, assessment and mitigation of key risk and controls is undertaken across all business areas of the BANK. In addition, the BANK supports strong risk governance applied consistently to a strong emphasis on the concept of "Three Lines Model". The governance structure encompasses accountability, responsibility, independence, reporting, communication and transparency, both internally and with our relevant external stakeholders. The responsibility for risk management is resides at all levels of the BANK. This is a functional approach to risk management built on formal control processes which rely on individual responsibility and independent oversight. Every manager is accountable for managing risk in his or her business area. They must understand and control the key risks inherent in the business undertaken effectively.

## B. BRIEF INTERNAL CONTROL SYSTEM

ACLEDA Bank has established an adequate internal control system by issuing internal control policy, operating manual and other guidelines for effective risk management and daily activities. The bank sets up appropriate internal control structure as the Board has the responsibility to establish the general framework for an appropriate Internal Control system to comply with the present Prakas and regulations.

Senior Management has responsibility for implementing strategies approved by the Board to set appropriate internal control operating manuals and procedures and monitor effective daily operation.

Compliance officer has responsibility to perform independently to support management in managing compliance risk and monitor the effectiveness of compliance including corrective action of any compliance breaches.

An effective internal control system and complying with control policies and procedures have been monitored and evaluated by internal audit and the financial reports were examined independently by an external audit.

## C. AUDITING

### 1. Internal Audit

#### 1.1 Roles and Responsibilities of Internal Auditors

The Role of internal audit is to periodically monitor and comprehensively review the effectiveness of internal control function and implementation of internal control policy, operating manual and other guidelines for effective risk management and daily activities. Internal audit plan has been set, performed and reported to the Board Audit Committee.

All audit issues and concerns shall be clearly documented and accompanied by recommendations to Board and management. Pending audit recommendations shall be periodically, and at least twice a year, reported to the Board Audit Committee's members.

Internal audit function has been placed under responsibility of Senior Group Chief Internal Audit officer who is a secretary and reports to the Board Audit Committee directly.

Senior Group Chief Internal Audit officer is appointed, evaluated and removed by the Board Audit Committee.

#### 1.2 New Appointment and Remove/Resignation of Head and/or Deputy of Internal Auditors

In the year of 2024, position of Senior Group Chief Internal Audit officer was no new appointment and resignation.

### 2. External Auditors

The appointment or removal of external audit shall be approved by the Board with the recommendation of the Board Audit committee. External Audit of ACLEDA Bank Plc. For 2024 By PRICEWATERHOUSE COOPER (Cambodia) Ltd.

No	Name of Audit Firms	Appointment Date	Auditing Fees	Non-audit Fees
1	Grant Thornton (Cambodia) limited	16 January 2024	US\$ 6,000.00	-
2	Deloitte (Cambodia) Co., Ltd.	26 April 2024	-	US\$25,000.00
3	Grant Thornton (Cambodia) limited	05 Jul 2024	US\$ 47,000.00	-
4	KPMG Cambodia Limited("KPMG")	31 July 2024	-	US\$53,000.00
5	PRICEWATERHOUSE COOPER (Cambodia) Ltd.	04 November 2024	US\$320,000.00	-

- Grant Thornton (Cambodia) limited: Review respect to the following loan agreements made with the respective lenders and will be conducted in accordance with International Standard on Related Services 4400 (Revised) "Agreed-upon Procedures Engagements" and will indicate so in our report.
- Deloitte (Cambodia) Co., Ltd: Conduct training workshops for the cyber security audit program.
- Grant Thornton (Cambodia) limited: Evaluation of the design and implementation and the performance of tests on the operating effectiveness of the identified controls for the in-scope processes of the Reporting Entities related to the laws and directives of Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT") and Law on Combating the Financing of Proliferation of Weapons of Mass Destruction (the "PF" Law) , considering the group audit scoping, for the period from 1 January 2024 to 31 December 2024.
- KPMG Cambodia Limited("KPMG"): Provide support to the Bank in a Behavioral Scorecard Model Advisory exercise to assist in the development of a credit risk tool, for the Banks' Consumer Loan segment to be in line with the implementation of the existing scorecard model.
- PRICEWATERHOUSE COOPERS: Audit Engagement letter for consolidated interim financial statements of group and the separated interim financial of the Bank for quarterly and three-months period ending 31 March 2025, six-months period ending 30 Jun 2025, nine-months period ending 30 September 2025, twelve-months period ending 31 December 2025 and for the year ending 31 December 2025

# PART 5

## STAKEHOLDERS

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## A. IDENTIFY POLICIES AND ACTIVITIES RELATED TO THE FOLLOWING:

No	Contents	Policies	Actions
1	Customer Welfare	1- Letter No: MKD 019/17 for Promulgation on the Procedures of Customer Retention and Cross-Selling & Up-Selling of ACLEDA BANK	<p><b>1- Customer Retention</b></p> <ul style="list-style-type: none"> <li>• There is a system to manage customers' data appropriately.</li> <li>• There are target group of customers to retain including: <ul style="list-style-type: none"> <li>▪ Potential customers (Top 20): Platinum category and served as first priority</li> <li>▪ Potential customers (Top 21-100): Gold category served as a second priority</li> <li>▪ Normal customer: Classic category served as standard</li> </ul> </li> <li>• In order to be most effective in taking care customers, we engage customer by the following methods: special rate offered, wishing cards provided for special occasions, souvenirs and lunch / dinner reception and so on.</li> <li>• Have an effective and clear plan to visit customers including: <ul style="list-style-type: none"> <li>▪ Face to face and indirect contact (telephone and other electronic means)</li> <li>▪ Analysis on customers' needs and transactions with high efficiency.</li> </ul> </li> <li>• Assign responsible officers to follow up implement plan on customer retention at branches with professionalism.</li> <li>• Report the achievement of customer retention to management</li> </ul> <p><b>2- Cross-Selling &amp; Up-Selling</b></p> <ul style="list-style-type: none"> <li>• Have an effective and clear plan on Cross-Selling &amp; Up-Selling plan to be the basis for promoting sales with potential customers and regular customers effectively.</li> <li>• Assign responsible officer for sale acquisition and retention of all products <ul style="list-style-type: none"> <li>▪ Services with all types of customers, both inside and outside the office to be achieved in accordance with the business plan.</li> </ul> </li> <li>• There is a system to store the results of Cross-Selling and Up-Selling which it's more conveniently for the responsible officers to daily monitor with high efficiency.</li> </ul>
		2- Decision Letter No. 131/19 dated on 24 January 2019 for the Customer Service's Operating Manual of ACLEDA BANK (CCR)	<ul style="list-style-type: none"> <li>• Be / to serve customer</li> <li>• Customer Service Quality</li> <li>• Means and resolution of customer complaint/ problem.</li> <li>• Customer Service Model</li> <li>• Security protection (all both internal and external customer's information and bank transactions are kept secret which not leak to the third party).</li> </ul>

No	Contents	Policies	Actions
2	<b>Supplier and Subcontractors Selection</b>	<ul style="list-style-type: none"> <li>• Operating Manual on Procurement</li> <li>• Guideline on Procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Business Plan Preparation (CapEx Plan)</li> <li>• Requirement Business Analysis Report by Project Management Office</li> <li>• PMC meeting and approval</li> <li>• Budgetary Approval</li> <li>• Procurement Process               <ul style="list-style-type: none"> <li>Approval without Procurement Committee (The total amount is equal or less than USD300,000.00)                   <ul style="list-style-type: none"> <li>▪ Announcement for quotation</li> <li>▪ Check list legal document of supplier</li> <li>▪ Manufacturer Authorization (MA) letter</li> <li>▪ Onsite visit supplier location (if any)</li> </ul> </li> <li>Approval by Procurement Committee (The total amount is over USD300,000.00)                   <ul style="list-style-type: none"> <li>▪ Announcement for quotation/bidding</li> <li>▪ Check list legal document of supplier</li> <li>▪ Manufacturer Authorization (MA) letter</li> <li>▪ Onsite visit supplier location (if any)</li> <li>▪ (Evaluation and Assessment Criteria for Selecting Supplier (Legal documents, Tax payment declaration receipt, Financial report, Human resource, Consultant personal/ CVs, Approach &amp; Methodology, Reputation, Service after sale, Account settlement and using ACLEDA BANK's Services)</li> <li>▪ Procurement Committee meeting and approval (Based on the Bank's Strategic Plan, Price, Goods quality, Working experience if required and Assessment Criteria above)</li> </ul> </li> </ul> </li> <li>• Procurement Form Approval (PCF-15)</li> <li>• Legal Process (Agreement/Contract)</li> <li>• Product delivery and payment</li> </ul>

No	Contents	Policies	Actions
3	<b>Management and Protection of Employee</b>	1- Internal Regulation and Collective Labour Agreement 2- Employee Welfare Operating Manual 3- Whistleblower's Protection	1- Working day, working hours, overtimes compensation, Leaves, job security, Employees' rights to self-defence, Anti-harassment, Employee Representative. 2- Protect employee health, well-being, work atmosphere, hygiene, health protection equipment, First-Ad, health Care Support and Daily Subsistence Allowance (DSA). 3- Employee could report any problems could be detrimental of the BANK benefit and to his/her department or authorized person according to his/her general knowledge. The main issues shall include: <ul style="list-style-type: none"> <li>▪ Non-compliance provisions of law and regulatory framework.</li> <li>▪ Non-adherence to internal policies and procedures of ACLEDA BANK.</li> <li>▪ Exploitation, stealing, deception or other commission.</li> <li>▪ Corruption, fraud or mismanagement, non-transparency, nepotism.</li> <li>▪ Behaviour that causes danger to health and safety to other people.</li> <li>▪ Improper or unethical behaviour.</li> <li>▪ Abuse authority, force or any forms of interruption and other harassment.</li> <li>▪ Criminal or other illegal activities, etc.</li> </ul>
4	<b>Environment Protection</b>	HQ-1757/24 Decision of Promulgation of Environmental, Social and Governance Policy.	<ul style="list-style-type: none"> <li>• The BANK will comply with the relevant environmental laws, regulations on environmental protection and natural resource management and other compulsory requirements applicable in each country in which we operate.</li> <li>• The BANK strive to minimize the negative footprints on the environmental and society through improving the practices of relevant framework and guidelines.</li> <li>• The BANK will not lend to, or otherwise provide financial services to clients who engage in activities harmful to the environment or which are listed in ACLEDA BANK's Exclusion List and/or other relevant policies.</li> <li>• The BANK works with regulatory agencies and advisers as necessary in the implementation of effective environmental policies, and, where no regulations exist, we will set our own guidelines according to internationally accepted best practice.</li> <li>• The BANK gives priority to the resource use efficiency and manage all generated waste and pollution from its operation activities.</li> <li>• The BANK gives priority to the renewable energy and energy efficiency sources by financing services.</li> <li>• The BANK will commit to minimizing energy uses and associated greenhouse gas emissions from the facilities and materials through efficient uses.</li> <li>• The BANK continues to introduce energy efficient systems into our buildings and to manage sensibly our energy requirements wherever we operate.</li> </ul>

No	Contents	Policies	Actions
5	<b>Community Interaction</b>	HQ-1757/24 Decision of Promulgation of Environmental, Social and Governance Policy.	<ul style="list-style-type: none"> <li>• ACLEDA BANK will honour the community and society in which we operate and actively work to promote an inclusive culture embracing not just shareholders and staff, customers and business partners but respect for the individual within our community.</li> <li>• ACLEDA BANK believes that the BANK can achieve this, by ensuring that our activities conform to the needs of the community and society in a sustainable manner by: <ul style="list-style-type: none"> <li>▪ Providing appropriate products and services carefully selected and developed for the particular needs of Cambodian society;</li> <li>▪ Increasing outreach: opening up banking services to new communities in new locations by expanding our network in the provinces and extending online banking services to mobilize savings;</li> <li>▪ Participate in programs to educate the public in financial matters so that they can manage their resources more effectively, improve their business skills and be better equipped to qualify for bank finance;</li> <li>▪ Provide internships and other forms of training to students to promote financial inclusion to a broader audience;</li> <li>▪ Maintain our focus on providing financial services to the lower segment of society to provide them with the wherewithal to improve the quality of their lives;</li> <li>▪ Promote career opportunities for women, within the reasonable constraints of the job requirements, so as to ensure an appropriate gender balance;</li> <li>▪ Take into account the special needs of the handicapped, be they employees, customers or members of the public, in designing our offices and other service facilities;</li> <li>▪ Ensure that the rights of minorities will be protected, be it in employment, access to banking services or providing services and supplies to the BANK;</li> <li>▪ Work with community groups, authorities and stakeholders to develop new products and services specifically tailored to their needs, and;</li> <li>▪ Selectively participate in charitable programs, where the aim is to 'help the people help themselves' or facilitate access to education, whether through direct financial support or 'pro-bono' community work.</li> </ul> </li> </ul>
6	<b>Creditors' Rights Protection</b>	<ul style="list-style-type: none"> <li>• Code of Conduct Policy</li> <li>• Corporate Disclosure Policy</li> </ul>	<ul style="list-style-type: none"> <li>• All staff members of the BANK shall pursue the highest standard of ethical conduct in the best interest of all stakeholders of the BANK.</li> <li>• The BANK ensures that Corporate Information is disclosed to all stakeholders including creditors.</li> </ul>
7	<b>Anti Corruption Program</b>	<ul style="list-style-type: none"> <li>• Collective Labor Agreement</li> <li>• Internal Regulation</li> <li>• Details of Misconducts</li> </ul>	Notice and train all employees related to Anti-corruption



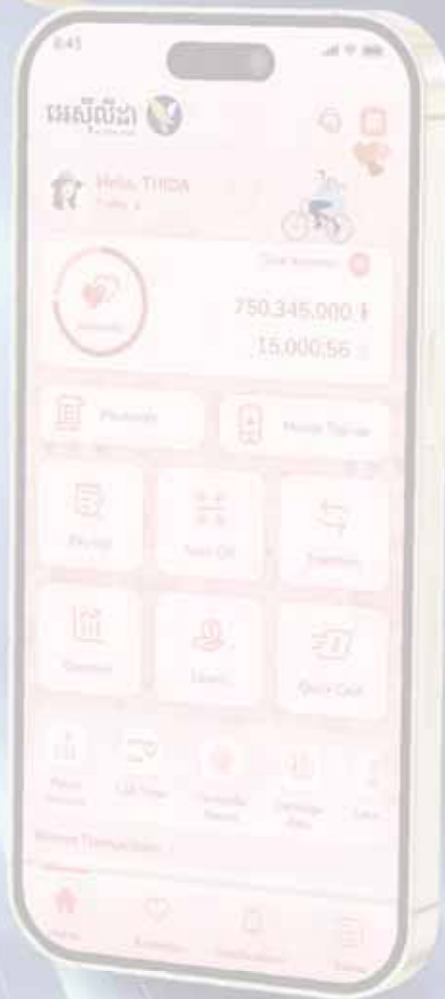
## B. CORPORATE SOCIAL RESPONSIBILITIES OF ACLEDA BANK 2024

No	Beneficiaries	Amount	Purposes
1	Cambodian Red Cross	<b>KHR 800,000,000</b>	Donation to the <b>Cambodian Red Cross</b> on their 160th anniversary of World Red Cross Day on May 8 2024.
2	Samdech Techo Voluntary Youth Doctor Association (TYDA)	<b>US\$ 150,000</b>	Donated US\$ 150,000 for the second year to the Samdech Techo Voluntary Youth Doctor Association (TYDA) to provide free health care services to Cambodian people nationwide on March 18, 2024.
3	Preah Srey Içanavarman Museum of Economy and Money (SOSORO)	<b>US\$ 3,000</b>	Donation to public schools students' visits to the Preah Srey Içanavarman Museum of Economy and Money (SOSORO), promoting the understanding of Cambodia's economic and monetary history on August 15, 2024.
4	National Day of Science, Technology, & Innovation	<b>US\$ 20,000</b>	Gold sponsor of the National Day of Science, Technology, & Innovation organized by the Ministry of Industry, Science, Technology & Innovation (STI) 2024 under the theme "SMEs go STI" on March 24-26, 2024 at Koh Pich Convention & Exhibition Center.
5	8th River Festival 2024	<b>US\$ 10,000</b>	Sponsor of the "8th River Festival 2024" under the theme "River for Peace and Development" organized by Ministry of Tourism on 15-16-17 March 2024 in Siem Reap Province.
6	Cambodian Children's Fund	<b>US\$ 5,000</b>	Sponsor to the Cambodian Children's Fund 20th Anniversary Celebration.
7	7th World Cleanup Day	<b>US\$ 3,000</b>	Sponsor of the 7th World Cleanup Day
8	Cycling for Cambodia Children from Cambodia to Europe	<b>US\$ 2,500</b>	Sponsor of the Cycling for Cambodia Children from Cambodia to Europe with Mr. Tiv Dararith (Travel with Rith)
9	RULE's Education Fair 2024	<b>US\$ 1,500</b>	Diamond sponsor of the RULE's Education Fair 2024.
10	Run Wild @ BeTreed. Run in the Wild - Run for the Wild at Phnom Tnout	<b>US\$ 400</b>	Sponsor of the Run Wild @ BeTreed. Run in the Wild - Run for the Wild at Phnom Tnout

# PART 6

## DISCLOSURE AND TRANSPARENCY

អេស៊ី ស៊ីតឺអេស-  
ចិនាតាខែរ  
AC SUPER APP



## A. IDENTIFY THE FOLLOWING INFORMATION IN THE ANNUAL REPORT:

No	Information	Yes/No
1	Visions/ Missions/ Objectives	Yes
2	Financial Indicator	Yes
3	Non-financial Indicator	Yes
4	Main Risk Factors	Yes
5	Dividend Policy	Yes
6	Biography of Directors	Yes
7	Training of Directors	Yes
8	Number of Board Meetings	Yes
9	Attendance of Directors in Board Meetings	Yes
10	Remuneration or Compensation for Directors and Senior Officers	Yes

## B. MECHANISM OF DISCLOSURE INCLUDING MEANS, PROCEDURES AND RESPONSIBLE PERSON IN CHARGE OF DISCLOSURE

The BANK has adopted a Corporate Disclosure Policy, which is outlined toward the determination of material information and to ensure that Corporate Information (timely disclosure, periodic report, special disclosure, requested disclosure and other related documents required by laws and regulations of the relevant regulators/ authorities) is disclosed to the relevant authorities, investors, customers, creditors, employees and the general public in a timely, accurate, complete, understandable, convenient and affordable manner. It shall be sent to the CSX and/or the SERC directly or through e-Disclosure system or e-mail or other electronic systems. The Corporate Information shall be submitted at the same time in Khmer and English. When it is deemed necessary in an urgent case, disclosure of information can be made verbally, by phone or electronic system and shall be immediately confirmed in writing. Beside Corporate Information to be disclosed to investors pursuant to this policy, the BANK may submit the document to the CSX and/or the SERC for internal use by stating that "NOT for Public Release". Nevertheless, the CSX or the SERC may review the document and request the BANK to release the information to the public if they consider it necessary in the interest of the investors.

After the Corporate Information releasing on CSX's website ([www.csx.com.kh](http://www.csx.com.kh)), the BANK releases such information through the BANK's website immediately ([www.acledabank.com.kh/kh/khm/investor-relation](http://www.acledabank.com.kh/kh/khm/investor-relation)).

In compliance with Prakas 007/18 K.M.K/BB.K. of the SERC, dated October 30th, 2018 on Corporate Disclosure, the BANK appointed and SERC also recognized the following Public Relation Officer, Disclosure Officer and Assistants of Disclosure Officer:

## Public Relation Officer

No	Name	Position
1	Mrs. Mar Amara	Senior Group Chief Financial Officer

## Disclosure Officer

No	Name	Position
1	Mrs. Buth Bunseyha	Senior Group Chief Legal Officer and Corporate Secretary

## Assistant of Disclosure Officer

No	Name	Position
1	Mr. Song Phannou	Deputy Head of Legal Division
2	Ms. Leang Chandara	Assistant Head of Corporate Secretary and Disclosure Division
3	Mr. Sor Sophea	Senior Corporate Disclosure Specialist
4	Mr. Then Pov	Corporate Disclosure Specialist
5	Ms. Voeun Sreyroth	Senior Staff of Corporate Disclosure Unit

## C. INVESTOR RELATIONS

### 1. Demonstrate Mechanisms and Procedures for Investor Relations

We acknowledge the importance of maintaining communication with our shareholders and investors through channels like Periodic Report including annual reports and quarterly reports. Timely Disclosure including press releases and announcements etc. Our quarterly and annual reports contain details of financial and other information about the Group's activities. We welcome enquiries about the Group's activities and will handle them in a timely manner.

ACLEDA Bank has a wide range of networks to communicate with its customers as well as investors, including website, emails, phone calls, face-to-face meetings and invitations shareholders to shareholders' general meeting.

### 2. Briefly Describe Investor Relations for the Last Year

ACLEDA Bank is the first commercial bank listed its shares on the Cambodia Securities Exchange on 25 May 2020, attracting a lot of interest from the public, local and foreign investors. During 2024, ACLEDA Bank has received and answered questions from the public, investors and invited shareholders to attend the 24<sup>th</sup> Annual General Shareholders Meeting which was held on 25 April 2024 and Extraordinary General Shareholders Meeting which was held 2 times on 07 February 2024 and 31 October 2024.

## D. SUSTAINABILITY REPORT

Please refer to the annex for Sustainability Report 2024.

# ANNUAL REPORT APPENDIX FOR ACLEDA BANK

## SUSTAINABILITY REPORT 2024

# ផលិតផលឌីជីថល AC Super App

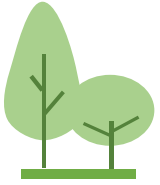




# SUSTAINABILITY REPORT 2024



Together For  
Sustainable Growth



## Our Core Value

**A**CLEDA BANK PLC. is a Cambodian Bank, operating in CLM countries (Cambodia, Laos, and Myanmar) that commits and maintains its core values with financial soundness, safety, competence, integrity, accountability, transparency, honesty, purity and empathy. These values are clearly defined in the meaning of the letter in Khmer-English “**អ-A, ស-C, ល-L, ដ-D (អេស៊ីលីដា-ACLEDA)**”.



# A

### Affinity and Empathy

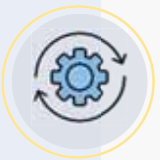
Affinity and Empathy: focusing on conducting satisfying and transparent manner to all stakeholders including employees, customers, partners and the publics.



# C

### Customer Experience with Integrity & Loyalty

Customer experience with Integrity and Loyalty: focusing on delivering service to customer-public with integrity and professional ethic.



# L

### Leverage Quick & Efficiency

Leverage Quick & Efficiency: focusing on fast, satisfying service, providing high confidence to customer-public with efficiency and effectiveness.



# D

### Developing

Developing: focusing on secured and innovative product-services with superiority and prosperity.

## Our Vision

To be Cambodia's leading and the most trusted commercial bank serving all segments of the community.

## Our Mission

Our mission is to provide our customers with secured and innovative products and services to manage their financial resources efficiently. At all times, we observe the highest principles of ethical behaviour, respect for society, the law and environment. By doing so, we aim to contribute to improving the quality of lives, ensuring a sustainable and growing benefits to our stakeholders, and to support the socio-economic development of the society as a whole.

## Our Slogan

**ACLEDA Mobile's Slogan:**

The Bank in your hand!

**The Bank's Slogan:**

The Bank you can trust, the Bank for the people!





# CONTENTS

## 05

### MESSAGE FROM PRESIDENT & GROUP MANAGING DIRECTOR

## 06

### ABOUT ACLEDA BANK PLC.

- 07 General Information
- 08 Financial Highlights
- 09 Organizational Structure
- 10 Products & Services
- 11 Service Network

## 12

### OUR SUSTAINABILITY

- 13 Sustainability Strategy
- 16 Awards and Recognition
- 18 ESG Governance
- 19 ESG Targets and Performances
- 21 Stakeholders
- 22 Materiality Assessment

## 27

### ENVIRONMENTAL

- 28 Environment & Climate Change Risk
- 36 Our Environmental Performance

## 42

### SOCIAL

- 43 Customer Protection
- 47 Financial Inclusion and Literacy
- 52 Community Participation and Social Engagement
- 58 Human Resources Development
- 61 Employment Practice
- 64 Our Social Performance

## 67

### GOVERNANCE

- 68 Governance & Business Ethics
- 71 Data Security & Customer Privacy
- 74 Risk Management

### APPENDICES

- 78 About This Report
- 80 Mapping to SERC's Sustainability Disclosure
- 82 Mapping to UN-SDGs



## MESSAGE FROM PRESIDENT & GROUP MANAGING DIRECTOR

### Our strong commitment to sustainability and ESG



As stakeholders are increasingly valuing businesses' overall performance across key environmental, social, and governance (ESG) topics, moving toward low carbon and climate resilience future is one of the sustainability topic that has widely discussed around the world.

As a responsible institution, our sustainability efforts extend beyond environmental initiatives to encompass social responsibility and ethical business practices. The BANK will advance our sustainability by adhering and promoting environment protection, customer protection, financial inclusion and literacy, community participation and social engagement, human resource development, employment practices, good governance and business ethics, data security and customer privacy, and risk management etc. Moreover, the BANK will continue fostering a culture of transparency, diversity, and inclusion within our organization, ensuring that our employees and customers are at the heart of everything we do.

In line with our sustainability strategy, in 2024, ACLEDA BANK maintained our efforts to improve every aspect. The BANK is deeply committed to environmental protection by actively promoting environmental awareness among our employees and the public through our training programs, integrating environmental social and governance factors into our credit assessment process to encourage businesses to adopt sustainable practices. Meanwhile, the BANK actively promoted financial inclusion, prioritized the well-being of our employees and fostered a culture of equality. Moreover, the BANK continues to strengthen and develop innovative and secure digital banking services to safeguard customer information and ensure sustainable growth for our stakeholders and to support the socio-economic development of society as a whole. The BANK remains committed to listening to all stakeholders' feedback, engaging with our communities, and driving positive change through responsible banking practices. Through our commitments, actions, and partnerships, we aim to align our business practice with the sustainable development goals to address challenges and create a more sustainable future for all. Together, we can build a more sustainable and resilient future.

**Dr. In Channy**  
President & Group Managing Director  
ACLEDA BANK PLC.



# ABOUT ACLEDA BANK PLC.





## GENERAL INFORMATION

ACLEDA BANK is a commercial bank and first listed bank in Cambodia Securities Exchange that has the largest branch and office networks for offering a wide range of financial products and services to the customer such as credits, deposits, funds transfers, cash management, trade finance, ACLEDA card, credit and debit card, and digital services including internet banking, ACLEDA mobile Super App (mobile banking app), e-commerce payment gateway, ACLEDA ATM/POS, and term deposit machine. Currently, it has 4 subsidiaries: (1) ACLEDA Bank Lao Ltd., (2) ACLEDA MFI Myanmar Co., Ltd., (3) ACLEDA Securities Plc., and (4) ACLEDA University of Business and 1 representative office in Myanmar.

ACLEDA BANK has 6 shareholders who hold at least 5% or more shares of outstanding equity securities including: (1) AFT, (2) SMBC, (3) COFIBRED (4) ORIX Corporation (5) Public Shareholders and (6) Shareholders Legalized from ASA, Plc.

As of December 2024, ACLEDA BANK has 265 branches covering all provinces and cities in the kingdom of Cambodia, 37 branches in Lao PDR and 17 branches in the Republic of the Union of Myanmar.

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



## FINANCIAL HIGHLIGHTS

Units in US\$ '000	31/12/21 Audited	31/12/22 Audited	31/12/23 Audited	31/12/24 Audited
<b>Consolidated Financial Highlights (CIFRS)</b>				
Assets	7,855,252	9,031,163	9,744,040	10,833,832
Loans and Advances (net)	5,393,954	6,379,406	6,601,665	7,023,164
Liabilities	6,650,217	7,714,515	8,362,020	9,343,665
Deposits	5,716,020	6,388,991	7,227,813	8,359,056
Share Capital	433,163	433,163	433,163	433,163
Shareholders' Equity <sup>1</sup>	1,199,042	1,310,588	1,375,999	1,484,034
Gross Income	636,698	743,831	828,008	865,249
Profit Before Income Tax	204,753	228,308	184,238	153,745
Net Profit After Tax <sup>2</sup>	166,913	181,738	148,055	121,195
Earnings Per Share	0.39	0.42	0.34	0.28
Dividend Per Share	548.6405¢	685.8985¢	140.4795¢	-

### Financial Highlights (CIFRS)

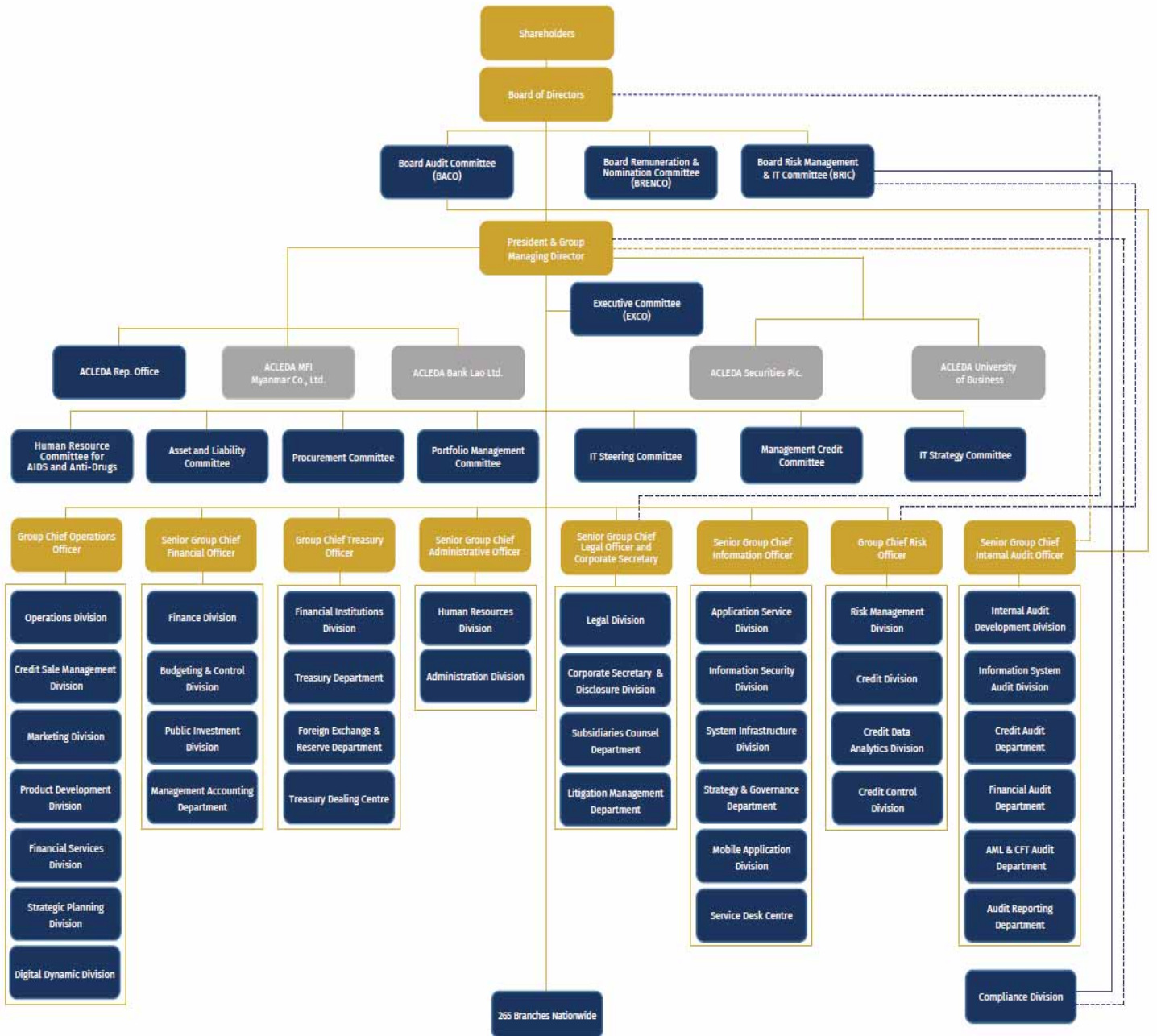
Assets	7,695,163	8,918,446	9,605,647	10,676,725
Loans and Advances (net)	5,232,059	6,246,269	6,457,043	6,861,826
Liabilities	6,486,071	7,587,359	8,213,001	9,186,448
Deposits	5,582,534	6,280,045	7,101,695	8,218,026
Share Capital	433,163	433,163	433,163	433,163
Shareholders' Equity	1,209,092	1,331,086	1,392,646	1,490,278
Gross Income	594,625	705,214	792,125	829,292
Profit Before Income Tax	201,662	217,423	172,202	145,572
Net Profit After Tax	162,085	173,406	138,139	115,933

Remark:

- 1 & 2 Exclude Non-controlling interests



# ORGANIZATIONAL STRUCTURE





# PRODUCTS AND SERVICES



## Credit

- Small-Sized Enterprise Loan
- Medium-Sized Enterprise and Corporate Loan
- Overdraft
- Revolving Credit Line
- Trade Finance Facility
- Bank Guarantee Facility
- Green, Social, Sustainability and Sustainability-Linked Loan
- Personal Loan
- Car Loan
- Motorbike Loan
- Student Loan
- Housing Loan
- Home Improvement
- Financial Lease

## Deposits

- Savings Account
- Demand Deposit Account
- Current Account
- Term Deposit
- Euro Flex Account
- Securities Account
- Monk Account and Pagoda Fund Account
- Future Kid Account

## Trade Finance

- Documentary Collection
- Letter of Credit (L/C)
- Bank Guarantee

## Fund Transfers

- Local Funds Transfers
- International Funds Transfers via SWIFT
- International Funds Transfers via Western Union
- International Funds Transfers via MoneyGram
- International Funds Transfers via Thune
- International Funds Transfers via Ria Money Transfer
- International Funds Transfers via Overseas Partners

## Cards

- Consumer Card
- ACLEDA Card
- VISA Debit/Credit Card
- Master Debit/ Credit Card
- Master Lady Debit/Credit Card
- JCB Debit Card
- UPI Debit Card

## Cash Management

- Bank Confirmation
- Cashier's Check
- Payroll Service
- Cash Collection Service
- Supplier Payment
- Cash Consolidation Accounts
- Standing Order / Direct Debit
- Foreign/Traveller Cheque Purchasing
- Tax Payment Service
- Forward Exchange Contract
- Bulk/Package Payment Service
- Foreign Exchange

## Digital Services

- ACLEDA Internet Bank
- ACLEDA Mobile (Super App)
- ACLEDA E-Commerce
- ACLEDA ATM
- ACLEDA POS
- Term Deposit Machine
- Virtual Teller Machine
- Pay Band
- Smart Pay
- Virtual Card
- Top Up Service
- Bill Payment
- Bank Service Order via Email/Fax
- Message Alert on Account Information.

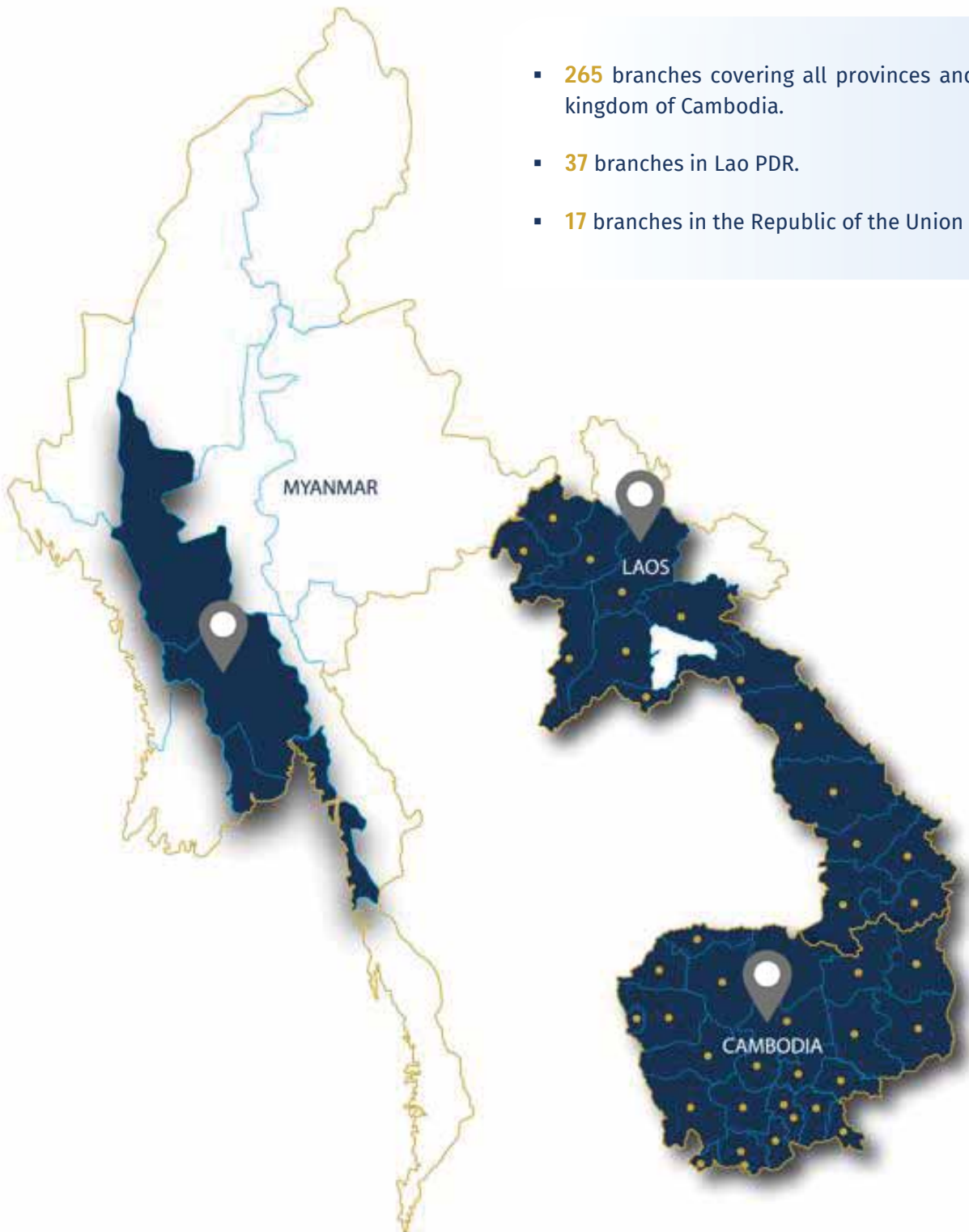
## Other Services

- Securities & Trust Services
- Corporate Agent Life Insurance
- Financial Health Check



## SERVICE NETWORK

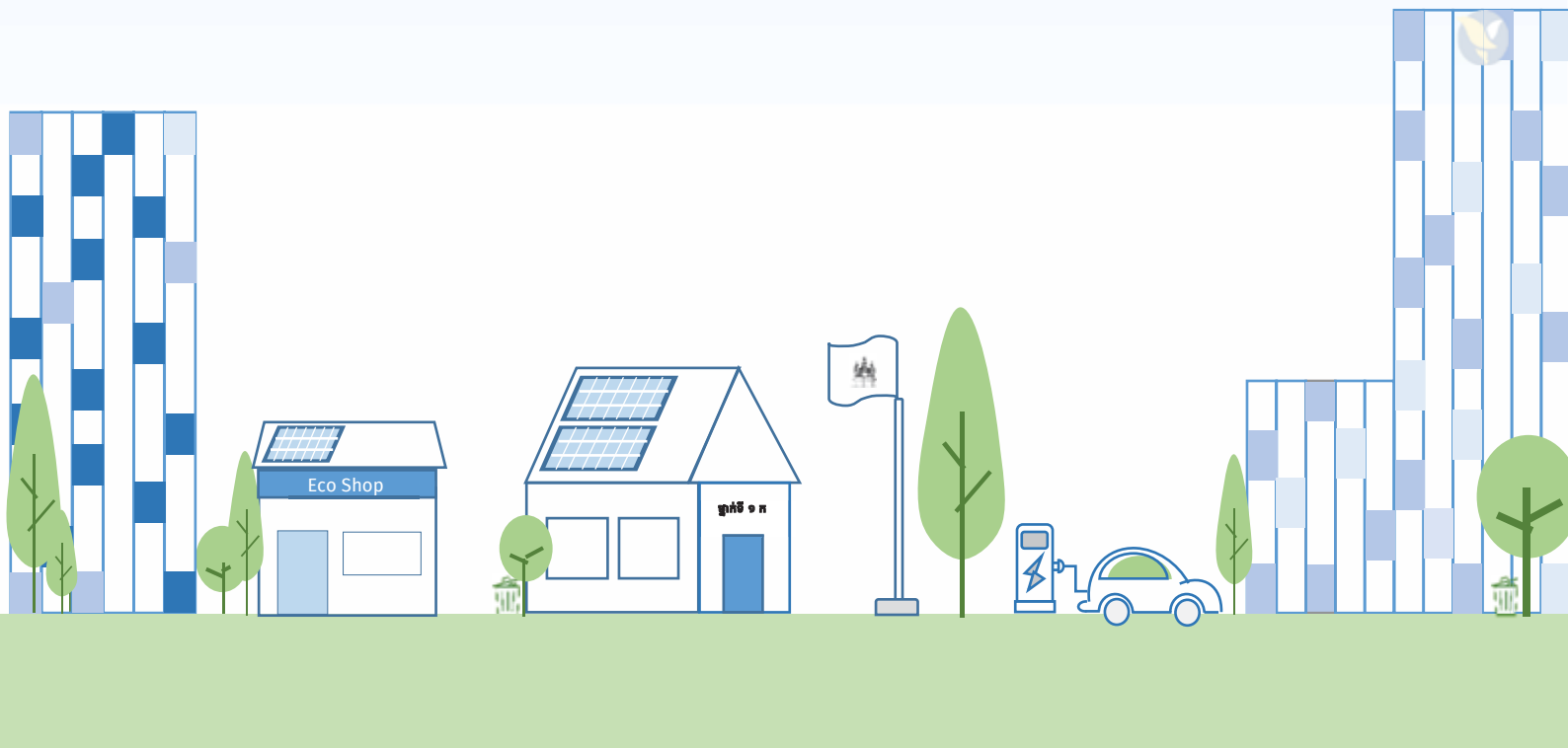
- **265** branches covering all provinces and cities in the kingdom of Cambodia.
- **37** branches in Lao PDR.
- **17** branches in the Republic of the Union of Myanmar.







# OUR SUSTAINABILITY





# SUSTAINABILITY STRATEGY

ACLEDA BANK focuses on achieving strong and sustainable financial returns while respecting environmental protection, social responsibility, and robust governance. To achieve this objective, the BANK will reduce the environmental footprints; adhere to the highest principles of ethical behavior, the society and law; and strive to provide innovative, secure, and sustainable financial products to all segments of the community aiming toward sustainable development goals.

The BANK address sustainable development by incorporating all 17 goals of the United Nations' Sustainable Development Goals (SDGs) into our operations. This includes focusing on internal corporate governance, transparency practices, financial business activities, creating shared value, and development of digital infrastructure.

## The United Nations

### Sustainable Development Goals (SDGs)



The UN-SDGs are a set of 17 goals that were adopted by all United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. ACLEDA BANK strives to align the strategy and reporting with the United Nation's Sustainable Development Goals (SDGs) and also Cambodia Sustainable Development Goals (CSDGs).

The BANK acknowledges that the incorporation of the SDGs would serve as a guide for creating a more inclusive, prosperous, and environmentally sustainable world for both present and future generations.



Committed to minimize the negative environmental and climate change impacts from our operations and its associated partners' performance in order to support and pursue sustainable development goals.

Committed to promote an inclusive culture embracing not just only shareholders and staffs, customers and business partners but also respect for the individual within our community.

Committed to integrity and fair dealing in all business activities in compliance with applicable laws and regulations and upholds the highest standard of corporate governance.

### Sustainability Strategic Actions

- Reduce carbon footprint in our operation to align with the Cambodia long-term strategies in carbon neutrality.
- Encourage all level of employee to participate in activities that help reduce the impact on environment and climate change.
- Provide training and encourage all level of employee to participate in activities that help reduce the impact on environment and climate change.
- Respect human rights, diversity and gender equality.
- Provide a place to work with a good environment and hygiene.
- Fair labor workforce.
- Provide financial inclusion and literacy to all segments of the community.
- Adhere to the code of conduct on lending guidelines.
- Avoid any activities that may lead to socially sensitive behavior and violate the regulation limit.
- Adhere to the best governance structure in business operations.
- Zero tolerance to any form of corruptions.
- Prioritize in digital transformation to enhance customer conveniences way in managing their banking needs, and reduce the cost of transaction.
- Protect customer assets & privacy with first class IT and security.
- Integrate ESG factor in business process.
- Transparent in disclosing both our financial and sustainability performance.



## Our Sustainability Journey





# AWARDS AND RECOGNITIONS

## CREDIT INDICATORS



The rating outlook reflects the strength of the business network operations of ACLEDA BANK by maintaining sustainable development.



The Smart Campaign recognized ACLEDA BANK PLC. as Client Protection Certified for meeting strong standards of client care.



## AWARDS & RECOGNITIONS



ACLEDA BANK is appreciated and recognized as the trusted partner of Data Security and Data Privacy from Control Case, a global provider of certification, cybersecurity, and continuous compliance services.



ACLEDA BANK received Certificate of Compliance for Payment Card Industry Data Security Standard (PCI DSS), recognized globally.



The two-year "GOLD" Certificate of Tax Compliance for the tax year of 2024 and 2025 from the General Department of Taxation,



Certificate for supporting of the 7<sup>th</sup> World Cleanup Day,



Certificate of Appreciation from the Ministry of Environment to ACLEDA BANK for supporting their program "7th World Cleanup Day"



International Security Standards Certificate ISO/IEC 27701:2019 and International Security Standards Certificate ISO/IEC 27001:2022



The Best Corporate Governance Award 2024 from Securities and Exchange Regulator of Cambodia



## ESG GOVERNANCE

ACLEDA BANK recognizes the critical importance of corporate governance in supporting the BANK's sustainable growth, enhancing the efficiency of the BANK, creating shareholder value, and securing trust for all stakeholders including shareholders, customers, staff, and the public. ACLEDA BANK is fully committed to integrity and fair dealing in all its business activities in compliance with applicable laws and regulations, and upholds the highest standard of corporate governance. An effective corporate governance structure ensure that the Board of Directors and its management (i) pursue objectives that are in the best interest of the BANK as a whole; (ii) act in an effective, transparent and accountable manner; (iii) ensure consistent and clear policies and procedures; (iv) conduct its role, responsibility and authority throughout the BANK in compliance with applicable laws and regulations; (v) establish mechanism to protect rights of minority shareholders; and (vi) undertake monitoring and assessment system. The Board of Director supports and encourages the adoption and implementation of good corporate governance policies, together with a code of conduct and business ethics. Moreover, the Board of Directors is responsible for determining the strategy of the BANK and supervising the conduct of its business and affairs. In addition, the Board members shall act in the best interests of the BANK. As proven of our responsibility towards the environment, society and governance, ACLEDA BANK's structure, policies and management with respect to ESG practices and climate-related risks and opportunities have been set up as part of the sustainability operational processes, as follows:

### Board of Directors

The Board of Directors approves business strategies, targets and policies that cover sustainable development operations. The Board of Directors also approves the risk management policies and frameworks as well as determine and oversee the management and monitoring of the BANK's material ESG factors and scopes that involve with opportunities and risks related to environmental, social and governance as well as the impact of climate-related risks. In addition, they also review and approve relevant disclosure.

### Board Risk Management and IT Committee (BRIC)

The Board Risk Management and IT Committee (BRIC) is accountable for monitoring the BANK's risk profile against the risk appetite and advises the Board on risk related matters, particularly review the potential risks in light of the high standards as set by the Board of Directors on the Environmental, Social, and Governance (ESG) aspects and climate-related risks. The committee hold the meeting quarterly to discuss the relevant risk & opportunities embedded in the daily operation.

### Executive Management Committee (EXCO)

The Executive Management Committee (EXCO) is responsible for recommending objectives and strategy for the group in the development of its business regarding the interests of its shareholders, customers, employees, and other stakeholders. Moreover, EXCO is responsible for ensuring the control, coordination, and monitoring within the group of risks and the provision of adequate management development within business divisions. In addition, they also oversee the management and monitoring of risk factors related to the environmental, social, and governance according to each business function.

### Management Credit Committee (MCC)

The Management Credit Committee has overall responsibility of the credit process, monitor that credit policies, credit operating manuals, procedures, or instructions are in place, up to date, appropriate to the business and consistent sound lending practice. Moreover, they also monitor portfolio quality, identify adverse trend to ensure that the BANK's portfolio has been align with sustainability plan well within the lending target and compliance with the regulatory framework as well as monitor problem exposures and take appropriate action.



# ESG TARGETS AND PERFORMANCES



## Our Commitments

## Targets 2025

## Performance in 2024

### Climate & Environmental

Reduction of GHG emission scope 1 & 2

4% reduction of GHG emission from 2023 (baseline Year)

Total GHG emission in 2024:

- Scope 1: 3,131 tCO2e
- Scope 2: 21,858 tCO2e

### Social

Human Resources development and training

Increase training hour to all employee to 30 hours/ employee

Total training hours to all employee in 2024 was 28 hours/ employee

Honoring work place diversity

Increase number of woman workforce (Senior, Middle and First Line Management)

In 2024, woman workforce (Senior, Middle and First Line Management) was 792 employee





Expand of access to financial products and services	Expansion of service points through banking self-services areas	88 self-service banking areas
Promoting the community Participation/donation	Increase number of CSR activities	Participated in 47 CSR activities








### Governance

Ensuring that business operations are conducted fairness, no corruption, and following sound corporate governance practices	No any material issue finding or warning by regulators	No any material issue finding or warning by regulators
Maintain customer satisfaction by keep updating the financial innovation to meet customer needs	Promote the use of digital banking service	As of December 2024, ACLEDA Mobile (Super App) has 4.22 million users
Awareness building on cyber threat and data protection	100% of employees completed cybersecurity and data protection training	100% of employees completed training on information technology security and data protection



# STAKEHOLDERS

The BANK recognizes the important role of our stakeholders in providing support us. The BANK actively engage and carefully listen the comment and feedback from our stakeholders. We identified our stakeholders based on their relationships and potential impact on our operations. We believe that concrete relationships and cooperation with our stakeholders are critical for creating and preserving shared values and interests. Our stakeholders are including:

Key Stakeholder	Channel Engagement
 <p>Shareholders</p>	<p>Annual general meeting, annual report, sustainability report, ACLEDA BANK website and social media.</p>
 <p>Board of Directors</p>	<p>Meeting discussion, annual report, sustainability report, ACLEDA BANK website and social media.</p>
 <p>Employees</p>	<p>Internal communication channels, including email, video communication, face-to-face conversations between managers and team, regular team meeting, training and workshop.</p>
 <p>Customers</p>	<p>Meetings (both formal and informal), surveys, website, social media page, call center, annual report, sustainability report.</p>
 <p>Business Partners/Suppliers</p>	<p>Meetings (both formal and informal), surveys, and joint agreements.</p>
 <p>Communities</p>	<p>Direct engagement within the communities in which we operate, through collaborations, partnerships, voluntaries, donations activities.</p>
 <p>Regulators</p>	<p>Meetings, consultation and engagement, annual report.</p>

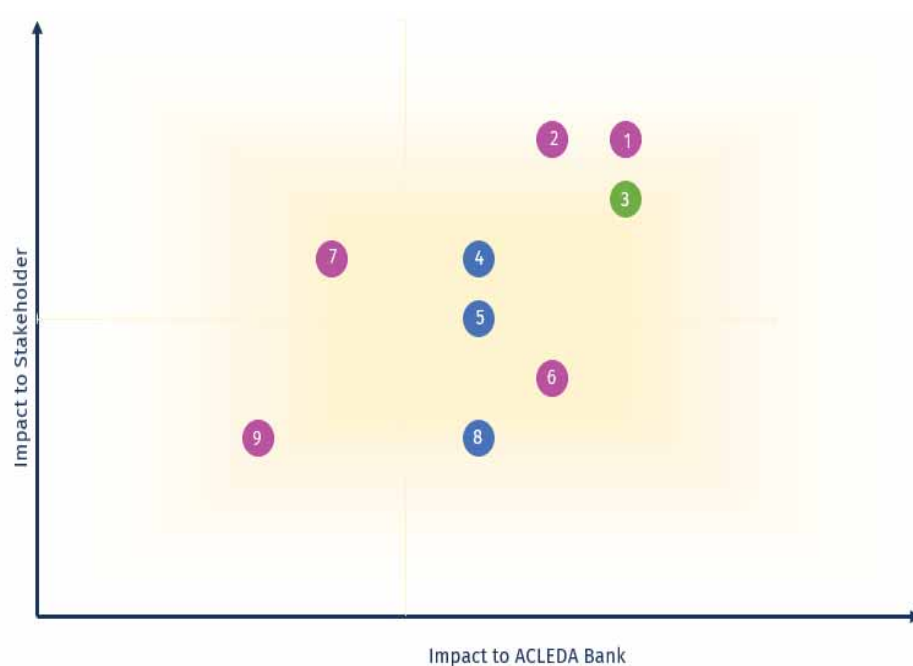


# MATERIALITY ASSESSMENT

A materiality assessment is a structured way to identify and prioritize the environmental, social, and governance (ESG) issues in which stakeholders care about, as well as what is important to the business. As part of our sustainability review, we have simplified our material ESG factors in order to ensure consistent and effective approach. We streamlined certain criteria that have comparable sustainability contexts and rename key aspects to better align with the BANK's strategic goals.

As a result, nine materiality risk factors were identified, addressed, and prioritized based on their importance and effects on the operation of the Group and the BANK. Consequently, this report describes the Group and the BANK's performance in relation to the risk factors that have been identified with the goal to respond to the stakeholders' expectations regarding sustainability and climate-related issues.

The following is the material topics derived from the material matrix that reflect the Group and the BANK's current strategies, direction, and prioritization in integrating environmental, social, and governance considerations into business operations:



## Material Issues

1. Customer Protection
2. Financial Inclusion & Literacy
3. Environment/Climate Change Risk
4. Data Security and Customer Privacy
5. Governance & Business Ethics
6. Human Resources Development
7. Community Participation and Social Engagement
8. Risk Management
9. Employment Practice

- Environmental
- Social
- Governance



## Change of Materiality Issues

In 2024, the materiality issues have been updated from the previous year as below:

Materiality Issues 2023	Materiality Issues 2024	Rational
<b>Update Name</b>		
<ul style="list-style-type: none"> <li>Climate Change Risk</li> </ul>	<ul style="list-style-type: none"> <li>Environment &amp; Climate Change Risk</li> </ul>	To improve clarity and refine the certain materiality topic to reflect more accurate and transparent.
<ul style="list-style-type: none"> <li>Responsible lending &amp; ESG Integration</li> </ul>	<ul style="list-style-type: none"> <li>Customer Protection</li> </ul>	
<b>Grouping</b>		
<ul style="list-style-type: none"> <li>Corporate Governance &amp; Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Governance &amp; Business Ethics</li> </ul>	To group the issue that are similar and relevance
<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>		
<ul style="list-style-type: none"> <li>Product Development and Digital Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Financial Inclusion and Literacy</li> </ul>	
<ul style="list-style-type: none"> <li>Financial Inclusion and Literacy</li> </ul>		
<ul style="list-style-type: none"> <li>Fair Labour Practice</li> </ul>		
<ul style="list-style-type: none"> <li>Safety and Working Environment</li> </ul>	<ul style="list-style-type: none"> <li>Employment Practice</li> </ul>	



## Material Assessment Process

### 1 Identification

- Review and identify material topics that may affect our strategy implementation. Through data collection, and benchmark from national and international sustainability standards, material related topics are identified.
- The UN SDGs also assess to evaluate how significant each of the 17 SDGs within the consolidated and entity level.
- From this, we identified ESG factors and trends that are relevant to both the group and the BANK.

### 2 Prioritization

- Information obtained from the data collected and benchmarks from national and international is reviewed and prioritized by considering the materiality impact.

### 3 Integration




















- Issues that are material to value creation into our strategy were reviewed by senior management and responsible division. The final results are used as the basic information for the development of the sustainability action plan and the sustainability report 2024.

### 4 Report

- Disclose the voluntary information follow the content in the sustainability report.






## Detail materiality assessment factors

Material Factors	Stakeholders	ACLEDA BANK's Strategic Plan	Contributed to the UN SDGs
<b>Environmental Aspect</b>			
Environment/Climate Change Risk	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Customers</li> <li>Employees</li> <li>Business Partners/Suppliers</li> <li>Regulators</li> </ul>	<ul style="list-style-type: none"> <li>Identify and manage our risks and opportunities in response to the impacts of environment/ climate change.</li> <li>Reduce carbon footprint in the BANK's operations.</li> <li>Collaborate with stakeholders to manage climate risk.</li> <li>Raise awareness regarding environment/climate change.</li> </ul>	   
<b>Social Aspect</b>			
Customer Protection	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Customers</li> <li>Business Partners/Suppliers</li> <li>Employees</li> <li>Regulators</li> <li>Communities</li> </ul>	<ul style="list-style-type: none"> <li>Adhere BFIs code of conduct.</li> <li>Integrate ESG into credit process.</li> <li>Enhance on ESMS implementation.</li> <li>Train staff to identify and support sustainable finance.</li> <li>Adopt ethical lending practice.</li> <li>Ensure quick response and effective resolution for customer.</li> </ul>	   
Financial Inclusion and Literacy	<ul style="list-style-type: none"> <li>Customers</li> <li>Communities</li> <li>Regulators</li> <li>Shareholders</li> <li>Employees</li> <li>Business Partners/Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Make banking product and services more accessible and inclusive to all segment in the community.</li> <li>Focus on digital marketing by offer educational resources to raise awareness about digital banking, and provided incentives to enhance the customer experience with digital services and products, retain their loyalty, and improve their financial literacy.</li> <li>Innovating and transforming digital banking products to meet customers' demand.</li> </ul>	       
Community Participation and Social Engagement	<ul style="list-style-type: none"> <li>Employees</li> <li>Communities</li> </ul>	<ul style="list-style-type: none"> <li>Encourage social and community participation through voluntary activities.</li> </ul>	  



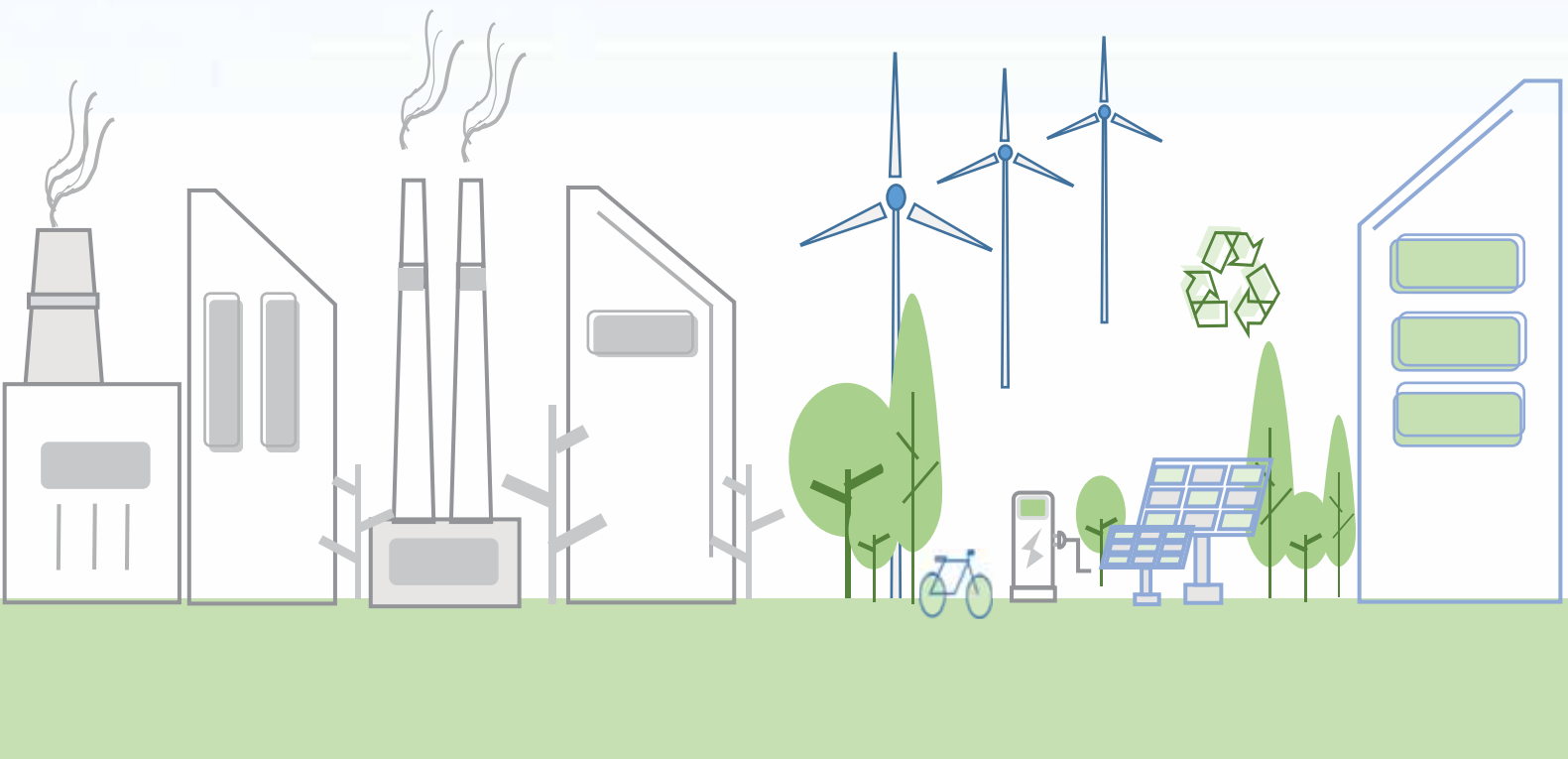
<p>Human Resources Development</p>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Board of Directors</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen capacity via training and career development.</li> <li>Reskilling and upskilling to be digital savy.</li> </ul>	
<p>Employment Practice</p>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Board of Directors</li> <li>Employees</li> <li>Regulators</li> </ul>	<ul style="list-style-type: none"> <li>Ensure fair treating to all employee.</li> <li>Ensure equal opportunity to all employee through diverse backgrounds, age, genders.</li> <li>Ensure healthy, safety workplace and environmental around and well-being for all employees.</li> </ul>	     

**Governance Aspect**

<p>Governance &amp; Business Ethics</p>	<ul style="list-style-type: none"> <li>Shareholders,</li> <li>Board of Directors</li> <li>Customers</li> <li>Employees</li> <li>Business Partners/Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Maintain highest standards of governance and risk culture.</li> <li>Adopt zero tolerance to bribery and corruption.</li> <li>Always comply with banking regulation and supervision and on time reporting.</li> <li>Build and maintain an ethical culture of integrity, transparency and accountability.</li> <li>Train to avoid misconduct.</li> </ul>	
<p>Data Security and Customer Privacy</p>	<ul style="list-style-type: none"> <li>Shareholders,</li> <li>Board of Directors</li> <li>Customers</li> <li>Employees</li> <li>Business Partners</li> <li>Regulators</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen internal capacity to protect customer data and privacy.</li> <li>Build first-class IT services to support the bank business.</li> </ul>	
<p>Risk Management</p>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Board of Directos</li> <li>Customers</li> <li>Employees</li> <li>Business Partners/Supplier</li> <li>Regulators</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen internal capacity to identify and management risk,</li> <li>Maintain strong risk managemeent governance and transparency.</li> </ul>	



# ENVIRONMENTAL







## ENVIRONMENT & CLIMATE CHANGE RISK

Environmental challenges and the deterioration of natural resources are global concerns that impact all countries, particularly is a significant issue since it causes natural disasters and has a direct impact on economic development, business, ecosystems, biodiversity, and human health. As a responsible banking institution, we address the emerging environmental and climate issues and pledge ourselves to environmental management and promote positive environmental impact within our operation.

The BANK recognizes its own roles and responsibilities to protect and prosper the planet and acknowledges that the risks of climate change could pose a direct and indirect impact to the BANK's business operations and the country's economy as whole. As a responsible BANK that takes environmental, social and governance issues into account, ACLEDA BANK is constantly developing indicators for measuring and reporting our performance and impacts on society and the environment.

The BANK is striving to reduce the greenhouse gas (GHG) emissions that are associated with our operations, while puts in place environmental and climate change management approach as follow:

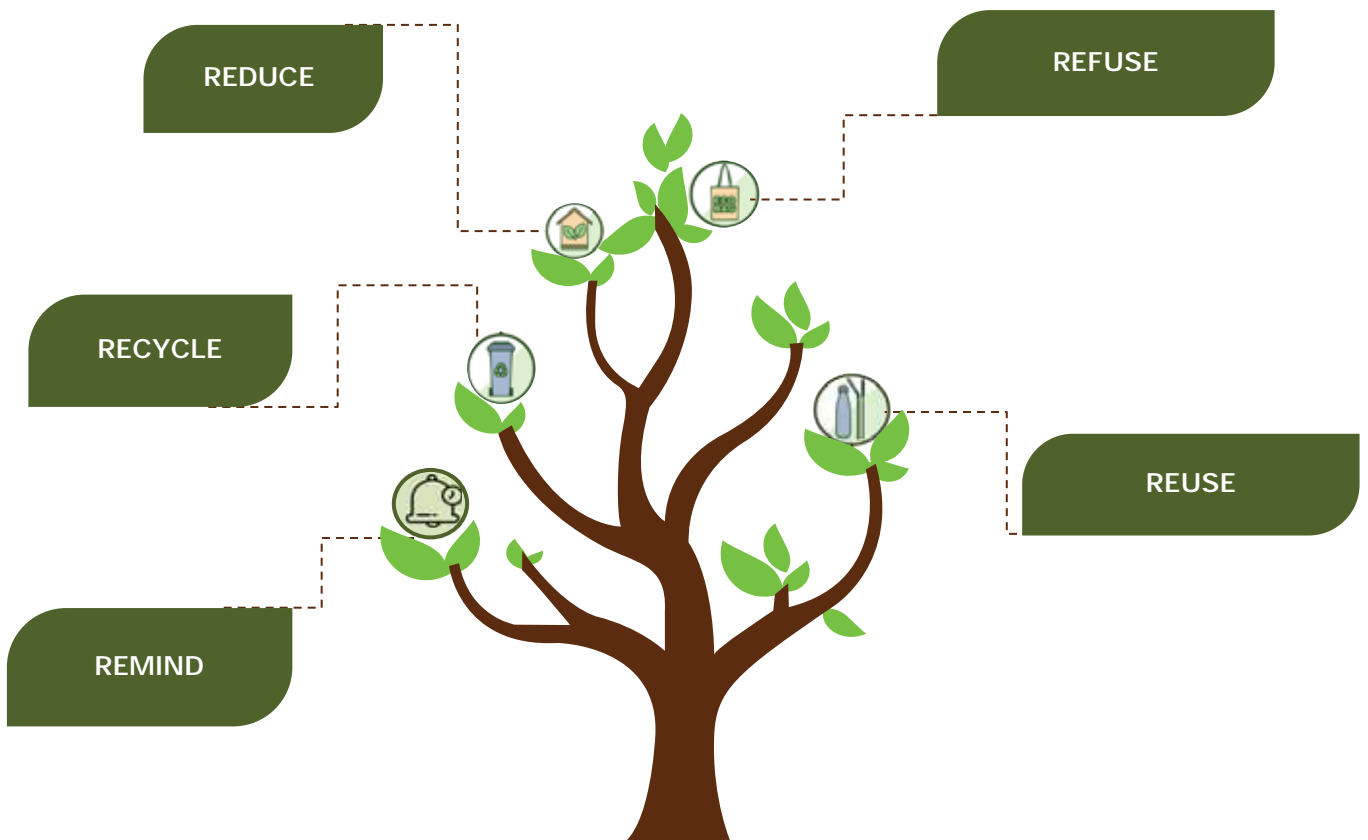
- ACLEDA BANK put in place the environmental, social and governance policy, environmental and social operating manual and procedure as framework and guideline for operating in a sustainable manner so that our impact on the environment, society and governance in which we operate is managed in a responsible way.
- The BANK put in place the Environmental and Social Management System (ESMS) and governance structure, policy, operating manuals, procedures and internal capacity resources to identify, manage, monitor and solve environmental risks posed by project/business operation being financed by the BANK.
- The BANK put in place exclusion, which is a list of prohibited business activities that are important to assess clients' business activities on their impact on the environment.
- The BANK join as member of the Sustainable Finance Committee of the Association of Banks in Cambodia and a voluntary bank that adopted the Cambodia Sustainable Finance Principles (CSFPs).
- The BANK integrates Cambodia Sustainable Finance Principles and its implementation guidelines into our sustainable finance approaches, practices, and decision-making processes.
- The BANK encourages the use of environmentally friendly and renewable energy sources.
- The BANK encourages green business by providing loans or financing, as part of promoting sustainable finance as well as managing climate change.
- The BANK has pledged to reduce greenhouse gas (GHG) emissions in accordance with the country's goals. Additionally, the BANK extended its greenhouse gas (GHG) data collection by including our subsidiaries.
- The BANK strives to reduce our environmental footprints by promoting working processes and operations that reduce carbon emissions, such as digitalization which uses less resources and leaves fewer environmental footprints, including video conferences, digital approval, sensor equipment etc.
- The BANK set out environment indicators as an essential tool for tracking our environmental performance.



- The BANK encourages all employees to participate in the implementation of the 5R principles “Refuse”, “Reduce”, “Reuse”, “Recycle”, and “Remind” of the Ministry of Environment aims to optimize the reduction of plastic pollution.
- The BANK promotes awareness on appropriate electricity consumption, such as turning on and off lights, air conditioners, and other electrical appliances based on operational time.
- In addition to our effort to lower environmental impacts and GHG emissions, ACLEDA Mobile, with its rich feature and convenient for customers to use also contributes in reducing customer travel to the BANK's offices as well as less paper usage.
- The BANK continues to engage with our regulators, shareholders, clients and communities in order to build trust, and meet regulatory requirements.



### 5R To Reduce Plastic Waste





## Building Climate Resilience

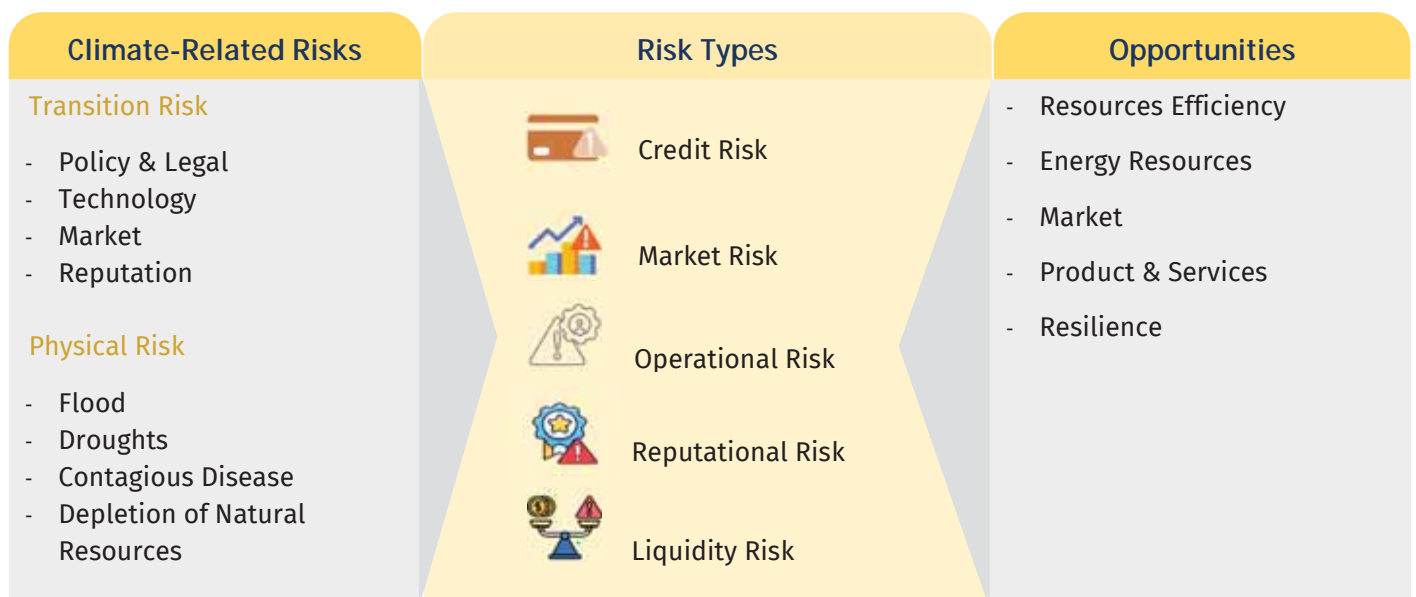
ACLEDA BANK recognizes that its operations can pose direct and indirect impacts on the environment and climate through operational activities and financial activities. The BANK’s objective is to responsibly manage the environmental and climate risks associated with its operations in order to minimize negative impacts on the environment and climate. The direct impact comes from our energy consumption, waste generation, and resource use, while the indirect impact arises from the lending and investment decisions, particularly in terms of lending to high-carbon sector versus supporting sustainable projects.

It is crucial for businesses to proactively manage and mitigate these risks by integrating environment and climate change considerations into their strategic planning and operations. The BANK conducts a climate-related risk assessment in order to identify external and internal risks and opportunities that have an impact on our management, and reflects the results in our business operations. It assesses not only the impact that sustainability and climate-related factors may have on the company, but also the impact that corporate business operations may have on economy, society and the environment.

## Identification of Climate-related Risks and Opportunities

The negative effects of climate change and the shift towards a lower carbon economy might have significant financial impacts, which would affect our business both directly and indirectly. Climate-related risks can significantly amplify traditional banking risks, including credit, market, liquidity, operational, and reputational risks. The BANK integrate climate-related risks into risk management processes to ensure that the risks are effectively identified, assessed and mitigated.

- **Transition risks** are risks arise from process of shifting towards a low-carbon economy. This risk include policy, legislation, technology development, investor and consumer sentiment changes, reputational risks that could result in financial and non-financial impacts.
- **Physical risks** are risk arise from climate-related events, it can be acute (driven by an event such as a flood or storm) or chronic (arising from longer-term shifts in climate patterns), which could result in increasing financial risks including damage to assets, interruption of operations, and disruption to supply chains.





## Climate-Related Risk

	Categories	Risk	Impact on the Business
Physical Risks	Acute	<ul style="list-style-type: none"> <li>- Increase of extreme weather events such as droughts and floods that tend to occur more often and with increased severity</li> </ul>	<ul style="list-style-type: none"> <li>- Increase credit risk</li> <li>- Direct impact to assets, financials, earnings or reputation.</li> <li>- Interrupt business operation</li> <li>- Increase costs and expenditures for prevention of and recovery from impacts of natural disasters.</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>- Change in precipitation patterns and weather pattern</li> <li>- Rising mean temperature</li> <li>- Rising sea level</li> </ul>	<ul style="list-style-type: none"> <li>- Increase credit risk</li> <li>- Direct impact to assets, financials, earnings or reputation.</li> <li>- Decrease revenues from lower sale/output</li> <li>- Make-off and early retirement of existing assets (e.g. Damage property and assets)</li> </ul>
Transition Risks	Policy and Legal Risk	<ul style="list-style-type: none"> <li>- Non-compliance with laws or regulations</li> <li>- Enhancement of sustainability reporting obligation</li> <li>- Exposure to litigation</li> </ul>	<ul style="list-style-type: none"> <li>- Increase indirect operating cost</li> </ul>
	Market Risk	<ul style="list-style-type: none"> <li>- Change of consumer behaviors resulting in changes in demand and supply</li> <li>- Consumers considering environmental and global warming issue as another factor in their buying decisions</li> </ul>	<ul style="list-style-type: none"> <li>- Decrease asset value or asset useful life</li> <li>- Affect sales of goods that cannot keep up with such trends, leading to financial problems</li> </ul>
	Technology Risk	<ul style="list-style-type: none"> <li>- Technology development in transition to low greenhouse gas emissions</li> <li>- Unsuccessful investment in new technology</li> <li>- Costs of transition to lower emission technology</li> </ul>	<ul style="list-style-type: none"> <li>- Costs to adopt/deploy new practices and process</li> <li>- Need more funds for research and development</li> </ul>
	Reputation Risk	<ul style="list-style-type: none"> <li>- Shift in consumer preferences</li> <li>- Increased stakeholder concern or negative stakeholder feedback</li> </ul>	<ul style="list-style-type: none"> <li>- Decline confidence of stakeholders</li> <li>- Reduce the capital availability</li> </ul>



## Climate-Related Opportunity

Categories	Types of Opportunity	Opportunity on the Business
Resource Efficiency	<ul style="list-style-type: none"> <li>- Increase of the energy and resource efficiency use such as water recycling, energy-saving devices</li> <li>- Expansion of construction of green buildings</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce operating cost through the enhancement in energy efficiency and minimize greenhouse gas emissions</li> <li>- Improve employees' quality of life and livelihoods</li> </ul>
Energy Resources	<ul style="list-style-type: none"> <li>- Increase in the use of green energy sources (renewable energy)</li> <li>- Expansion of low-carbon technologies</li> </ul>	
Products/Services	<ul style="list-style-type: none"> <li>- Increase in customer preference for green products</li> <li>- Development of green financial products and services</li> <li>- Development of products that can minimize impacts of climate changes</li> </ul>	<ul style="list-style-type: none"> <li>- Generate income from financial products and services in support of environmentally friendly businesses</li> <li>- Expansion of business opportunities</li> <li>- Attract Investment</li> </ul>
Market	<ul style="list-style-type: none"> <li>- Diversify business portfolio</li> <li>- Creation of new market with products and services that are related to climate change</li> </ul>	
Resilience	<ul style="list-style-type: none"> <li>- Enhancement of energy efficiency/resource diversification</li> <li>- adaptation to climate change</li> </ul>	<ul style="list-style-type: none"> <li>- Review the business strategies to focus on management of the environment and climate conditions</li> <li>- Analyze the sustainability &amp; climate-related risks and business opportunities</li> </ul>



## Climate Risk Analysis

Climate change not only poses risks to economic and financial stability, but also presents opportunities for growth. Analysis of climate risk helps the BANK better understand the risks and opportunities associated with climate change. The outcomes of these tests will assist us in developing preventive or corrective measures that will aid the BANK in addressing the risks posed by these climate-related risks.



From a risk management perspective, the risk associated with climate-related risks are spanning across different time horizons, which defined as below:

- Short term (0 to 5 years)
- Medium term (5 to 15 years)
- Long term (Over 15 years)

- **Short term:** the main risks are associated with transition to low carbon (e.g. changes in legislation and regulation, changes in technology). For instance, the capacity of the BANK and customers to achieve the transition to a low-carbon economy. ACLEDA BANK sees opportunities supporting our clients by financing to them and the potentially increasing our financing towards green industries (e.g. renewables energy).
- **Medium term:** the risks stem from the fundamental change in business models, the emergence of new technologies, and ongoing regulatory updates, which may increase risks from a physical perspective. Challenges will be presented by both physical and transition risks. Moreover, technology risks could advance if energy efficiency version is outdated.
- **Long term:** Physical risks are main challenges due to their effects on customers' business models and supply chains, and consequently on their capacity to mitigate and ensure that repayment capacity is not adversely affected. Numerous long-term analyses point to significant losses in the event of an uneven climate transition such as flood, drought, heatwave etc. while it brought huge impact to the client and the BANK's business. For instance, climate change will influence food production via direct and indirect effects on crop growth processes while it expected to damage key staple crop yields. Meanwhile, it would impact the BANK in the way of increased operating costs, credit risk, and business disruption etc.



## Climate Risk Management

Climate risk management is a key component of our overall response to climate change. The BANK has considered climate-related risk aspects within its analysis exercise, for examples, the credit risk related to the climate change results from the rising of global temperature and its impact on loan portfolios. We respect the international conventions, which prohibit the provision of credit to, or otherwise support, any activities which might harm the environment, be morally offensive or threaten human rights. Moreover, the BANK adopts preventive or corrective actions to mitigate these risks by integrated the ESG frameworks or policies into business and operational perspectives, particularly in the credit assessment to ensure that the BANK is equipped with the necessary strategies and mitigation plans to manage climate-related risks.

### E&S Management System:

- 1- Roles and Responsibilities: Separate roles and responsibilities as credit officer, Environment Unit, Environmental and Social Coordinator, Environmental and Social Manager.
- 2- Every loan is required to be screened against ACLEDA's Exclusion list, ACLEDA E&S Operating Manual and Procedure (E&S Performance Standards) and other requirements from lenders; and
- 3- E&S Teams: For the corporate and/or small & medium enterprises with high E&S risk category, E&S teams with support from E&S coordinator will conduct due diligence and make recommendation to E&S Manager then E&S Manager makes recommendation to Management Credit Committee for final decision.

### Loan Assessment:

- 1- Every loan is assessed and prepared by loan officer; and
- 2- Credit Analysis Officer independently verify and/or conduct separate analysis then recommend to approval authority for loan decision;
- 3- Approval Authority: Review and make final decision.

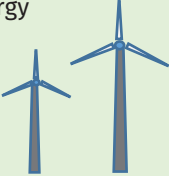






### Approval Authority:

Decentralized/delegated to management level based on experience, loan performance and loan size.

Furthermore, the BANK not only actively working to reduce our contribution to climate risk events by reducing the emissions associated with our operations and financing activities, but we also have taken efforts to mitigate our environmental impact and efficiently manage our natural resources use.



## Green Eligible Project Categories

Eligible Green Project Criteria	Subcategories
<p>Renewable Energy</p> 	<p>Finance the development, construction and operation of facilities that generate renewable energy including (i) solar energy including Concentrated Solar Power (CSP) and Photovoltaic (PV) projects, (ii) wind energy, (iii) biomass energy where the waste-based residue is from livestock, (iv) waste to energy where the majority of recyclables have been segregated before energy conversion i.e. waste prevention and recycling, (v) hydropower, and (vi) energy storage.</p>
<p>Green Buildings</p> 	<p>Finance the acquisition, development, and construction of residential and commercial properties and logistics facilities or refurbishment/retrofit of existing buildings certified by a third party as green buildings Certification schemes eligible for the allocation of proceeds including LEED (Gold or above), BREEAM (Excellent or above), and EDGE (EDGE Certified or above).</p>
<p>Energy Efficiency</p> 	<p>Finance the installation, operation, and support services to the energy conservation equipment, including, but not limited to LED lighting, efficient HVAC (heating, ventilating, and air conditioning), building insulation and energy demand control systems which improve energy efficiency.</p>
<p>Clean Transportation</p> 	<p>Finance the clean energy vehicles as well as public transportation facilities including electric or hybrid vehicles (motorbikes, motor tricycles, and cars), electric vehicle re-charge station.</p>
<p>Sustainable Water and Wastewater Management</p> 	<p>Finance the construction or operations of clean water treatment plants and water connections to home and finance the purchase and installation of products or technologies that reduce water consumption in office buildings including installation, operation and support services related to water, clean water and/or drinking water infrastructure construction and maintenances, waste water treatment, sewages and drainage systems.</p> <p>Finance the expenditures related to small scale dam/waterway and irrigation system.</p>
<p>Climate Change Adaptation</p> 	<p>Finance the installation, operation, construction of flood and drought protection including building water reservations and big scale dam/waterway/ irrigation system. This big scale is required to have vulnerability assessment and adaptation plans in place.</p>
<p>Pollution Prevention and Control</p> 	<p>Finance the waste collection and recycling facilities, including waste collection which supports source segregation of waste, waste collection vehicles which aligned with Clean Transportation category, mechanical recycling of waste, separating and recycling the waste into souvenirs/handicrafts. The recycling of e-waste and chemical recycling of waste are excluded.</p>

Source: ACLEDA BANK PLC's green loan operating manual





## OUR ENVIRONMENTAL PERFORMANCE

In response to the environmental and climate change issues that have progressively impacted people as well as companies, we have regularly improved our environmental sustainability initiatives not only within our own organization but also by helping our stakeholders and customers in implementing activities that benefit the surroundings environment and the communities where we operate. Furthermore, the BANK also actively working to reduce our contribution to climate risk events by reducing the emissions associated with our operations and financing activities.

In order to establish baselines for the measurement of our efforts to reduce our environmental impact, ACLEDA BANK has established environmental key performance indicators (KPIs) as an essential tools for tracking environmental progress, supporting policy evaluation and informing the public. It will help the BANK manage and communicate the links between environmental and financial performance. The operating results have been monitored to attain the established objectives.

### Resources Efficiency

The BANK commits to enhance the efficiency of resources consumptions in our business operations and effectively management. The BANK continues to monitor and improve the efficiency of energy consumption, water resources and waste management and raise awareness of resources conservation to stakeholders.



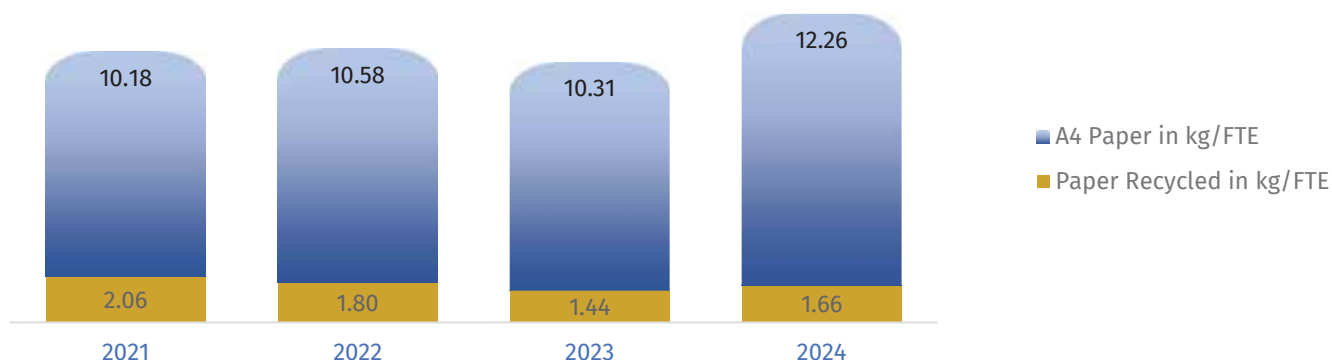
### Paper Consumptions

ACLEDA BANK has adopted practice of digital platform to optimize our work processes such as digital request and approval, e-signature and e-stamp with the aim of reducing paper use from printing. The BANK also encourages all employees to print documents only when necessary and use both sides of the paper.

In 2024, the paper (A4) consumption increased to 147,761 kg of which paper usage per employee increased by 19% to 12.26 kg/FTE compared to 2023 due to the BANK continues to expand its operations to meet the needs of customers. Bank is heavily regulated and required to maintain extensive paper documents and records for legal & compliance and auditing purpose. This includes customer supported documents & agreements, transaction records, and financial statements. Moreover, some customers still need paper documents & statements, receipts, and other documents. However, the BANK is increasingly implementing digital solution to simplify the operation and reduce consumption as well as promoting paperless awareness among all employees in order to reduce the paper usage.



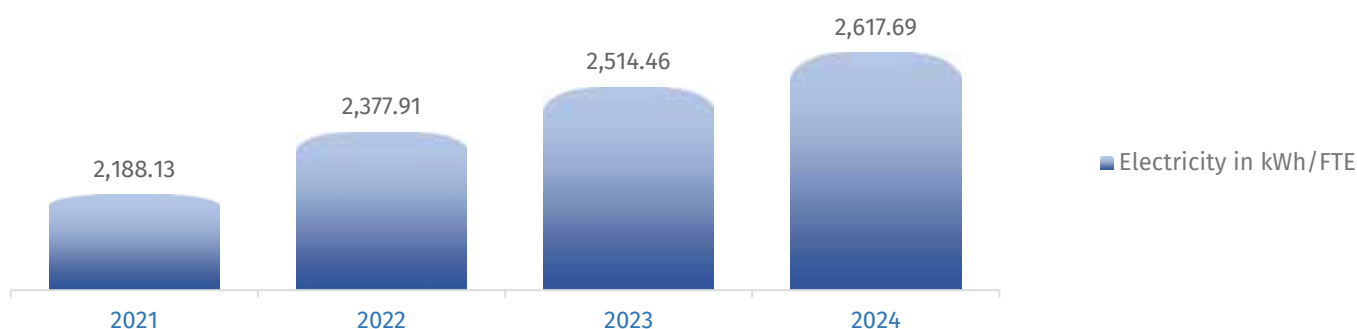
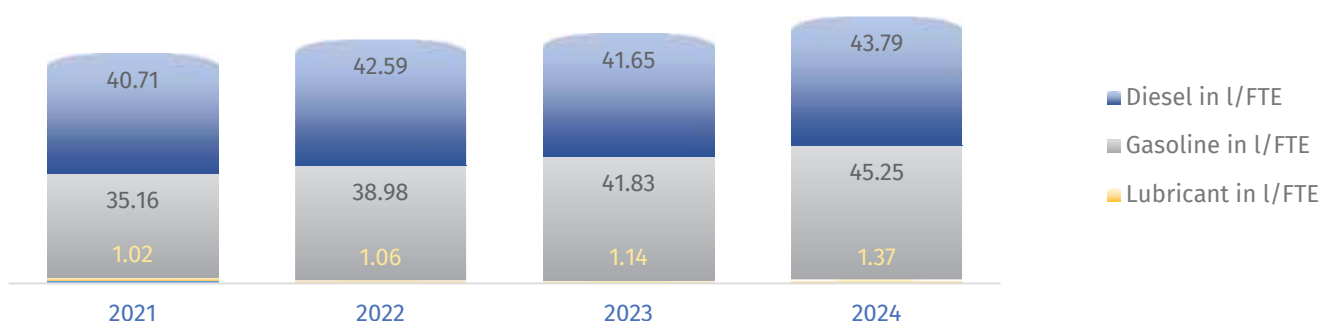
Meanwhile, in 2024 waste paper recycled increased by 15.24% to 1.66kg/FTE compared to 2023 due to the fact that the BANK has improved waste segregation and recycling in all branches and offices.



### Energy Consumptions

The BANK has prioritized energy management and process enhancement by establishing tracking performance. The BANK energy-saving initiatives were designed aim to increase awareness to all employees and reduce energy consumption in the BANK's daily operations.

In 2024, the electricity consumption per employee increased by 4.11% compared to 2023 due to the BANK has extended its operation hours, offices and digital self-service banks to serve customers for conveniences way. The BANK believes that this extension and increase is offset by the reducing of customer's travel distance to the BANK's office. Gasoline and diesel per employee increased by 8.19% and 5.15% respectively due to the increase of front office staffs' travel to approach and conducts on-site support customers and merchants. By all means, the BANK tries to raise awareness to all employees on energy conservation, introduces digital solution to support customers and uses alternatives of transportation such as EV cars. We do hope these would reduce emission in our operation.



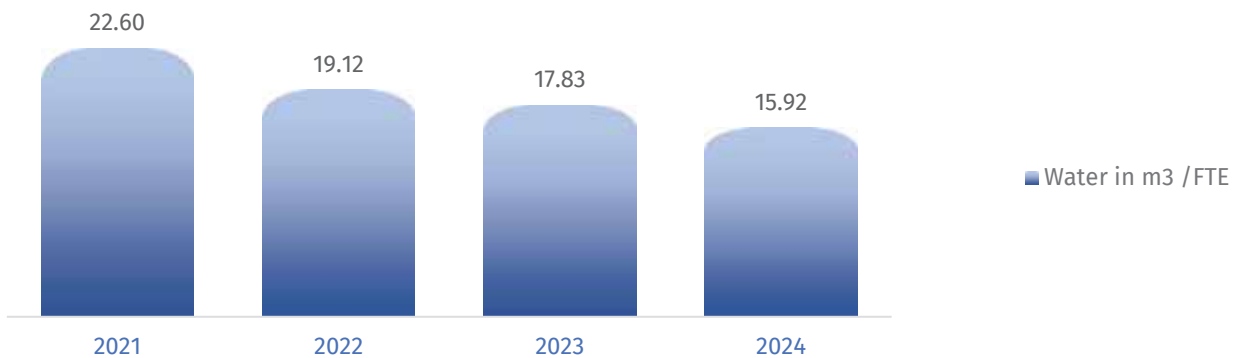


## Water Consumptions



By recognize the significance of water management in our pursuit of sustainable business operations, the BANK optimize the use of its resources and efficiently control water usage in the operation.

In 2024, water consumption per employee decreased 10.71% compared to 2023 due to the fact that the BANK keep pursuing a water conservation effort by installing advanced water-efficient technologies such as water sensor tap as well as monitor/check to make sure there is no water supply pipe leaked, damaged and broke. Moreover, the BANK raise awareness and encourage all employees to save water by explaining and guiding on the impacts of wasting water to the environment.



## Waste Management

The BANK always provide knowledge and awareness on a regular basis about waste management to all employee, as well as encouraging them to participate in environment protection and waste management through the 5R principles (Reduce, Refuse, Reuse, Recycle, and Remind). To reduce the plastic waste, this year, the BANK has replaced single use plastic drinking water bottle with reusable drinking water bottles.



### Total Waste in 2024:

Solid Waste : **199,693 kg**

- Solid Waste /FTE : **16.57 kg**

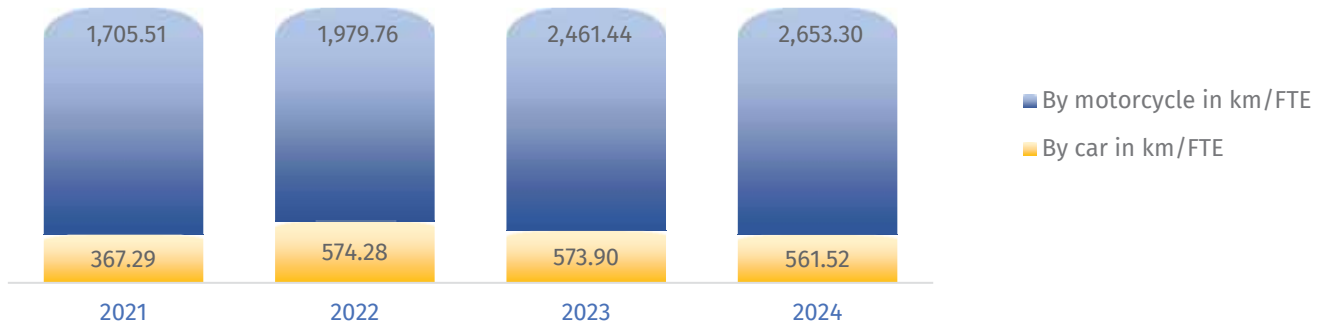
Plastic Waste : **23,094 kg**

- Plastic Waste/FTE : **1.92 kg**



## Business Travel

In 2024, the total distance travelled by car decreased by 2.31% to 6,765,135 km, while motorcycle travel slightly increased by 7.62% to 31,966,943 km compared to 2023 due to the economic resumption and the increased travelling for onsite client visit and support. Meanwhile, in 2024 total distance for air business travel recorded at 227,319 km.



## Carbon Footprint

ACLEDA BANK has carried out a carbon footprint assessment by collecting information on the BANK's greenhouse gas emissions resulting from its business activities. Since 2005, carbon emission has been disclose publicly. From 2023, the scope of collecting and calculating carbon footprint data was extended to cover all ACLEDA BANK and its subsidiaries. In 2024, the BANK continue to extend its effort by starting to record and disclose information on business travel by air of scope 03. The expansion demonstrated the BANK's commitment and diligence in thoroughly gathering data on greenhouse gas emissions that accurately represent all actual aspects.

### ACLEDA BANK's GHG Emission



- In 2024, ACLEDA BANK have observed an increase in Scope 1 GHG emission to **3,131** tCO<sub>2</sub>e. This increase is due to the expanded of several existing facilities as well as the growth of our services required more frequent use of our vehicle fleet to support clients and operational needs. However, this is offset by the reducing of customer's travel distance to the BANK. Scope 1 GHG Emission Intensity **0.23** tCO<sub>2</sub>e/employee.



- In 2024, GHG emission of Scope 2 has slightly increased to **21,858** tCO<sub>2</sub>e as the BANK has extended the operating hours and self-service banks. Scope 2 GHG Emission Intensity **1.62** tCO<sub>2</sub>e/employee.



- In 2024, GHG emission of Scope 3 (Business Travel) was recorded at **62.83** tCO<sub>2</sub>e.



## Environmental Performance

<b>Energy Consumption</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Lubricant in lite	12,328	12,868	13,812	16,484
Lubricant in l/FTE	1.02	1.06	1.14	1.37
Gasoline in lite	423,897	471,473	504,757	545,233
Gasoline in l/FTE	35.16	38.98	41.83	45.25
Diesel in lite	490,893	515,140	502,533	527,596
Diesel in l/FTE	40.71	42.59	41.65	43.79
Electricity in kWh	26,382,322	28,760,800	30,341,986	31,537,935
Electricity in kWh/FTE	2,188.13	2,377.91	2,514.46	2,617.69
Renewable Energy kWh	-	-	-	49,430
<b>Energy Produced</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Energy Produced in kWh	-	-	-	551,735
Renewable Energy Produced in kWh	-	-	-	49,430
<b>Business Travel</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
By air in km	-	-	-	180,671
Air Travel CO2 emission (t-CO2e)	-	-	-	62.83
By car in km	4,428,419	6,946,102	6,925,289	6,765,135
By car in km/FTE	367.29	574.28	573.90	561.52
By motorcycle in km	20,563,305	23,945,162	29,702,243	31,966,943
By motorcycle in km/FTE	1,705.51	1,979.76	2,461.44	2,653.30
<b>Water consumption</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Water Consumption in m <sup>3</sup>	272,518	231,197	215,177	191,828
Water in m <sup>3</sup> /FTE	22.60	19.12	17.83	15.92
Waste Water Generated in m <sup>3</sup>	-	-	-	191,828



<b>Paper Usage</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
A4 Paper Usage in kg	122,724	127,920	124,360	147,761
Paper in kg/FTE	10.18	10.58	10.31	12.26
Waste paper recycled in kg	24,812	21,813	17,381	19,998
Waste paper recycled in kg/FTE	2.06	1.80	1.44	1.66

<b>Waste</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Solid Waste in Kg	-	-	-	199,693
Solid Waste in Kg/FTE	-	-	-	16.57
Plastic Waste in Kg	-	-	-	23,094
Plastic Waste in Kg/FTE	-	-	-	1.92
Proportion of Waste Recycled (%)	-	-	-	8.24

<b>Emission of CO2</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Scope 1 (t-CO <sub>2</sub> e)	2,339	2,522	2,964	3,131
Scope 2 (t-CO <sub>2</sub> e)	15,190	16,642	20,866	21,858
Total GHG Emission	17,529	19,164	23,830	24,989
GHG Emission Scope 01 & Scope 02 (t-CO <sub>2</sub> e) /FTE	1.45	1.58	1.77	1.86
Scope 3 (t-CO <sub>2</sub> e)	-	-	-	62.83

Remark:

- ACLEDA Bank Plc. (ABC), ACLEDA Bank Lao Ltd. (ABL), ACLEDA MFI Myanmar Co.,Ltd. (AMM), ACLEDA University of Business (AUB).
- GHG emissions under Scope 1 are direct emission from the BANK activities and operations such as fuel combustion from volume of gasoline or diesel consumption for BANK's generators and vehicles.
- GHG emission under Scope 2 are Indirect GHG emissions from the generation of purchased energy consumption. The emission factor for purchased electricity has been changed in accordance with the grid emission factor of the Ministry of Environment. We have updated our Scope 2 emissions data for 2023 due to adjustments to the data initially reported. The revised figures reflect more accurate information.
- CO2 emissions scope 01 and scope 02 above for 2021 and 2022 are for ABC only, and from 2023 are for the group.
- GHG emission under Scope 3 are other indirect emission for category 06- business travel by airplane and it covered for ABC only.
- The data of paper usage, energy consumption, renewable energy consumption and produced, water withdrawn, business travel, and waste have been updated by included DR-Site with ABC.
- In 2020, 2021, 2022, 2023 there were no energy produced, renewable energy and waste disclose yet.
- There was no disclosure about wastewater recycling/ treatment because the BANK considered such information not material and non-availability of data and resources.
- FTE (Full Time Employee Equivalent) is based on average number of employees in 2024.



# SOCIAL





# CUSTOMER PROTECTION

At ACLEDA BANK, we recognize that our commitment to sustainability extends beyond environmental stewardship, it includes the protection and well-being of our customers. We are dedicated to ensuring that our products and services not only meet the highest quality and safety standards but also align with our sustainability goals. Customer protection is prioritized at every stage, including product and service development, sales, customer service, and complaint resolution and the impact of our offering to ensure a safe and reliable financial experience for the customers. Moreover, we actively engage with our customers to understand their needs and concerns, ensuring that their voices are heard in our decision-making processes.

ACLEDA BANK's maintains sustainability growth due to its adherence to the principles of law, environmental, social and strong governance, and its focus on triple bottom lines: people, profit and planet as stated in our vision and mission. In order to ensure the protection of our customers' interests, we have established policies, procedures, and provisions that govern our banking services, including:

## BFI's Code of Conduct

To contribute toward a financial system that is robust, inclusive, consumer-oriented, and most trust-based, ACLEDA BANK committed to adhering the banking and finance code of conduct issued by the Association of Banks in Cambodia (ABC) to set out ethical standards of responsible practices for the Banking and Financial Institutions (BFIs) in Cambodia in dealing with consumers. Moreover, the BANK treats customer fairly, aims to safeguard consumer interests, and addresses the different demands of its clients.

The code covers on 1) Enhancing Good Governance, 2) Roles of Board and Executives, 3) Awareness Raising and Training, 4) Responsible Financing, 5) Conflicts of Interest, 6) Availability, 7) Accountability and Reliability, 8) Responsibility and Transparency, 9) Privacy and Consumer Data, 10) Service Standards, 11) Information, 12) Guarantee, 13) Advertising, Marketing and Sale, 14) Ethics, 15) Debt Collection, 16) Aggressive Selling Techniques, 17) Product and Service Design, 18) Discrimination, 19) Channel Communication, 20) Dispute Resolution for Consumers, and 21) Dispute Resolution for Banking and Financial Institutions.



## Responsible Lending

By adhering to responsible lending practices, integrating ESG factors into the operations and decision-making processes is essential to protecting customers. This integration is to ensure transparency, accountability and ethical practices while considering environmental and social impacts.

The BANK has officially promulgated Environmental, Social and Governance Policy (ESG Policy), Credit Policy, and Exclusion list for lending in accordance with the principles of sustainable finance in Cambodia. It outlines a general approach to managing social and environmental impacts. Moreover, since 2013, Environmental and Social Operating Manual and Procedure has been established for the purpose of providing framework of guidelines to staff involved to identify, assess and manage possible E&S risk.





## Environmental and Social Impact Assessment Process

The assessment of the E&S impact breakdown into four levels as below:

### Level 1

#### ACLEDA's Exclusion Lists Screening

At an initial stage of inquiry, the credit officer will apply for the ACLEDA's Exclusion List for reviewing the target client's business activities to be financed by the BANK. If the target client involves any activity on the Exclusion List, the target client will be informed and further consideration of financing should be terminated.

### Level 2

#### Environmental & Social Performance Standard/Screening

Credit Officer required all loans to be checked and screened on site regarding the client's business activities to comply with E&S Performance Standard to avoid of environmental significant impacts as set forth above.

### Level 3

#### Verification Compliance with National E&S Laws and Regulations

After the target clients have passed the ACLEDA's Exclusion List and PS screening, a legal compliance verification will be carried out for the corporate and/or Small & Medium Enterprises with high E&S risk category to be financed by the BANK.

### Level 4

#### Level 4- High E&S Risks Screening

Environmental and Social Impact Assessment on the business activity or project will be additionally screened for high E&S risks by using 2-Filter Screening system. The outcome of 2-Filter Screening will be one among three situations below:

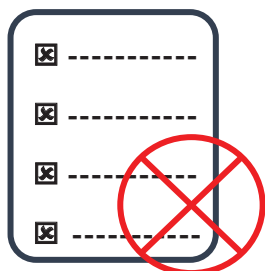
- No significant E&S risks
- Further E&S risks assessment is needed
- E&S risks too high

Where the potential clients are identified for E&S risks is too high, the target client will be informed, and further consideration of financing should be terminated.

The BANK requires, at the minimum, that all loans must be checked and screened to comply with ACLEDA's Exclusion list. Where avoidance of environmental impacts is not possible, the BANK seeks to engage with its clients to minimize such risks and impacts.



### Exclusion List



Our responsible financing policy prohibits our financing of companies

- Business activities that directly or indirectly cause environmental and social risks and impacts such as deforestation, causing severe flood, drought, and biodiversity loss, hazard chemical producing, water waste etc.
- Business activities that affect labor and working conditions and community health, safety and security such as human trafficking or illegal labour, child labour, exploitation, and working in a dangerous environment etc.
- Business activities that consume resource efficiency and pollution such as large volume of water, power/electricity, papers, GHG emission, CO<sub>2</sub>, water pollution, and ground water contamination etc.
- Business activities that could cause land acquisition and involuntary resettlement such as the land dispute, land loss and loss of right on the land or loss of opportunity to get benefit from the land etc.
- Business activities that could affect biodiversity conservation and sustainable management of living natural resources etc.
- Business activities that could cause the loss of cultural heritage and indigenous people.

### Ethical Lending and Solving

As part of responsible financing, ACLEDA BANK recognizes our important role in helping customers manage their finances and debt by providing them with practical guidance and solutions tailored to their circumstances. All loans are assessed on the borrower's ability before being offered to them. There is absolutely no provision of loans with exploitative terms such as extremely high interest rates or introduction of loans to customers that exceed the customer's ability to repay to ensure that customers do not fall into a situation of excessive debt.

The BANK has clear policies, procedures, and mechanisms in place to communicate with customers on this issue. In addition, all of the BANK's loan officers are regularly trained on the policies, procedures, processes, and practices to communicate and resolve all loan issues with customers in an ethical and professional manner.

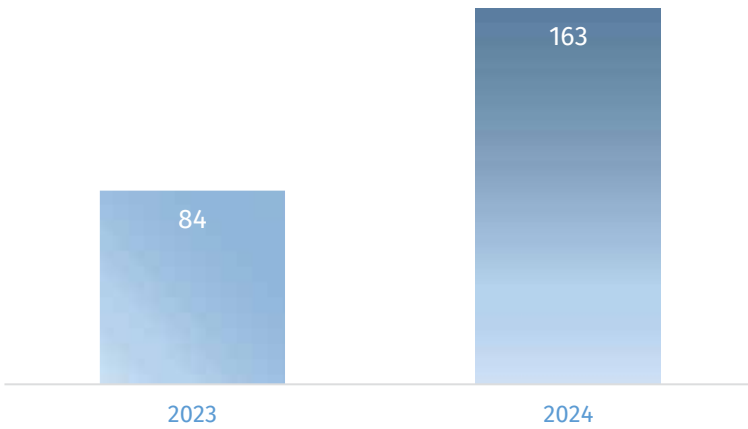
### Complaint Management

The BANK offers a variety of complaint channels in order to ensure that customers and other stakeholders can easily access. ACLEDA BANK's official website, call center, social media channels, and offices are alternatives choices for customers to submit. Each complaint will be formally recorded, acknowledged, responded and followed-up. Head of Complaint Management Centre has full responsibility to manage and solving the day-to-day affairs of the BANK within the framework of the policy and regular report about complaints to the Executive Committee and the Board of Directors.

For 2024, ACLEDA BANK received **163** customer complaints in total, all of which were satisfied to close and drop because of the BANK has been providing customers with effective solutions and information concerned to its products and services in a professional and timely manner.



## Customer Complaint



Compared to the previous year, customer complaint increased by 41% due to the increased complaint related to E-banking as the BANK keep moving to digitalization. However, in order to effectively handling customer complaints and reducing the number of complaints that have arisen to a minimum in accordance with the operating manuals, procedures and instructions, ACLEDA BANK PLC. has set forth the following recommendations and actions such strengthened all relevant teams to improve the effectiveness and efficiency of the E-banking operational system management.

### Complaint Mechanism

(Every working day from 7:30 to 16:30)

- Tel: 015 888 654
- E-mail: [cmc@acledabank.com.kh](mailto:cmc@acledabank.com.kh)

### 24-hour customer service

- Tel: 023 994 444, 015 999 233
- E-mail: [inquiry@acledaBANK.com.kh](mailto:inquiry@acledaBANK.com.kh)
- Visit the nearest ACLEDA BANK Plc. Branch
- Fulfill the "[CUSTOMERS' COMPLAINT](#)" form



Moreover, in order to improve the BANK's services, in 2024, the BANK has conducted survey on customer satisfaction twice by separated into products and services and service quality. The survey result shown that around 90% on average of all respondent customers are satisfied with ACLEDA BANK's products/services and around 88% satisfied with service quality, which served at banking halls across the country. On the other hand, customer's dissatisfaction are mostly less than 1%.





## FINANCIAL INCLUSION & LITERACY

Financial inclusion is important priority of the country in terms of economic growth and advancement of society. If general public is limited or has no access to financial services, they may shift toward the non-formal loan system which would cause them to have or be vulnerable with excessive household debt. With its reputation of offering superior banking services, ACLEDA BANK offers a comprehensive suite of financial services such as credits, deposits, funds transfers, cash management, trade finance, ACLEDA card, credit and debit card, and digital services including internet banking, ACLEDA mobile (mobile banking app), e-commerce payment gateway, ACLEDA ATM/POS, and term deposit machine. With the support of its digital infrastructure and physical offices, the BANK is efficiently reaching out to assist farmers to manage their farmland or provide working capital for micro, small & medium enterprises (MSMEs).

By recognizing the importance of ensuring that everyone has equal access to financial services, which is not only a matter of social responsibility, but also the crucial roles and responsibilities of the BANK in reducing inequality by providing opportunities and fostering Cambodia's economy in the future. The Environmental, Social, and Governance policy was established by incorporating the principles of financial inclusion as part of social responsibility with the following concepts:

### Increasing Outreach

The BANK keeps opening up banking services to new communities in new locations by expanding our network in the provinces and extending online banking services and ensuring that all can access banking services. Moreover, we also provide appropriate products and services, which were carefully selected and developed for the particular needs of Cambodian society.

In order to serve a wider range of clients, ACLEDA BANK maintains physical presence in easily accessible locations and has also extended its operational hours.

- With 265 branches office nationwide to provide excellent services with a hearted smiling and professional manner.
  - 07 branches open from 7:30 AM to 7:00 PM from Monday to Friday (excluding public holidays)
  - 03 branches in AEON 1, 2, 3 open daily from 9:00 AM to 7:00 PM from Monday to Sunday, including public holidays.
- ACLEDA BANK's Self Service Banking at 206 location, equipped with ATM 1,486 machines that enable customer do transaction 24/7, around Phnom Penh and provinces with services in both riel and dollar.
- Moreover, an electronic machine for using with KHQR, GLN QR, ACLEDA cards and other banks' card to pay goods or services instead of cash safely and conveniently.





## Financial Services

The BANK commits to maintain our focus on providing financial services to the lower segment of society to provide them with the wherewithal to improve the quality of their lives. The BANK also commits to create better and more appropriate financial access channels for all segments of the community by leveraging innovations and technologies that promote efficiency and improve financial access anywhere, anytime.

The BANK has worked closely with SMEs and provided them with a wide range of financial products, in particular a convenient and safe E-banking service (EBS) and digital services to meet their needs. Moreover, ACLEDA BANK has mostly financed MSMEs to take part in the sustainable development of MSMEs at large. The BANK promotes sustainable economic growth and job creation by providing financial access to all segments of the community, including agriculture, housing, student, and personal loans.



As the end of December 2024, the BANK total outstanding loans stood at US\$6,898.25 million, of which 256,648 clients were women equaled to 55.82% of total loan clients.



### Loan to Agriculture

173,011

Customers

US\$1,412.43 million

Equaled to 20.48% of total Loan



### Housing Loan

4,924

Customers

US\$161.15 million

Equaled to 2.34% of total Loan



### SMEs Loan

329,037

Customers

US\$4,886.18 million

Equaled to 70.83% of total Loan



### Loan to Woman

256,648

Customers

US\$3,396.90 million

Equaled to 49.24% of total Loan

At the end of 2024, we conducted an annual survey on our small-sized and medium-sized enterprise loan customers' living standards that get loans at least twice from ACLEDA BANK to test the impact of our credit services. The responses indicated that their income had generated higher as a result of credit provided by ACLEDA BANK. The BANK has taken these recommendations into account in order to improve the application and tailor our financial products to align with clients' income level and needs.

### Develop New Products and Services

ACLEDA BANK is aware of how critical it is to build competitive capability in today's innovation- and technology-driven. Our efforts is to ensure that our new or updated financial product and service is designed to meet customers demands and provide them a convenience, reliable, security, and more environmentally friendly.

The BANK is developing a payment platform to enable licensed partners of all sizes, private & public sector, locally as well as internationally, to join forces in servicing its customers mutually and beyond borders. This will not only benefit to our valued customers directly but also their own business partners and recognizing that they are an important link for extending the BANK's outreach and growth together.

### ACLEDA Mobile (Super App)



A FinTech Application provides a comprehensive financial service accessible through Smart Phone, enabling customers to do banking transactions from anywhere, anytime. ACLEDA Mobile (Super App) incorporates a safe and convenience feature such as account opening, funds transfer, cardless deposit or withdrawal through ATM and counter, QR payment, request loan, new term deposit, exchange rate as well as a variety of functions that facilitate the daily needs of customers. The digitized of ACLEDA mobile (Super App) has proved very popular in which the number of registered users has reached 4.22 million users as at the end of December 2024, all enabling the rapid circulation of money in the economy. Moreover, the BANK has introduced Cross Border QR Payment via Bakong, which is connected to regional countries such as Laos, Thailand and Vietnam.



### ATM

ACLEDA BANK's ATM allow customers to operate banking services via ACLEDA cards and other banks' cards at any time (24 hours a day and 7 days a week) safely and conveniently. With the largest ATM network of 1,486 ATMs throughout Cambodia both in ACLEDA BANK's branches & offices and outdoor ATMs in supermarkets, universities, hotels, and companies, customer can access to their account and do various action such as cash withdrawal, mobile top up, transfers, balance inquiry and payment by using ACLEDA Cards.



### INTERNET BANKING

ACLEDA Internet Banking is the most advanced technology which providing customer to online access banking services through desktop or laptop computers that are connected to the Internet at anywhere, anytime. It is fast, secure, reliable, and convenient to manage money wherever they are.

### TERM DEPOSIT MACHINE

Term Deposit Machine is a Self Service Banking of ACLEDA BANK providing customers with term deposit opening and certificate printing by themselves at all times.

### VIRTUAL TELLER MACHINE

Customer can open your bank account by yourself with Virtual Teller Machine (VTM) anytime and quickly at Self Service Banking of ACLEDA BANK. Customer can open the individual account through the VTM in KHR, USD, THB, and EUR.

### ACLEDA CARD

ACLEDA Card is simply small, easy to keep in yourself and you can get ACLEDA ATM Card for free. ACLEDA ATM Card is issued by ACLEDA BANK to account holder to operate his/her account through ACLEDA BANK's ATM in Cambodia and Laos, and through ACLEDA POS anytime- 24 hours a day, 7 days a week. As of December 2024, ACLEDA issue 1.74 million card to customers.





## Financial Literacy

ACLEDA BANK participates in programs to educate the public in financial matters so that they can manage their resources more effectively, improve their business skills. The BANK strives to promote and encourage saving culture by offered a variety of deposit products and systems with diverse combinations of liquidity and rate of interest tailored to the needs individual depositors, especially women depositors to provide them the tools resources and financial independence to make decisions that improve their economic and social status.

Moreover, by recognizing the importance of local currency in supporting longer-term economic growth, ACLEDA BANK has actively promoted the wider use of local currency as well as encourage customers to deposit in KHR, by offering preferred interest rates.



As of December 2024, ACLEDA BANK has 5.10 million deposit accounts with amount US\$8,140.62 million, in which 2.48 million deposit accounts is KHR with amount of KHR7.52 trillion, equaled to 22.96% of total deposit. Meanwhile, 2.75 million deposit accounts are women, equaled to 54.01% of total deposit accounts.

The BANK efforts to deliver a key message in order to promote financial literacy among students, customers, employees, and the general public which focused on the financial education for the next generation via Facebook, Tik Tok, Telegram, YouTube, Video Clip, and Radio channels.

- Financial literacy empowers people, especially women, to make independent decisions. It equips them with the knowledge to manage finances, understand investment opportunities, and navigate emergencies effectively. By improving financial literacy, individuals gain confidence in their ability to handle unforeseen circumstances. Therefore, ACLEDA BANK makes a video woman entrepreneurship financial knowledge sharing aim to share an experience and raising awareness from woman entrepreneur, financial management, and financial solution. This video has post publicly in ACLEDA's social media of which has reached to 42.50K view.
- To promote Cambodian youth's financial literacy and educational experiences through cultural exposure, which demonstrates the Cambodian banking sector's commitment to corporate and social responsibility. ACLEDA BANK has sponsored to 250 students to visit Preah Srey Içanavarman Museum (SOSORO) in order to discover the history of Cambodia's economy and monetary systems that focus on the strong interaction between money, economic and politics through history.







# COMMUNITY PARTICIPATION & SOCIAL ENGAGEMENT

ACLEDA recognizes that playing our part as good citizens in the community in which we abide is vital to our mutual interests and prosperity. Social and community engagement are critical in creating a vibrant, diverse, and resilient society. It provides a foundation for individuals to develop a strong social bonds and feel a sense of belonging. Actively engaging in the communities of the BANK not only benefit society but also increasing social support, improving mental well-being, and gaining a better understanding of the community's challenges and opportunities.

- The BANK committed to promoting and contributing in preservation of rich diversity of Cambodia, indigenous, languages, its culture, traditions, and monuments for the benefits of future generations and ensure that the rights of minorities will be protected, be it in employment, access to banking services or providing services and supplies to the BANK.
- ACLEDA-Jardine Education Foundation was established on 04 May 2017 with the ultimate objective of providing all the children of Cambodia the chance of an education through the construction of infrastructure and school buildings in the remote area of Mondulkiri, Rattanakiri, Preah Vihear, Stung Treng, and Oddar Meanchey provinces. Over the seven years, ACLEDA-Jardine Foundation has built **12 school buildings** with **58 classrooms** and **1,400 students** at a cost of more than US\$800K. ACLEDA-Jardine Foundation is currently construct **03** more primary buildings, which will be completed in 2025.



**Trapeang Pring Primary School**

located in Chamraeun Village, Srae Sangkum Commune, Kaoh Nheak District, Mondul Kiri Province.



**Leu Han Primary School**

located at Leu Han village, Leu Kuon Commune, Bar Kaev district, Rattanak Kiri province.



- ACLEDA Institute of Business was established in 2016 to provide a comprehensive education in Banking and Finance to local and international students, graduates, professionals from outside organizations and the public. On 12 February 2024, ACLEDA Institute of Business was officially recognized as ACLEDA Business University "AUB". As of December 2024, AUB provides academic programs, training for external organizations and the public, and specialized training for ACLEDA BANK staff. AUB has delivered 64,671 training courses to 723,637 ACLEDA BANK staffs, conduct 830 training courses to national participants from other organizations and the public, and 169 international training courses to 1,961 participants across 31 countries. As of December 2024, AUB has 9,091 students enrolled in its academic programs. In order to encourage and promote higher education AUB provides 100% scholarship to 817 students, representing 8.84% of the total students.



- To assist the operations of Kantha Bopha Hospital, the Kantha Bopha Cambodia Foundation Support Committee of ACLEDA Bank Plc. was established to support, promote, appeal and inspire the mobilization of donations from employees at all levels of ACLEDA BANK PLC.
- The BANK also encourages social responsibility among employees, including volunteerism and community involvement such as blood donation, sport, and tree planting.
  - In September 2024, around 300 managers and employees of ACLEDA BANK participated in planting 200 trees in Siem Reap in an effort to strengthen climate resilience and promote environmental sustainability.
  - To promote the green environment and the natural protection, ACLEDA University of Business (AUB) had organized tree planting activities around AUB's campus for two time in 2024.



- On 10 November 2024, ACLEDA BANK employee and family participated the charity run under the theme "Run for Hope and Fun" that aim to support ACLEDA-Jardines Foundation's humanitarian action for the society.



- Collaborate with public, private and civil society such as the Cambodian Red Cross, Kantha Bopha Foundation, Samdech Techo Voluntary Youth Doctor Association (TYDA), National Blood Transfusion Center, Cambodia Football Federation, and Association of Banks in Cambodia to promote quality of lives and overall well-being.
- Participate in public education programs to provide knowledge, so that they can more effectively manage resources and improve their business skills.

The social and humanitarian activities that ACLEDA BANK PLC. contributed in 2024:

### Charity

- Donation KHR 800,000,000 to the Cambodian Red Cross on their 161<sup>st</sup> anniversary of World Red Cross Day on 8 May 2024.
- Generous donation to the Raksa Koma Organization aim at promoting health, welfare and interest of Cambodian children from all background.
- Sponsor of the cycling for Cambodia children from Cambodia to Europe with Mr. Tiv Dararith (Travel with Rith).
- Sponsor to the 6<sup>th</sup> AIRAVATA Fundraising Gala Dinner.
- Sponsor to the Cambodian Children’s Fund 20<sup>th</sup> Anniversary Celebration.



### Education

- Platinum Sponsor of the Workshop on Dissemination of the Results of Safe Finance in Community Project on 8 October 2024.
- Sponsor of the employment forum and Workshop on "Preparing for a Career in the Digital Era" organized by the Ministry of Labour and Vocational Training and ACLEDA University of Business on 20 February 2024.
- Sponsor public schools students’ visits to the Preah Srey Içanavarman Museum of Economy and Money (SOSORO), promoting the understanding of Cambodia's economic and monetary history, and highlighting the corporate social responsibility efforts of the Cambodian Banking sector.
- Sponsor the 2024 Job Fair and Career Guide organized by the Ministry of Labour and Vocational Training.
- Sponsor to the ASEAN Savings Day under the theme "The important of Savings at young age" on 31 October 2024.
- Diamond sponsor of the RULE's Education Fair 2024.



## Sport & Health

- Sponsor of the "Cambodia Insurance Day 2024" organized by Insurance Regulator of Cambodia.
- Sponsor of the KKRC 2024 London Marathon organized by KK Running Club.
- Diamond sponsor of the AEON MALL FUN RUN on 10 November 2024 organized by AEON MALL to support ACLEDA-Jardines Education Foundation (AJF) in humanitarian activity to our sociality.
- Diamond sponsor of the Association of Banks in Cambodia's Cycling event under the theme "Cycling to Promote Khmer Riel and Sustainability of banking Sector".
- Sponsor to the Paddy Field Trail Running Experience 2024.



- In 2024, ACLEDA BANK organized one blood donation event in order to help patients in emergency situations. Over 670 ACLEDA BANK's management & staff nationwide voluntarily participated in the blood donation to the National Blood Transfusion Center to rescue all patients who need the blood transfusions.

## Culture & Traditional

- Diamond sponsor of the Sangkran AUB at ACLEDA University of Business on 5 April 2024.
- Gold sponsor of the Sangkran Hun Sen Chumpuvorn High School on 04 - 07 April 2024.
- Sponsor of the Lakhon Khol Battambang Community Art Project by Den Selapak.



## Sponsor Events

- Diamond Sponsor of the "Cambodia Stock Market Exhibition (My First Stock)" organized by Cambodia Securities Exchange (CSX) on 25-27 October 2024 at AEON MALL Phnom Penh.
- Diamond sponsor of the "March for a Mine-Free World" organized by Cambodian Mine Action Authority.
- Diamond sponsor of the Cambodia Banking Conference 2024 organized by the Association of Banks in Cambodia.
- Gold sponsor of the "Cambodia National Conference 2024" organized by Corporate Connections Cambodia.
- Gold sponsor of the "Beyond Borders: Bringing Cambodian Products to the Global Market thought Alibaba.com" organized by Ministry of Commerce.
- Gold sponsor of the "Entrepreneurial Ecosystem Day 2024" organized by Khmer Enterprise.



- Gold sponsor of the National Day of Science, Technology, & Innovation organized by the Ministry of Industry, Science, Technology & Innovation (STI) 2024 under the theme "SMEs go STI" on 24-26 March 2024 at Koh Pich Convention & Exhibition Center.
- Gold sponsor of the Pinnacle Entrepreneur Forum and ASEAN Women Entrepreneurs Network - Press Conference and Award Night.
- Main sponsor of the Construction Expo 2024 organized by Corporate Connections Cambodia.
- Premium sponsor to the National Bank of Cambodia to support the 44<sup>th</sup> Anniversary of the Reintroduction of Riel.
- Silver sponsor to the CWEA-Siem Reap of the Women for Everyone Forum under the theme "Women in the Role of Family, Business and Social Development" on 7 March 2024.
- Sponsor of the "8<sup>th</sup> River Festival 2024" under the theme "River for Peace and Development" organized by Ministry of Tourism on 15-16-17 March 2024 in Siem Reap Province.
- Sponsor of the "Cambodia-International Digital Government and Digital Technology Expo" organized by Ministry of Post and Telecommunications on 11-12 March 2024.
- Sponsor the Cambodia International Business Expo 2024.
- Sponsor to the Association of Banks in Cambodia to support their event "Cybersecurity Day" on 17 May 2024.
- Sponsor to the 7<sup>th</sup> Cambodia Rice Forum 2024 under the theme "Transforming the Cambodia Rice Value Chain to be Resilient, Inclusive and Sustainable".
- Sponsor to the Cambodia Women Entrepreneurs Associations (CWEA) to support their program "The Strength of Women's Unity" on 25 January 2024.
- Sponsor to the Credit Guarantee Corporation of Cambodia (CGCC) to support their annual seminar on "Diversifying Credit Guarantee Mechanism for Sustainable Financing of MSMEs" on 31 January 2024.
- Sponsor to the National Career and Productivity Fair 2024 on 26-27 October 2024.
- Sponsor of the "1<sup>st</sup> Cambodia Digital Trade Forum & Online Expo" organized by the Ministry of Commerce on 13 December 2024.
- Sponsor of the "Bankers' Annual Dinner 2024" organized by The Association of Banks in Cambodia on December 13, 2024.
- Sponsor of the 11<sup>th</sup> Cambodia Sea Festival under the theme: "Celebrating Coastal Heritage and Sustainability" organized by the Ministry of Tourism on 13-15 December 2024 in Kampot Province
- Sponsor of the 5<sup>th</sup> Cambodian Water Conference & Exhibition "Water for a sustainable future" organized by Cambodian Water Supply Association and Ministry of Industry, Science, Technology & Innovation

## Environment

- Gold sponsor of the Cambodia Women Entrepreneurs Day 2024 organized by Cambodia Women Entrepreneurs Association under the theme "Women Empowerment in Green Economy".
- Sponsor of the 7<sup>th</sup> World Cleanup Day.
- Sponsor to the 6<sup>th</sup> Greater Mekong Subregion Environment Ministers' Meeting organized by the Asian Development Bank (ADB).
- Sponsor of the Run Wild @ BeTreed. Run in the Wild Run for the Wild at Phnom Tnout.





In addition of economic and society contribution, ACLEDA BANK comply with laws and regulations across the countries and territories in which we operate. ACLEDA file our tax returns accurately and in a timely manner, and fulfill our tax obligations appropriately.

## Tax Paid Report

In the interests of fiscal transparency, we are pleased to publish our consolidated tax paid report in the table below:

Unit in US\$	2021	2022	2023	2024	Total*
Patent tax	18,942	18,900	18,762	18,859	266,586
Signboard tax	49,965	54,709	89,120	142,015	1,135,460
Transportation tax	43,134	54,966	57,167	56,460	563,679
Property tax	7,683	9,545	22,616	20,631	180,203
Value Added Tax	195,574	557,516	775,588	771,621	2,337,784
Prepayment of profit tax	0	0	6,835,097	8,031,079	57,134,939
Profit tax	26,673,600	34,743,690	34,934,217	1,645,331	306,762,177
WHT-Salary	7,223,313	9,507,189	13,469,471	9,308,480	92,436,602
WHT-Saving Deposits	200,324	447,035	1,029,332	1,289,108	5,301,290
WHT-Fixed Deposits	6,310,737	7,873,068	11,651,275	12,878,855	74,612,600
WHT-Asset Rental	1,140,932	1,215,754	1,232,716	1,290,818	15,183,766
WHT-Local Services	256,376	328,028	329,739	359,503	5,351,959
WHT-Overseas Services	2,937,694	4,259,693	10,394,782	6,763,912	69,700,853
Total Paid	45,058,275	59,070,093	80,839,881	42,576,671	630,967,898
Accumulated amount* (Year to date)	448,481,251	507,551,345	588,391,226	630,967,898	

Remark:

- \* Total and Accumulated Amount from year 2000.



# HUMAN RESOURCES DEVELOPMENT

With the rapid development of the financial services industry, which is shifting to the digital economy, human resources development is crucial in addressing the skills gap which is hindered by financial constraints and inadequate technology. The BANK believes that it is of utmost importance to establish a structure that inspires our team members with years of experience to take an enthusiastic interest in their work in order to enhance the value of our human capital, which is one of our most important priorities that we are working on a variety of different measures.

The BANK is committed to improving the skills of its employees by expanding the scope of technical development and knowledge so that they can maintain work efficiency and embrace competitive opportunities.

- ACLEDA BANK put in place the Employee Training and Development Operating Manual in order to strengthen the development of knowledge and skills and improve the attitude of ACLEDA's employees so that they can perform their work effectively.
- ACLEDA BANK officially promulgate the Learning Support Operating Manual and Procedure as a guideline to implement and support to enhance the professional capacity to keep up with the BANK's development and growth as well as to maintain the advantage over competition, which is an important strategy for managing and encouraging.
- ACLEDA BANK offers many opportunities for learning by training through combinations of rank-based at various institutions both domestic and abroad, as well as business-related training programs.



91 session

Number of Training Session arranged in 2024



US\$ 2.16 million

Amount the BANK has invested and spent on staff training in 2024



335,456 hours

Total Training Hours



28 hours

Average training hours per employee



- In 2024, the BANK reassessed its training programs for employees and management positions. The BANK actively encourages employees to improve their skills through training seminars and enhance the training's curriculum in accordance with ACLEDA's management strategy.
- Candidates that selected to join ACLEDA BANK are formally trained by the BANK to enhance their skills, knowledge, and attitudes in order to integrate them into the work culture of the BANK and make them feel happy at work and able to work more efficiently.
- ACLEDA BANK promulgate the Operating Manual and Procedure on Internship aimed to provide opportunities and facilitate internship applications of both local and international students at ACLEDA BANK PLC. and subsidiaries.

In 2024, the ACLEDA BANK conducts new recruits training program to

465 employees

Internship students at ACLEDA BANK

751 Students

- ACLEDA BANK continuously strengthen the knowledge capacity of management and staff through upskill and reskill as the banking industry is rapidly evolving due to advancements in technology, such as digital banking, automation, and artificial intelligence. Reskilling helps employees adapt to new tools, systems and technologies, while upskilling will equips employees with the latest knowledge and skills to provide better services, enhancing customer satisfaction and loyalty.



- ACLEDA BANK works to increase employee engagement in the area through organizational management strategies and initiatives that aim to promote and integrate risk culture into daily operations. The BANK specify five areas with significance to the BANK's operations as mandatory courses via e-learning for all staff.





Code of Conduct



Conflict of Interest



AML-CFT



Whistleblowers  
Protection



Bank Risk  
Management and ESG

- By recognizing the significance of incorporating environmental, social, and governance (ESG) considerations into operations to achieve our business strategy, the BANK has conducted an online ESG awareness training sessions for management and employees at all levels.

11,008 employees

Number of Employee attend the ESG Awareness and Testing via e-learning.



100 %

% of Employee had passed the ESG Testing.

- As the banks play a significant role in driving positive change by supporting the transition to a greener economy and addressing wider goals, ACLEDA BANK has made an efforts to share ESG knowledge and practices with stakeholders and the public through collaboration and partnership with partners, regulators and authorities by increasing awareness of ESG issues, individuals and organizations become more informed about the impacts of their decisions on the environment, society, and governance. This education can empower people to make more sustainable and ethical choices.





# EMPLOYMENT PRACTICE

Employee encouragement and collaboration are important for the success. Therefore, the BANK recognizes the importance of providing for our employees' well-being in addition to appropriate and fair remuneration and benefits. Moreover, the BANK pledges to offer a secure and healthy working environment so that our employees can give their best work. We believe that taking care of their well-being also enables us to increase our productivity level, motivate our efforts, and maintain our skills for long-term growth.

## Safety Workplace and Well-Being

Employee health and well-being are crucial in any organization. Promoting a positive work environment can lead to increased productivity, lower absenteeism, and higher employee satisfaction.

- In order to support and maintain the health and working environment of our employees, the BANK officially promulgate guidelines and procedures such as Guideline and Procedure on Occupational risk, Guideline of Tidiness and Sanitation, Operating Manual on Office Safety Management, and Welfare Operating Manual.
- In preparation and response to emergency situations, the BANK establish a Disaster Management Committee aimed to reduce the occurrence of disasters and to reduce the impact of those that cannot be prevented.
- The BANK put in place the procedures for the evacuation of employees from the office in the event of a fire in the office.
- The BANK regularly conducts air quality assessment in the BANK's buildings to ensure the good environment for all staff.
- The BANK ensure that lighting in the workplace is adequate and appropriate for operations in compliance with related regulatory requirements.
- The BANK provides a health insurance coverage so that employees feel confident in safety and have lower healthcare expenses.
- To ensure the well-being of the employee, the BANK equipped water purifiers for use in all offices.
- The BANK prioritizes employee health and offers comprehensive healthcare, including:

**Office –Indoor Temperature**  
Range from  
**24 °C -26 °C**

**Workplace Light Intensity**  
Range from  
**300 lux – 500 lux**



- Arrange health care room located at Headquarters, 14<sup>th</sup> floor that have one doctor and two nurses for employees to conveniently consult and interact with doctor via direct and call or telegram. Moreover, we prepared rest room for employees to relax when they feel unwell. Healthy and safe work practices are part of the training provided to all employees under the doctor's supervision. Moreover, all office of ACLEDA BANK have a first-aid-kit with all necessary medical equipment to support and use when there is any injure happen.



- The BANK also provides the health care and medical examination allowance to employees who receive medical treatment at the hospital /clinic. In addition, the BANK also partnership with local and international hospital aim to provide quality healthcare services in line with international standards. Through this collaboration, ACLEDA BANK employees and customers will receive many benefits and special prices on the use of medical examination and treatment services, as well as other services.



- Provide health care general knowledge to all employee. In 2024, 50 health care topics had been sharing to all employee by the BANK's doctor.
- Female employees are entitled to have a fixed period of maternity leave of 90 days, including weekly holidays (Saturday and Sunday) but exclude public holiday and receive basic salary and allowances as stipulated in the Operational Policy on Salary and Allowances of ACLEDA BANK PLC. Moreover, female employees with a child under 1 year of age who are breastfeeding are granted 1 hour per day to breastfeed their babies during working hours.
- Employee loan has been established with special interest rate in order to help employee address unexpected financial need and improve their lives. The loan including staff loan and staff housing loan.

### Promote Human Right, Fair and Equitable Practice

The BANK adhere a policy of equality in all dealings with the public in general and customers and staff alike. We are aware that appropriately managing and respecting human rights and treating employees fairly would promote business growth while also enhance the organization's competitiveness and fostering sustainable growth.

- The BANK Promulgate the policies and procedure such as Collective Labor Agreement, Human Resources Management Operating Manual, Operating Manual of Salary and Other Fringe Benefits, Performance Appraisal Operating Manual, and guidelines for effective implementation.
- Implement practical measures such as training interviewers on recruitment procedures and the non-discriminatory recruitment process and disseminating to managers and staffs on relevant laws and regulations.



#### Promoting Gender Diversity

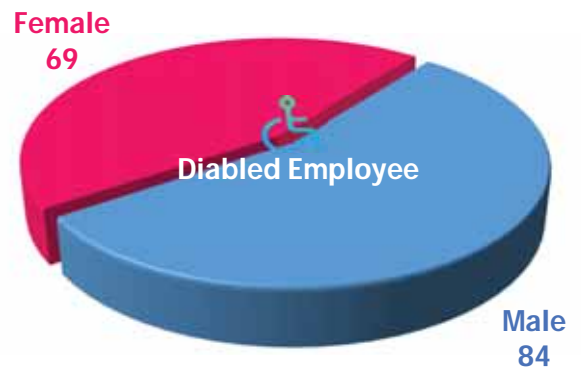
As of December 2024,

- ACLEDA BANK employee are **4,719** Female Equaled **39%** total Staff.
- Among executive management, **4** are female, equaled **44%** of total executives.

- Ensure equality of opportunity in terms of recruitment processes, career development, promotions, remuneration and fringe benefits. Promote career opportunities for women ensuring equal representation of women in the workplace.



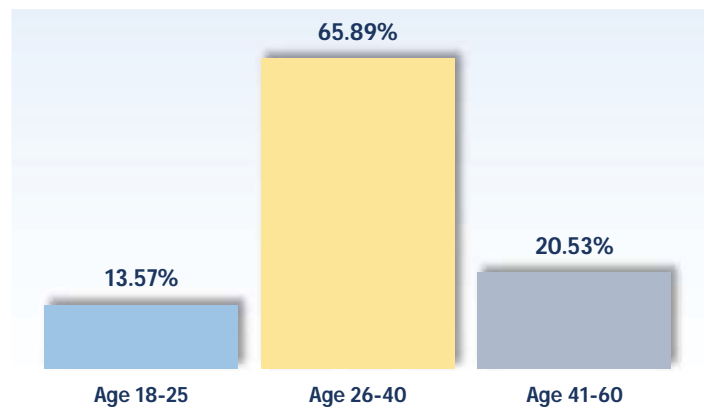
- Ensure fair treatment and unprejudiced working environment within the BANK without any gender-based, age, and disability discrimination among employees and protecting the common interests of employees and communities through improving the implementation of guidelines on labour, human resources management, occupational health, safety and security for both employees and communities for instance.
- Strictly abides by follow the Cambodia Labor law, particularly on child and forced labour by not accept any form of forced labour or child labor. Moreover, we will never employ children that fall into definition of child labour as stipulated by the Cambodia Labor law and ILO convention.
- The BANK promulgate the Rights of People with Disabilities Operating Manual to ensure the equal opportunities and treatment for disabled employees and career opportunity based on their job roles without discrimination.
- The BANK take into account the special needs of the handicapped, be they employees, customers or members of the public, in designing our offices and other service facilities.
- Employ 153 disabled people nationwide in 2024, as we strongly believe that providing employment opportunities is a means of advancing social equality and inclusivity.
- Implement employee career development and management on compensation and benefits with fairness, transparency and non-conflict of interest, which aim to encourage and motivate all workers to increase their capacity through knowledge, skills and experience in the job role.
- The elect staff representative, which excludes management, as a spokesperson to inform the employer of the grievances of individual or collective workers who are dissatisfied with the implementation of wages, performance of work, general rules of employment and collective agreements for implementation and propose all measures that are useful to contribute to the protection of health, improve security and working conditions of employees.



### Classification of Employees by Gender

	Male	Female
Top Management	55.60%	44.40%
Middle Management	84.30%	15.70%
First Line Management	65.80%	34.20%
Staff	54.50%	45.50%

### Classification of Employees by Age



Remark:

- Criteria for disabled employees based on the Ministry of Social Affairs, Veterans and Youth Rehabilitation



## OUR SOCIAL PERFORMANCE

<b>Employee Data</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Number of Employees	12,081	12,083	12,045	11,971
Number of Female Employees	4,750	4,687	4,711	4,719
Number of Male Employees	7,331	7,396	7,334	7,252

<b>Board of Directors Data</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Number of Board of Directors	10	10	9	9
Number of Female	1	1	1	1
% of Female	10	10	11	11
Number of Male	9	9	8	8
% of Male	90	90	89	89

<b>Top Management Data</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Number of Top Management	9	8	8	9
Number of Female	4	4	3	4
% of Female	44	50	38	44
Number of Male	5	4	5	5
% of Male	56	50	62	56

<b>Employee Wage</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Ratio of Lowest Paid Employee Against Minimum Wage	0.95	1.00	1.00	1.00
Lowest Paid Employee	185	240	240	240
Minimum Wage	195	240	240	240



<b>Living Support</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
No. of Female Employees Who Aailed Living Support	4,738	4,697	4,367	4,711
No. of Male Employees Who Aailed Living Support	7,286	7,358	6,853	6,312

<b>Injury and Fatality Rate</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
No. of Employees Injury	203	217	241	213
No. of Fatalities	2	-	-	1
Fatalities Rate	0.99	-	-	0.47
Lost Time Injury Frequency Rate (LTIFR)	8.68	8.94	10.00	9.04

<b>Social Welfare Fund (NSSF)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
No. of Female Employees Who Aailed Social Welfare Fund	554	480	511	495
No. of Male Employees Who Aailed Social Welfare Fund	122	135	145	127
Total No. of Employees who Aailed Social Welfare Fund	676	615	656	622

<b>Employee Training Hour</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Training Hours	275,972	339,695	304,583	335,456
Average Training Hours Per Employee	22.84	28.11	25.29	28.02



<b>Employee Training and Development</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Training – Career Development and Refresher Programs	6,674	8,313	5,476	4,725
Training of New Recruits – Induction Program	832	748	608	465
Internships for Local Students	415	557	520	748
Internships for International Students	-	-	1	3
Employee Training Investment/Expense (US\$)	2,883,690	4,058,026	3,171,586	2,166,178

<b>Further Education / Training Support</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
No. of Female Employees Who Availed Further Education Support	93	414	208	1,045
No. of Male Employees Who Availed Further Education Support	203	1,504	2,156	2,226
Total No. of Employees Who Availed Further Education Support	296	1,918	2,364	3,271





# GOVERNANCE







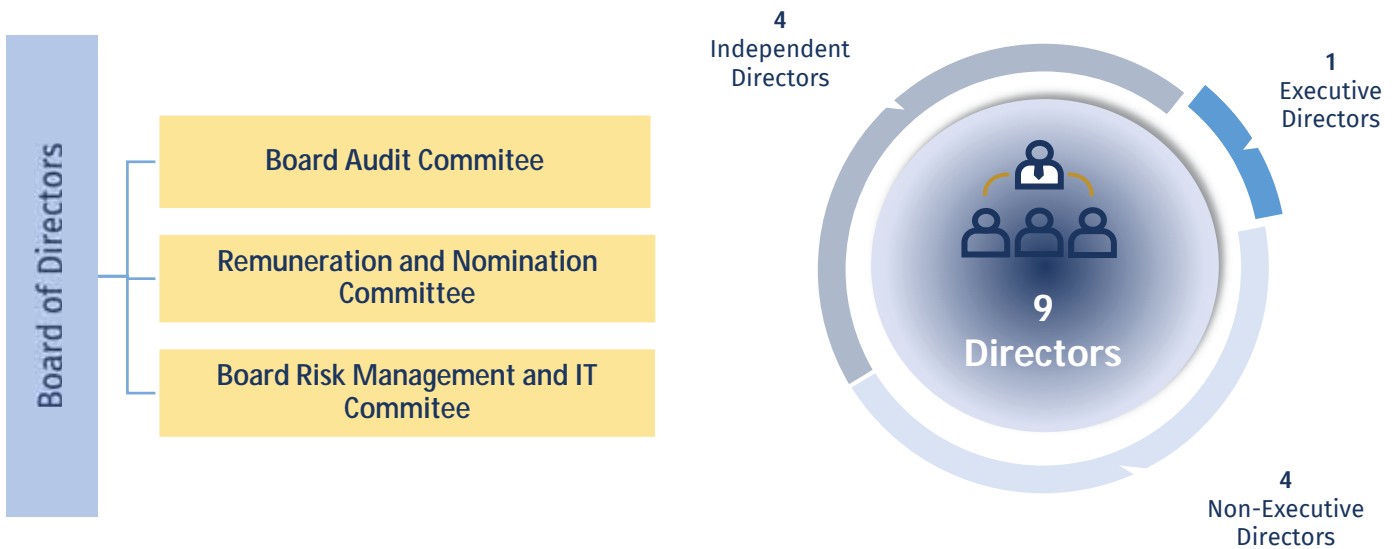
# GOVERNANCE & BUSINESS ETHICS

ACLEDA BANK recognizes the critical importance of corporate governance in supporting the Group and the BANK's sustainable growth, enhancing the efficiency of the Group and the BANK, creating shareholders' value, and securing trust for all stakeholders including shareholders, customers, staff, and the public. The Board of Directors supports and encourages the adoption and implementation of good corporate governance policies, together with a code of conduct and business ethics.

The BANK is committed to implement and serve the customer with highest ethical standards, while maintaining transparency and accountability at all levels of operations. It is for this reason that ACLEDA BANK has adopted a Code of Ethics to ensure that all Directors and employees of ACLEDA BANK shall pursue the highest standards of ethical conduct in the interests of shareholders, customers, staff and the public.

The Board of Directors is responsible for determining the strategy of the BANK by conducting risk management, culture, and oversight. Its members shall act in the best interests of the BANK. The Board of Directors supports and encourages the adoption and implementation of good corporate governance policies, together with a Code of Conduct and business ethics.

The Board of Directors assumes responsibility for corporate governance and for promoting the success of the BANK by directing and supervising its business operations and affairs. It also ensures that the necessary human resources are in place, established with the management's strategies and financial objectives to be implemented by the management, and monitors the performance of management both directly and through the Board Committees.



The Board of Directors established three committees: Audit, Remuneration and Nomination, Risk Management and IT, and may establish such other committees as it deems necessary or desirable to carry on the business and operations of the BANK. These Board Committees shall exist at the pleasure of the Board of Directors and all members of such Committees shall be approved by the Board.



The committees themselves will not exercise any of the powers of the Board, except insofar as the Board may formally delegate such powers, but may make recommendations to the Board for their collective action. Whilst membership on Board Committees is restricted to Directors themselves, they may invite members of management and others so as to provide operational information and explanation when considered necessary. All Board Committees are chaired by Independent Directors.

In 2024, ACLEDA BANK has won the Best Corporate Disclosure Award after a comprehensive evaluation by Securities and Exchange Regulator of Cambodia and Cambodia Securities Exchange in the Cambodia Stock Market Exhibition "My First Stock" 2024.



## Anti-Corruptions

Corruption could potentially lead to fraud activities. Thus, ACLEDA BANK place a strong emphasis on conducting business in accordance with the good corporate governance and preventing corruption in all its forms with the following management approaches:

- Stipulate the Corporate Governance Policy which covers the duties and responsibilities of the Board of Directors, right, transparency, composition, and qualification.
- Stipulate the Code of Conduct Policy to pursue the highest standards of ethical conduct in the best interest of all stakeholders and as being practiced for all directors, executives, and staff by working with integrity. Moreover, all staff members will promote honest and ethical conducts, compliance with applicable rules and regulations, and accountability in adhering to this Policy.
- Establish its Conflict of Interest Policy to enable all staff members of ACLEDA BANK easily identify, prevent, and manage conflict of interest which may arise in the course of the BANK's business.
- Zero tolerance of all kinds of bribery and corruption and is determined to comply with the relevant laws, regulations and principles. All employees shall comply with laws and regulation in force. We are strongly committed to conducting our business with honesty, integrity and in accordance with all applicable laws including anti-corruption law.





- Promulgate the Collective Labour Agreement, which mentioned the responsibilities of all employee to adhere to the business conduct and avoid any form of fraud and corruption.
- Promulgate the Compliance Policy and compliance function in identifying, evaluating, and addressing compliance risks and will help the BANK to look at and get across business lines and activities of the organization as a whole and to consider how activities in one area of the BANK may affect the legal and reputational risks of other business lines and the entire group/enterprise.
- Promulgate the Operating Manual on Gift, Commission and Persuasion in order to prevent improper behavior among employees, such as bribery, corruption, and other actions that violate ACLEDA BANK PLC's policies, procedures, and guidelines.

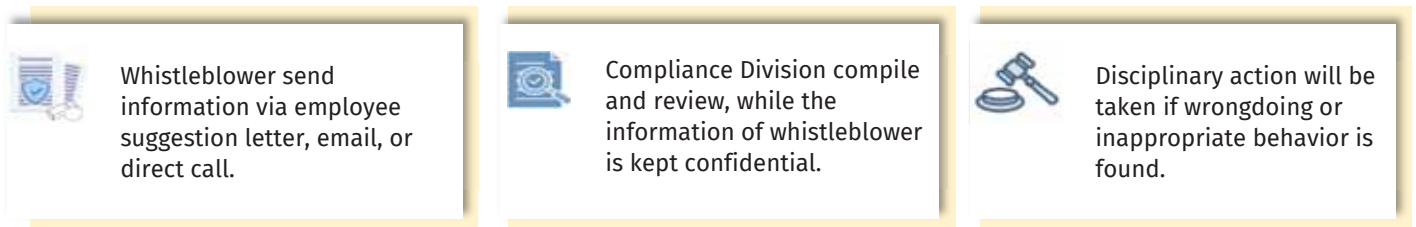
## Whistleblower Protection

The BANK always pays attention to any attitude against to regulations, policies, operating manuals, procedures, code of ethics which are likely to occur sometimes; therefore, the BANK established the Whistle Blower's Protection Policy as one of a measure to identify such behavior and take preventive and corrective actions in order to remove it. Employees are encouraged to disclose any concerns which is the constructive opinion and could affect and detrimental to the best interests of ACLEDA BANK PLC. and general public. The BANK has adopted a Whistle Blower's Protection Policy aimed to receive the information and protect each whistleblower who expresses a concern in good faith, without malice and with no expectations of personal gain.

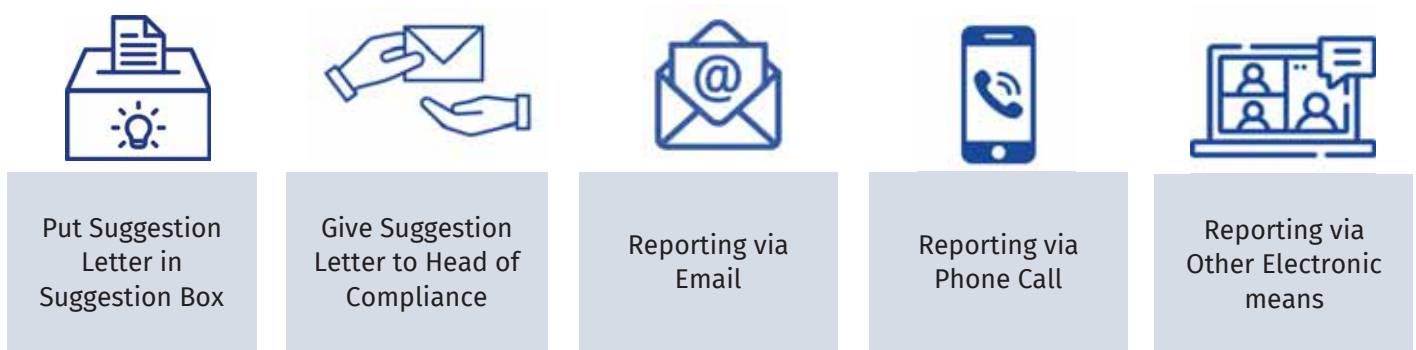
Whistle Blower's Identification in the suggestion letter will not be disclosed unless she/he or reporter made own decisions as specified in her/his suggestion letter to reveal to the public or any third parties.

Under the Whistle Blower's Protection Policy, the BANK offers channels for reporting information or tips regarding violations of laws, rules, and the BANK's code of conduct, such as cases of corruption, nepotism, fraud and unethical behaviour etc.

### Whistleblower Handling Process



### Whistleblower Channel





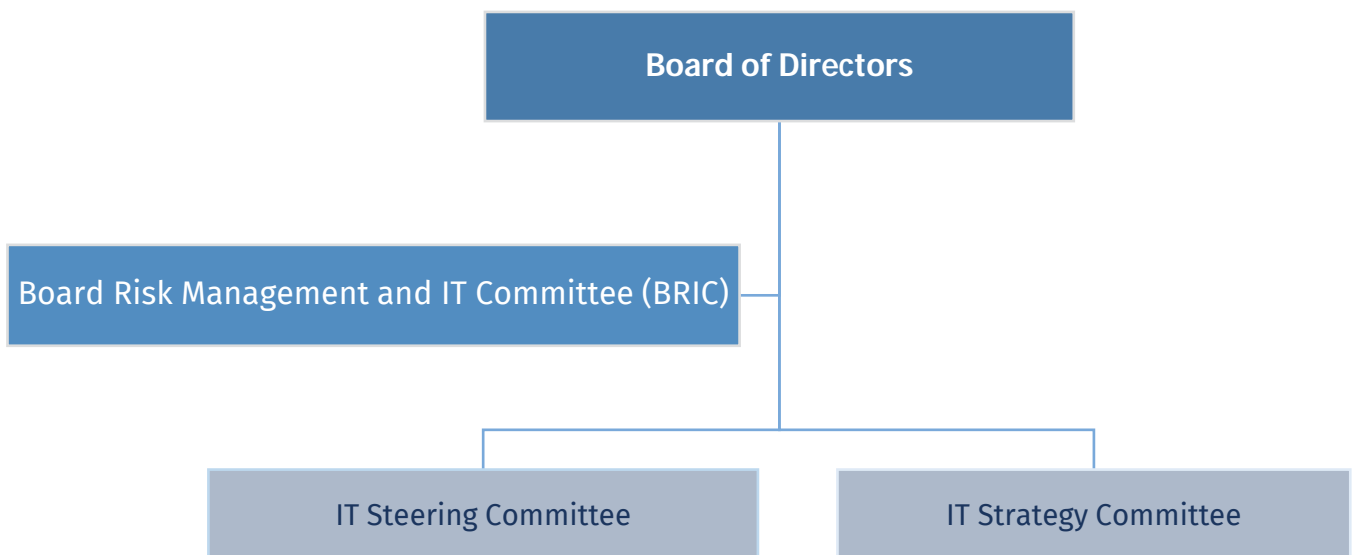
# DATA SECURITY & CUSTOMER PRIVACY

Since businesses now need to connect with more external parties, such as business partners and service providers, cyber threats have remained a significant risk for ACLEDA BANK. The Group and the BANK is committed to providing secure banking services and meeting its interested parties' information security and privacy requirements by effectively implementing, maintaining, and continually improving an information security management system and privacy information management system.

In order to commit to this, the Group and the BANK specified governance structure that promotes collaboration from the Board of Directors, senior management, and employees. Under this structure, the Board of Directors is responsible for reviewing the related policies and the internal control system to make sure that they comply with regulations and potential conflict of interest that deserve special attention.

## Data Security Governance & Policy

- Board Risk Management and IT Committee responsible for ensuring that management has put an effective IT governance process in place and ascertain that management has implemented processes and practices that ensure that the IT functions delivers value to the business.
- Establish IT Strategy Committee to ensure that IT organizational structure is defined which will help in meeting the business needs.
- Establish IT Steering Committee to assist in governance, risk and control framework; and directing, monitoring and managing continual improvement of IT Governance implementation.
- Establish IT Security Division to supervise, monitor and strengthen compliance with IT security principles of users and monitor physical security related to the organization of information technology equipment in the Data Center in order to identify risks and lead to set policies and procedures for prevention in a timely and safe manner.



- The BANK promulgate Data Classification Policy to protect the BANK's data appropriately and comply with the relevant laws and regulations related to different types of data. It governs the confidentiality, integrity, availability, privacy and security of firm's sensitive data and the responsibilities of individuals for such data.
- The BANK promulgate Information Security Incident Management Policy to prevent the disruptive short and long-term effects of security incidents and thereby prevent their recurrence in the BANK.



- The BANK promulgate the Back-Up Policy as the rules for the backup and storage of information and improve business operations to enable the business continuity plan and recovery of the data and applications in case of disaster, system failures, and espionage of system operations.
- The BANK promulgate Data Privacy Policy to protect the privacy and confidentiality of Personal Information about ACLEDA’s employees, customers, business partners and other identifiable individuals.

## Data Privacy Notice

ACLEDA BANK also declare a [Legal and Privacy Notice](#) to inform clients and the public that we may collect, use, disclose or otherwise process customer's personal data in accordance with our internal data protection policy. Meanwhile, the BANK also issued its Data Privacy Policy and Information Security Policy for implementation. Employees of the BANK and its contracted service providers are required to adhere the BANK compliance requirements. To prevent violation and unauthorized access to personal information, appropriate safeguards are put in place when using, sending, or transferring that data. Customer’s consent is required before the provider shares personal information with any external audience, including credit bureaus.



## Establishing a Cyber Risk Awareness Culture

To help employees handle and respond to the cases of privacy breach effectively and appropriately, the BANK has specified the Information Security Policy and others. The BANK implement a formal security awareness program to inform all employees of their accountabilities, responsibilities and take the necessary measure on appropriate information security and privacy practice. Moreover, the BANK also emphasizes on raising employee awareness through consistent training, communication, and activities.

1. The Board of Director and Senior Management
  - Cyber security management, IT risk management and other main IT issues have been reported to the Board Risk Management and IT Committee on a quarterly basis.
  - Senior Management of ACLEDA BANK participated in a cyber-attack simulation to familiar with such incidents and develop the procedures they will need to deal with any future threats.
2. Employees
  - E-learning and testing on data security management has been arranged for employees.
  - To ensure that our employees have a better awareness and understanding of cyber threats, IT newsletters on security tips and security alerts have been regularly released on a PC's screen to all employees.
  - Regular phishing exercises have been carried out. Employees of ACLEDA BANK and its subsidiaries have received fictitious emails as a way to put them to the test, ensure their awareness, and provide them with training on how to handle the situation. According to the exercise results, employees are becoming more cautious and aware of phishing emails.



## Reporting of Cybersecurity Performance

In 2024, there were no incidents of leakage, theft, or loss of customer sensitive data as a result of all cyber threats reported.

ACLEDA BANK has reached a significant milestone in enhancing the safety, security, and privacy of our customers' data and digital ecosystems. Moreover, ACLEDA BANK has recently become the only Cambodian Bank to win The World's Safest Banks Award in 2024 from the Global Finance magazine.

## IT Security Awareness

The BANK has implemented a formal IT security awareness program to inform all employees of their accountabilities, responsibilities and take the necessary measure on appropriate information security and privacy practice.

In 2024, IT Security Division conducted 2,670 IT security training sessions for ACLEDA BANK executives and staff members in order to ensure that managements and staff members understood and were aware of cyber threats in accordance with the BANK's IT security regulations and policies.



Moreover, throughout modern technology, Cyber Fraud has rapidly evolved as new technologies emerge. It has a significant impact on each and every sector, causing the loss of ones' assets and confidential data. It generally comes out in various forms conducted by anonymous fraudsters. Cyber fraud, Phishing, Vishing, and Smishing have been seen more often as these are the convenient tricks used to steal data related to bank accounts and some sensitive information. As cyber fraud is rising, we all have to be well aware of this and even prevent ourselves from falling into a victim. Therefore, in order to safeguard customers' financial information and avoid exposed to new and sophisticated fraud, the BANK always sharing the alert and sharing a security tip to our customer and public through our official website and social media.





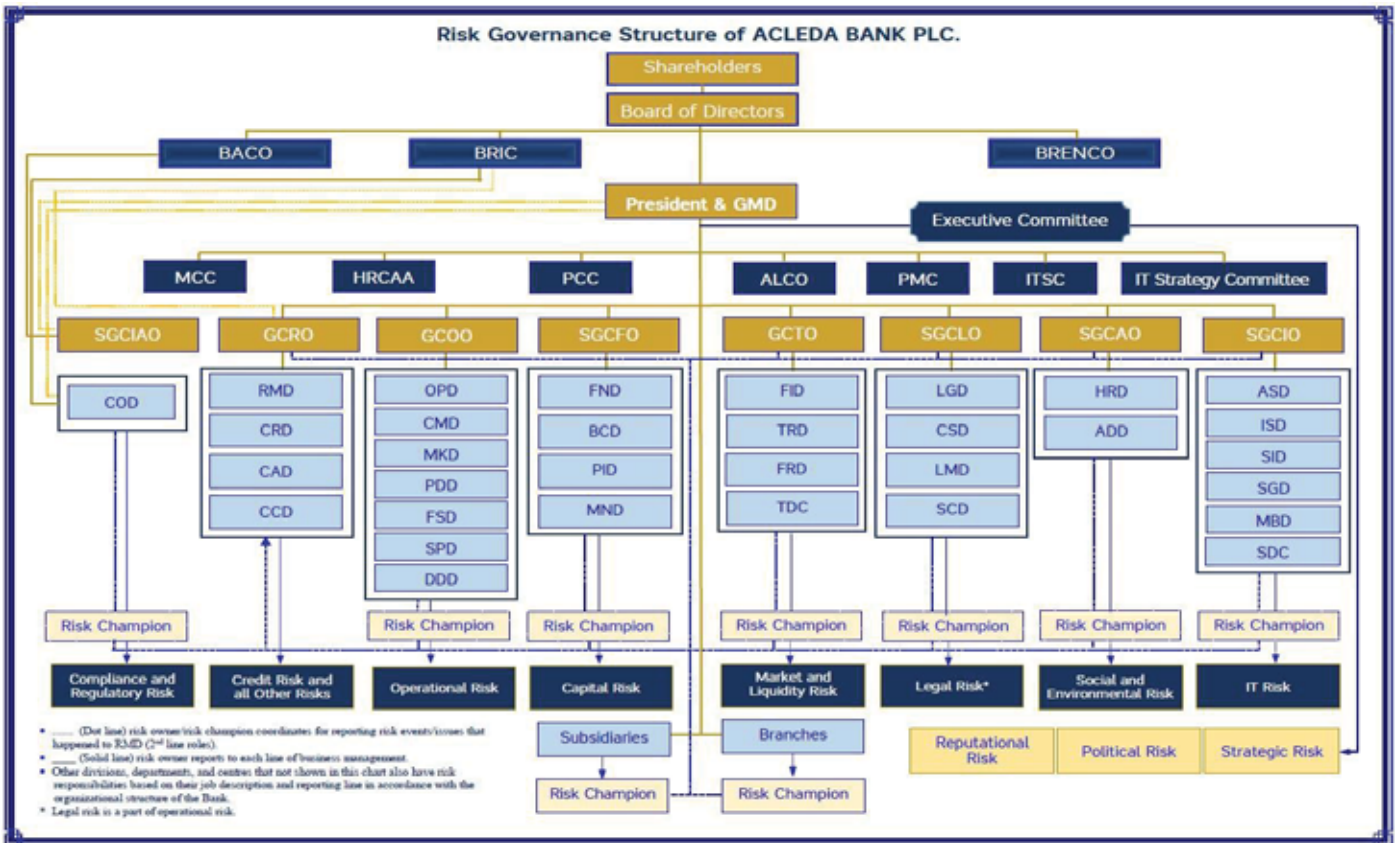
## RISK MANAGEMENT

In the competitive business environment along with the rapid evolution and development of technology and changes in the law, the Group and the BANK is fully aware that today's business operations could involve volatility and uncertainty from both internal and external factors, some of which are uncontrollable, such as the COVID-19 pandemic, domestic and international economies, unpredictable weather, changes of laws and regulatory requirements, etc. Most of these factors have either positive or negative impacts on the Group and the BANK's operations.

ACLEDA BANK values the importance of risk management, while we strongly believes that proactively identifying the risk before it occurs and adapting to future changes could even help the BANK manages and minimize the potential risk properly efficiently and in a timely manner.

### Risk Governance Structure

- The BANK adheres to the risk governance structure which has been developed with well defined of roles, responsibility, and reporting line of employee at all levels in order to manage risk effectively.
- The BANK integrated risk management into all business process while the risk governance structure has been developed with well-defined, and consistent lines of responsibility of employee to all levels in order to manage risk effectively.
- The Board of Directors is responsible for reviewing and approving on risk management policy and risk appetite with considering the most significant risk that specifies the nature, types, and levels that the BANK is willing to assume and provides an outline of the approach to managing these risks.
- The Board Risk Management and IT Committee (BRIC) that appointed by the Board responsible for oversight and promote the risk management and risk governance of the BANK, conducts annual review on the adequacy of the risk management framework outlining the BANK wide high-level policies which include the risk identification, risk assessment, risk treatment and monitoring and reporting.
- The BANK promulgates the Risk Management Policy to set standards for the BANK's enterprise-wide risk management in a way that optimally balances managing risks while adding value to the BANK. The policy distinguished different risk categories in line with the categories identified by the Basel.
- The BANK establishes the Risk Management Division to ensure that material risks as set out in the risk management policy are identified, measured, monitored, monitored and reported effectively and in a timely manner.
- The BANK establishes risk champion role who is designated by the Group Chief or Branch Manager to serve as a representative of the management and staff of the loop of the Group Chief or Branch. Their responsibilities include acquiring risk management knowledge from the risk management division or an external risk consultant, as well as extending or sharing risk knowledge or material on risk management, such as policies, operating manuals, procedures, and related documents.



### Three Lines Model

In order to effectively identify and manage the risk, the BANK set up "three lines model" approach to providing structure around risk management and controls within the BANK by defining roles and responsibilities in different areas and the relationship between those different areas. Risk owners must abide to the function and control function, which has been separately defined in accordance with the three lines model.

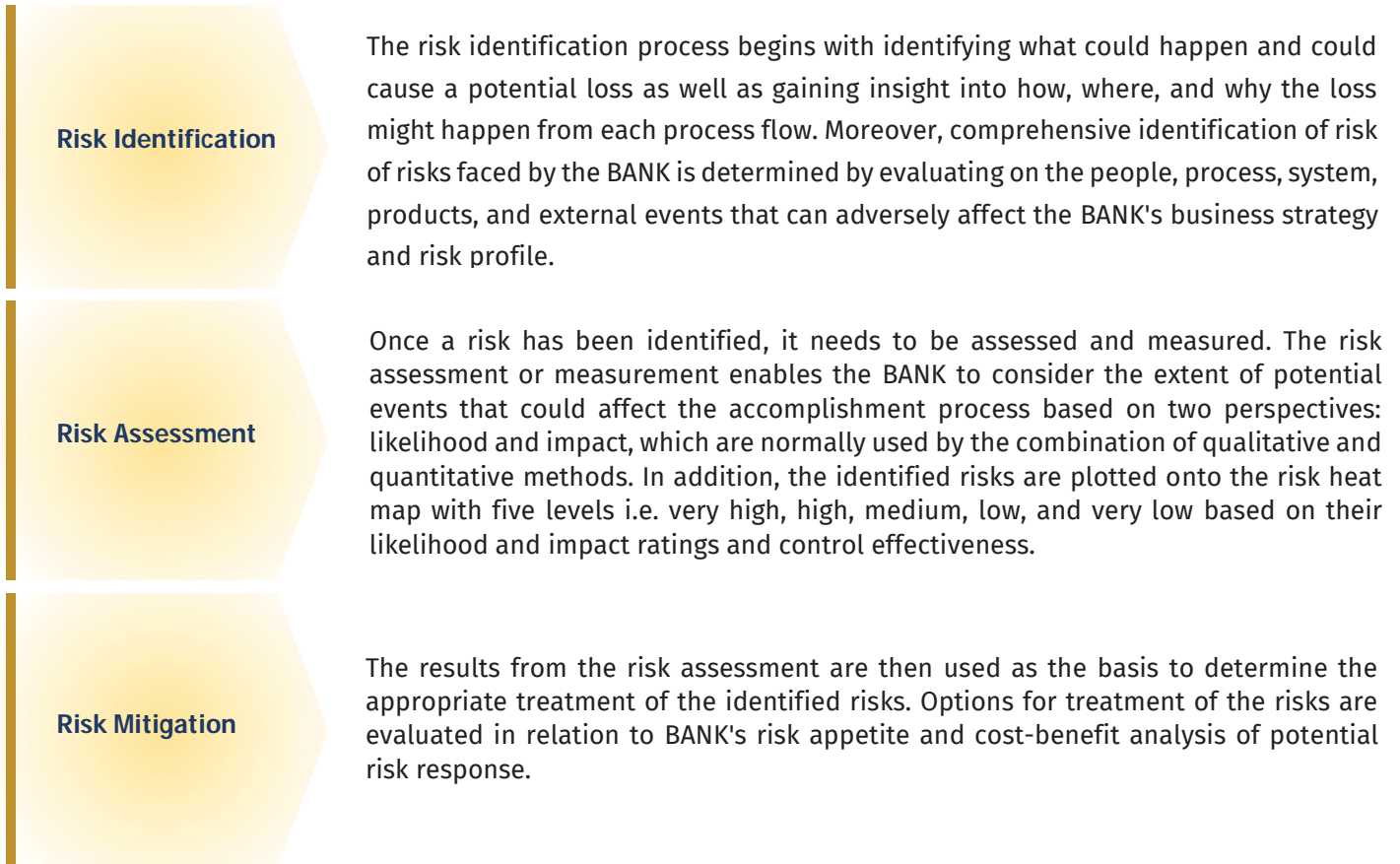
First lines roles	Second lines roles	Third lines roles
<p>The first line roles are both business operations and support functions who are the risk owners, ultimately responsible to acknowledge and manage day-to-day risk inherent in the BANK's business and activities.</p>	<p>The second line roles comprise Risk Management Division who are responsible for developing risk methodologies, templates, and procedures, and providing training and guidance to the first line roles in order to perform the risk management processes.</p>	<p>The internal audit forms as the third line roles are responsible for providing an independent review and performing regular post checking on the business and operations activities. It reviews implementation of policies, procedures as well as the effectiveness and adequacy of risk management.</p>





## Risk Management Process

ACLEDA BANK has a process in place for managing risks that includes risk identification, assessment, monitoring, and reporting.



### Four type of risk mitigation options:

- **Risk Acceptance**  
The impact of risk is very low or because of the potential benefits bigger than the risk; therefore the BANK can accept the risk.
- **Risk Reduction**  
The impact of risk on the BANK is high and the BANK is able to take measures to solve the problem effectively and low cost; therefore, the BANK chooses this method to reduce risk.
- **Risk Transfer**  
This is where the risk is such a high impact on the BANK due to lack of expertise to manage, high management cost and significant loss; therefore, the BANK can transfer the risk to another party such as buying insurance.
- **Risk Avoidance**  
This is where the risk is such a very high threat to the business or over the BANK's current risk appetite that may lead to stop of operations/systems, high management costs, no risk transfer solutions are available; therefore, the BANK can choose the risk avoidance strategy.



## Risk Categories within the BANK



Credit Risk



Strategic Risk



Market Risk



Information Technology Risk



Capital and Liquidity Risk



Compliance and Regulatory Risk



Operational Risk



Political Risk



Reputational Risk



Social Risk



Environmental Risk

## Promote Risk Culture and Risk Awareness

Fostering a risk culture within a Bank is essential for effective risk management. The BANK continuously enhances employees' engagement in risk management by recognizing that it is the responsibility of all employees. Moreover, instilling risk awareness in a BANK is crucial for establishing a culture that prioritizes risk management, therefore, the BANK has put and implemented some measure to promote risk culture such as:

- Conduct Material Risk Assessment annually in order to manage the BANK's risks effectively and to identify the risk before it occurs and minimize the potential risk properly and in a timely manner.
- Determine the Risk and Control Self-Assessment (RCSA) and Key Risk Indicators (KRI) as tools and methods that ACLEDA BANK uses for closely monitoring and assessing various aspects of all business function risks.
- Incorporation of proper risk assessment for all products and services that the BANK would like to offer to the customers for preventing all potential risks and taking proactive actions in advance precisely and on a timely manner
- E-learning around risk topics is conduct to all employees on an annual basis to assure that all employees develop risk awareness in their day-to-day responsibilities.



## ABOUT THIS REPORT

The BANK publishes its Sustainability Report on a yearly basis to engage with stakeholders and provide transparency regarding the BANK's impact on the economy, environment, individuals, and society in terms of performance and business operations.

This report is ACLEDA BANK's Sustainability Report and covers the 2024 financial year. The report boundaries cover ACLEDA BANK Plc. ("the BANK") and its subsidiaries (collectively referred to as "the Group") performance during January 1 - December 31, 2024.

### Economic & Governance Information,

Performance of the Group and the BANK that are consistent with our 2024 Annual Report.

### Environmental Information,

#### Reporting boundaries

Direct GHG emissions and indirect GHG emissions have been reported by ACLEDA BANK, its branches and subsidiaries where ACLEDA BANK has operational control and through which ACLEDA BANK conducts its Banking and Finance business or provides services in support of such business.

#### Greenhouse Gas Emission (GHG)

The Greenhouse Gas Emission indicated in the report are from ACLEDA BANK's operation and activities and is calculated based on the reference rates of Intergovernmental Panel on Climate Change 2006 (IPCC) and greenhouse gas protocol.

All GHG emission figures are in metric tons of carbon dioxide equivalents (CO<sub>2</sub>e).

#### Calculation Method

1. The calculation of Scope 1 GHG direct emissions is based on fuel consumption (by weight or quantity), e.g., the quantity of gasoline/petrol and diesel multiplied by its emission factors.
2. The calculation of Scope 2 GHG indirect emissions is based on the quantity of purchased electricity multiplied by grid emission factors.
3. The calculation of Scope 3 GHG indirect emissions is applicable for category 06-Business Travel by airplane only.



## Social Information,

### Number of ACLEDA BANK Employees

Employees are workers under employment contracts with ACLEDA BANK PLC.; they are classified into five groups, as below:

1. Top Management Level: Includes President & Group Managing Director, and Group Chief Officers.
2. Middle Management Level: Includes Head of Division, Head of Department, and Branch Manager "A"
3. First-Line Management Level: Includes Deputy Head, Assistant Head, Branch Manager "B", VP & BM "C", Manager of Unit, and Assistant Manager of Unit.
4. Skilled/Technical Staff: Includes Group Specialist, Group Engineer, Group Vault, Staff, and Clerk.
5. Unskilled Staff: Includes Driver, CSA / Cleaner.

The above employees are also classified in accordance with the employee contracts as "Undetermined Duration Contract".

Data collection on number of employees (headcount) was collected at the end of the reporting period.

## MAPPING TO SERC'S SUSTAINABILITY DISCLOSURE

In May 2024, the Securities and Exchange Regulator of Cambodia (SERC) issued the Prakas of sustainability disclosure by requiring listed companies to disclose about the environment, social, and governance by starting from 2026. The below is mapping ACLEDA BANK's sustainability report to all 31 specific items of information relevant to ESG.

	Description	Reference
<b>Operation Information</b>	1. The Listed Entity's business model	<ul style="list-style-type: none"> <li>About ACLEDA BANK PLC. Page 06-11</li> </ul>
<b>Sustainability Governance</b>	2. Actions and means the Listed Entity has specifically incorporated any of the Sustainable Development Goals into its corporate strategy or its governance, management or operational processes.	<ul style="list-style-type: none"> <li>Sustainability Strategy, Page 13</li> </ul>
	3. The key risks that the Listed Entity has identified to its operations from climate, environmental and corporate social matters, whether over the short, medium or long term.	<ul style="list-style-type: none"> <li>Materiality Assessment, page 22</li> </ul>
	4. Risk management operations - the processes used by the Listed Entity to identify and manage its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> <li>Materiality Assessment, page 24</li> <li>Risk Management, Page 76</li> </ul>
	5. The strategy or plan that the Listed Entity has for addressing its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> <li>Materiality Assessment, page 25-26</li> </ul>
	6. Governance of risk - the governance and reporting processes used by the Board of the Listed Entity in its oversight of its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> <li>ESG Governance, Page 18</li> </ul>
	7. Key metrics, indicators and measurements used by the Listed Entity to monitor and assess its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> <li>Our Environmental Performance, Page 40-41</li> <li>Our Social Performance, Page 64-66</li> </ul>
	8. Any targets used by the Listed Entity to manage these climate, environmental and corporate social risks, and actual performance against those targets.	<ul style="list-style-type: none"> <li>ESG Targets &amp; Performances, Page 19-20</li> </ul>
	<b>Corporate Social impacts</b>	9. Training hours provided per employee.
10. The Injury and fatality rates of the listed entity.		<ul style="list-style-type: none"> <li>Our Social Performance, Page 65</li> </ul>
11. The policy or commitment of the Listed Entity in relation to the prevention of child and forced labour.		<ul style="list-style-type: none"> <li>Customer Protection, Page 45</li> <li>Employment Practice, Page 63</li> </ul>
12. The policy of the Listed Entity for addressing complaints, including employee complaints.		<ul style="list-style-type: none"> <li>Customer Protection, Page 45-46</li> </ul>
13. The policy of the Listed Entity in relation to corruption and bribery.		<ul style="list-style-type: none"> <li>Governance &amp; Business Ethics, Page 69-70</li> </ul>

	14. The policy of the Listed Entity to enable confidential whistleblowing.	<ul style="list-style-type: none"> <li>• Governance &amp; Business Ethics, Page 70</li> </ul>
	15. The proportion of women on the Board and, separately, in the senior management of the Listed Entity.	<ul style="list-style-type: none"> <li>• Our Social Performance, Page 64</li> </ul>
	16. The composition of the total workforce by gender.	<ul style="list-style-type: none"> <li>• Our Social Performance, Page 64</li> </ul>
	17. The policy of the Listed Entity to promote gender diversity.	<ul style="list-style-type: none"> <li>• Employment Practice, Page 62-63</li> </ul>
	18. Description of any policy of on the collaboration with local communities and indigenous people.	<ul style="list-style-type: none"> <li>• Customer Protection, Page 45</li> <li>• Community Participation &amp; Social Engagement, Page 52-57</li> </ul>
<b>Environmental Impacts</b>	19. Description of any policy on reduction of any negative impacts of the business activities of the Listed Entity on the environment.	<ul style="list-style-type: none"> <li>• Environment &amp; Climate Change Risk, Page 28-31</li> </ul>
	20. A description of any significant impacts that the business activities of the Listed Entity may have on the environment.	<ul style="list-style-type: none"> <li>• Environment &amp; Climate Change Risk, Page 28-39</li> </ul>
	21. The total water withdrawn by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 40</li> </ul>
	22. The proportion of wastewater generated, treated, and recycled by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 40</li> </ul>
	23. Total solid waste from operations associated with the business and operations of the Listed Entity.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 41</li> </ul>
	24. The proportion of solid waste recycled or recovered by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 41</li> </ul>
<b>Climate Impacts</b>	25. Description of any policy on reduction of any negative impacts on the climate.	<ul style="list-style-type: none"> <li>• Environment &amp; Climate Change Risk, Page 30-31</li> </ul>
	26. The significant impacts that the business activities of the Listed Entity may have on climate.	<ul style="list-style-type: none"> <li>• Environment &amp; Climate Change Risk, Page 34-35, 39</li> </ul>
	27. Total energy consumed by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 40</li> </ul>
	28. The proportion of renewable energy consumed by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 40</li> </ul>
	29. Total energy produced by the Listed Entity, and the proportion of renewable energy produced.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 40</li> </ul>
	30. Scope 1 Greenhouse gas emissions associated with the Listed Entity's business and operations (direct emissions).	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 41</li> </ul>
	31. Scope 2 Greenhouse gas emissions associated with the Listed Entity's business and operations (indirect emissions).	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 41</li> </ul>

## MAPPING TO UN SDGs

Goals	Targets	Reference
1. No Poverty	1.4 Equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	<ul style="list-style-type: none"> <li>Financial Inclusion &amp; Literacy , Page 47</li> </ul>
2. Zero Hunger	2.3 Double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge and financial services	<ul style="list-style-type: none"> <li>Financial Inclusion &amp; Literacy, Page 48-49</li> </ul>
3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines.	<ul style="list-style-type: none"> <li>Employment Practice, Page 61-62</li> <li>Community Participation and Social Engagement, Page 55</li> </ul>
4. Quality Education	4.3 Equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	<ul style="list-style-type: none"> <li>Employment Practice, Page 62-63</li> <li>Human Resources Development, Page 58-60</li> </ul>
	4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	<ul style="list-style-type: none"> <li>Human Resources Development, Page 58-60</li> <li>Community Participation and Social Engagement, Page 52-54</li> </ul>
	4.6 Ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy.	<ul style="list-style-type: none"> <li>Community Participation &amp; Social Engagement, Page 52-53</li> <li>Financial Inclusion and Literacy, Page 51</li> </ul>
	4.7 Learners acquire the knowledge and skills needed to promote sustainable development.	<ul style="list-style-type: none"> <li>Human Resources Development, Page 58-60</li> <li>Financial Inclusion and Literacy, Page 51</li> <li>Community Participation &amp; Social Engagement, Page 52-54</li> </ul>
5. Gender Equality	5.5 Ensure women full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	<ul style="list-style-type: none"> <li>Employment Practice, Page 62-63</li> <li>Financial Inclusion and Literacy, Page 51</li> </ul>
6. Clean Water and Sanitation	6.1 Equitable access to safe and affordable drinking water for all.	<ul style="list-style-type: none"> <li>Employment Practice, Page 61</li> </ul>
	6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials.	<ul style="list-style-type: none"> <li>Our Environmental Performance, Page 36-41</li> </ul>
7. Affordable and Clean Energy	7.2 Increase substantially the share of renewable energy.	<ul style="list-style-type: none"> <li>Our Environmental Performance, Page 40</li> </ul>
8. Decent Work and Economic Growth	8.2 Higher levels of economic productivity through diversification, technological upgrading and innovation.	<ul style="list-style-type: none"> <li>Financial Inclusion &amp; Literacy, Page 49-50</li> </ul>

	8.3 Decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<ul style="list-style-type: none"> <li>• Financial Inclusion &amp; Literacy, Page 47-50</li> </ul>
	8.5 Full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	<ul style="list-style-type: none"> <li>• Employment Practice, Page 62-64</li> </ul>
<b>9. Industry, Innovation and Infrastructure</b>	9.1 Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all.	<ul style="list-style-type: none"> <li>• Employment Practice, Page 61-63</li> </ul>
	9.3 Increase the access of small-scale industrial and other enterprises to financial services, including affordable credit.	<ul style="list-style-type: none"> <li>• Financial Inclusion &amp; Literacy, Page 47-50</li> </ul>
<b>10. Reduce Inequalities</b>	10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<ul style="list-style-type: none"> <li>• Employment Practice, Page 62-63</li> <li>• Financial Inclusion &amp; Literacy, Page 51</li> </ul>
<b>11. Sustainable Cities and Communities</b>	11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	<ul style="list-style-type: none"> <li>• Environment &amp; Climate Change Risk, Page 28-29, 38</li> </ul>
<b>12. Responsible Consumption and Production</b>	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none"> <li>• Our Environmental Performance, Page 29</li> </ul>
<b>13. Climate Action</b>	13.2 Integrate climate change measures into policies, strategies and planning	<ul style="list-style-type: none"> <li>• Customer Protection, Page 43-45</li> </ul>
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> <li>• Environment &amp; Climate Change Risk, Page 28-35</li> <li>• Human Resources Development Page 60</li> </ul>
<b>14. Life Below Water</b>	14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	<ul style="list-style-type: none"> <li>• Customer Protection, Page 43-45</li> </ul>
<b>15. Life On Land</b>	15.a Increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	<ul style="list-style-type: none"> <li>• Customer Protection, Page 43-45</li> </ul>
<b>16. Peace, Justice and Strong Institutions</b>	16.4 Strengthen the recovery and return of assets and combat all forms of organized crime.	<ul style="list-style-type: none"> <li>• Data Security &amp; Customer Privacy, Page 71-73</li> <li>• Risk Management, Page 74-77</li> </ul>
	16.5 Substantially reduce corruption and bribery in all their forms.	<ul style="list-style-type: none"> <li>• Governance &amp; Business Ethics, Page 69-70</li> </ul>
<b>17. Partnerships for the Goals</b>	17.1 Strengthen domestic resource mobilization to improve domestic capacity for tax and other revenue collection.	<ul style="list-style-type: none"> <li>• Community Participation &amp; Social Engagement, Page 57</li> </ul>
	17.16 Complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals	<ul style="list-style-type: none"> <li>• Customer Protection, Page 43-46</li> <li>• Financial Inclusion and Literacy, Page, Page 48-51</li> <li>• Data Security &amp; Customer Privacy, Page 71-73</li> </ul>





The Bank you can trust, the Bank for the people!

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**ACLEDA BANK PLC.**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 AND  
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

**ACLEDA BANK PLC.**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**Contents**

	<b>Pages</b>
Report of the Board of Directors	1 – 5
Independent auditor's report	6 – 10
Financial statements:	
Consolidated statement of financial position	11
Consolidated statement of profit or loss and other comprehensive income	12 – 13
Consolidated statement of changes in equity	14
Consolidated statement of cash flows	15 – 16
Separate statement of financial position	17
Separate statement of profit or loss and other comprehensive income	18
Separate statement of changes in equity	19
Separate statement of cash flows	20 – 21
Notes to the consolidated and separate financial statements	22 – 184

### REPORT OF THE BOARD OF DIRECTORS

The Board of Directors ("the Board" or "the Directors") hereby submits their report together with the consolidated financial statements of ACLEDA Bank Plc. ("the Bank") and its subsidiaries (collectively referred to as "the Group") and the separate financial statements of the Bank as at and for the year ended 31 December 2024 (hereafter collectively referred to as "the 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 Building N° 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh, Phnom Penh. 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 265 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 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. However, there has not been any green bond issued by the Bank yet as of the reporting date.

## **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.

## **FINANCIAL PERFORMANCE**

The audited financial performance of the Group and the Bank for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income and separate statement of profit or loss and other comprehensive income on pages 12 – 13 and 18, respectively.

Dividends declared and paid for during the year ended 31 December 2024 for the Group and the Bank were US\$14,805,480 (year ended 31 December 2023 for the Group and the Bank: US\$72,695,343).

## **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 year other than those disclosed in the financial statements.

## **BAD AND DOUBTFUL LOANS**

Before the 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 financial statements of the Group and the Bank inadequate to any material extent.

## ASSETS

Before the 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 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 year 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 year 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 year 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 financial statements of the Group and the Bank, which would render any amount stated in the 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 year 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 year 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 year in which this report is made.

## THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

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

- Dr. In Channy President & Group Managing Director
- Mrs. Mar Amara Senior Group Chief Financial Officer
- Mr. Ly Thay Senior Group Chief Administrative Officer
- Mrs. Buth Bunseyha Senior Group Chief Legal Officer and Corporate Secretary
- Mr. Mach Theary Senior Group Chief Information Officer
- Dr. Loeung Sopheap Group Chief Risk Officer
- Mr. Yin Virak Group Chief Treasury Officer
- Mrs. Sok Sophea Group Chief Operations Officer (Effective on 1 August 2024)

## THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position as at 31 December 2024, the financial performance and its cash flows for the year then ended of the Group and the Bank in accordance with Cambodian International Financial Reporting Standards ("CIFRS").

In preparing these 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 financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the 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 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 financial statements.

  
\_\_\_\_\_  
Mrs. Mar Amara  
Senior Group Chief Financial Officer

  
\_\_\_\_\_  
Dr. In Channy  
President & Group Managing Director

Phnom Penh, Kingdom of Cambodia  
10 February 2025

## APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto set out on pages 22 to 184, present fairly, in all material respects, the financial position as at 31 December 2024, the financial performance and its cash flows for the year then ended of the Group and the Bank in accordance with GIFRS, were approved by the Board of Directors.

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



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Mr. Chhay Soeun  
Chairman

Phnom Penh, Kingdom of Cambodia  
10 February 2025





## **Independent auditor's report**

To the Shareholders of ACLEDA Bank Plc.

### **Our opinion**

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

### *What we have audited*

ACLEDA Bank Plc.'s financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the separate statement of financial position as at 31 December 2024;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the consolidated and separate 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 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 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 financial statements of the current year. 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 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><b>Allowance for impairment losses on loans and advances</b></p> <p>Loans and advances constitute approximately 64.83% and 64.27% of the Group's and the Bank's total assets, respectively, as at 31 December 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 etc. 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"> <li>• grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL;</li> <li>• choosing appropriate models and assumptions to measure ECL;</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• 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"> <li>- Loan applications and credit reviews;</li> <li>- Identification of significant increase in credit risk;</li> <li>- Review of the credit worthiness of the borrowers;</li> <li>- Review on frequent refreshment of collateral value; and,</li> <li>- Accuracy of data inputs.</li> </ul> </li> <li>• We assessed whether the methodology and assumptions used in the ECL models are consistent with the requirements of CIFRS 9.</li> <li>• 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.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Allowance for impairment losses on loans and advances</b> (continued)</p> <ul style="list-style-type: none"> <li>• Determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR); and,</li> <li>• applying assumptions and analysis on expected future cash flows and forward-looking information;</li> </ul> <p>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 financial statements, respectively.</p>	<ul style="list-style-type: none"> <li>• 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 and the Bank operate. 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> <li>• We tested the accuracy of key inputs into the ECL models by comparing them against source systems and documents.</li> <li>• We recomputed on the sample basis the ECL to test the mathematical accuracy of the ECL models.</li> <li>• We assessed the adequacy of disclosures to ensure compliance with CIFRS 9.</li> </ul> <p>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 financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



### **Responsibilities of management and those charged with governance for the consolidated and separate financial statements**

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

In preparing the consolidated and separate 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 financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 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 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 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 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 financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 financial statements of the current year and are therefore the key audit matters. 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  
10 February 2025

**ACLEDA BANK PLC.**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024**

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Notes 5)
<b>ASSETS</b>					
Cash on hand	7	513,942,123	495,793,568	2,068,617,045	2,025,316,725
Deposits and placements with other banks, net	8	1,982,391,662	1,509,543,178	7,979,126,440	6,166,483,882
Financial investments, net	9	471,804,878	357,544,384	1,899,014,634	1,460,568,809
Loans and advances, net	10	7,023,164,104	6,601,665,231	28,268,235,519	26,967,802,469
Other assets	11	31,227,560	32,839,518	125,690,929	134,149,431
Statutory deposits	12	603,852,641	548,627,109	2,430,506,880	2,241,141,740
Property and equipment, net	14	151,527,613	147,746,865	609,898,642	603,545,944
Intangible assets, net	15	16,736,818	10,771,018	67,365,692	43,999,609
Right-of-use assets, net	16	36,146,086	32,410,303	145,487,996	132,396,088
Deferred tax assets	17	788,099	1,352,626	3,172,098	5,525,477
Derivative financial instruments	23	2,250,246	5,746,686	9,057,240	23,475,212
<b>TOTAL ASSETS</b>		<u>10,833,831,830</u>	<u>9,744,040,486</u>	<u>43,606,173,115</u>	<u>39,804,405,386</u>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits and placements of other banks and financial institutions	18	396,514,351	419,792,620	1,595,970,263	1,714,852,853
Deposits from customers	19	7,962,541,434	6,808,020,419	32,049,229,272	27,810,763,412
Other liabilities	20	103,664,309	85,845,344	417,248,844	350,678,230
Borrowings	21	606,857,875	859,813,550	2,442,602,947	3,512,338,352
Subordinated debts	22	178,762,108	117,053,882	719,517,485	478,165,108
Lease liabilities	24	35,021,748	32,527,687	140,962,536	132,875,601
Employee benefits	25	10,011,062	8,392,621	40,294,525	34,283,857
Current income tax liabilities	32(a)	16,395,760	3,791,516	65,992,934	15,488,343
Deferred tax liabilities	17	33,896,262	26,782,045	136,432,455	109,404,654
<b>TOTAL LIABILITIES</b>		<u>9,343,664,909</u>	<u>8,362,019,684</u>	<u>37,608,251,261</u>	<u>34,158,850,410</u>
<b>EQUITY</b>					
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	37	813,247,864	722,627,638	3,287,544,770	3,005,581,984
Retained earnings		225,917,158	208,502,399	904,805,572	834,487,503
Attributable to owners of the Bank		1,484,034,256	1,375,999,271	5,973,237,877	5,620,957,022
Non-controlling interests		6,132,665	6,021,531	24,683,977	24,597,954
<b>TOTAL EQUITY</b>		<u>1,490,166,921</u>	<u>1,382,020,802</u>	<u>5,997,921,854</u>	<u>5,645,554,976</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>10,833,831,830</u>	<u>9,744,040,486</u>	<u>43,606,173,115</u>	<u>39,804,405,386</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	<b>Notes</b>				
Interest income	27	803,805,805	755,631,085	3,272,293,432	3,105,643,759
Interest expense	28	<u>(344,652,206)</u>	<u>(329,001,434)</u>	<u>(1,403,079,131)</u>	<u>(1,352,195,894)</u>
<b>Net interest income</b>		<u>459,153,599</u>	<u>426,629,651</u>	<u>1,869,214,301</u>	<u>1,753,447,865</u>
Fee and commission income	29	43,297,240	46,678,617	176,263,064	191,849,116
Fee and commission expense		<u>(4,585,834)</u>	<u>(3,957,350)</u>	<u>(18,668,930)</u>	<u>(16,264,709)</u>
<b>Net fee and commission income</b>		<u>38,711,406</u>	<u>42,721,267</u>	<u>157,594,134</u>	<u>175,584,407</u>
Allowance for impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(75,558,494)	(41,683,690)	(307,598,629)	(171,319,966)
Allowance for impairment losses on off-balance sheet commitments	10	<u>(37,752)</u>	<u>(2,180)</u>	<u>(153,688)</u>	<u>(8,960)</u>
<b>Net impairment losses</b>		<u>(75,596,246)</u>	<u>(41,685,870)</u>	<u>(307,752,317)</u>	<u>(171,328,926)</u>
<b>Income after impairment losses</b>		422,268,759	427,665,048	1,719,056,118	1,757,703,346
Other income, net	30	18,146,429	25,698,536	73,874,112	105,620,983
Other operating expenses	31	<u>(286,669,819)</u>	<u>(269,126,054)</u>	<u>(1,167,032,833)</u>	<u>(1,106,108,082)</u>
<b>Profit before income tax</b>		153,745,369	184,237,530	625,897,397	757,216,247
Income tax expense	32(b)	<u>(32,443,911)</u>	<u>(36,219,105)</u>	<u>(132,079,162)</u>	<u>(148,860,522)</u>
<b>Profit for the year (carried forward to next page)</b>		<u>121,301,458</u>	<u>148,018,425</u>	<u>493,818,235</u>	<u>608,355,725</u>

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Notes</b>				
<b>Profit for the year (brought down from previous page)</b>	<u>121,301,458</u>	<u>148,018,425</u>	<u>493,818,235</u>	<u>608,355,725</u>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Exchange differences	-	-	(87,318,558)	(45,439,046)
<b>Items that are or may be reclassified subsequently to profit or loss:</b>				
Currency translation difference - foreign subsidiaries	5,476,801	(5,835,579)	22,296,057	(23,984,230)
Remeasurement of the effective portion of derivatives arising from cash flow hedge	<u>(3,496,441)</u>	<u>(3,883,907)</u>	<u>(14,234,011)</u>	<u>(15,962,858)</u>
Other comprehensive income/(loss) for the year	<u>1,980,360</u>	<u>(9,719,486)</u>	<u>(79,256,512)</u>	<u>(85,386,134)</u>
<b>Total comprehensive income for the year</b>	<u>123,281,818</u>	<u>138,298,939</u>	<u>414,561,723</u>	<u>522,969,591</u>
<b>Profit for the year attributable to:</b>				
Owners of the Bank	121,194,596	148,054,791	493,383,200	608,505,189
Non-controlling interests	<u>106,862</u>	<u>(36,366)</u>	<u>435,035</u>	<u>(149,464)</u>
	<u>121,301,458</u>	<u>148,018,425</u>	<u>493,818,235</u>	<u>608,355,725</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Bank	123,170,130	138,336,670	414,107,041	523,124,665
Non-controlling interests	<u>111,688</u>	<u>(37,731)</u>	<u>454,682</u>	<u>(155,074)</u>
	<u>123,281,818</u>	<u>138,298,939</u>	<u>414,561,723</u>	<u>522,969,591</u>
<b>The earnings per share attributable to shareholders of the Bank during the year:</b>				
Basic earnings per share	33	<u>0.28</u>	<u>0.34</u>	<u>1.14</u>
Diluted earnings per share	33	<u>0.28</u>	<u>0.34</u>	<u>1.40</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.



ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Bank												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 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)						
<b>As at 1 January 2024</b>	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 year	-	-	-	-	-	-	121,194,596	493,383,200	121,194,596	493,383,200	106,862	435,035	121,301,458	493,818,235		
Other comprehensive income:																
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(3,496,441)	(14,234,011)	-	-	(3,496,441)	(14,234,011)	-	-	(3,496,441)	(14,234,011)		
Currency translation differences - foreign subsidiaries	-	-	-	-	5,471,975	22,276,410	-	-	5,471,975	22,276,410	4,826	19,647	5,476,801	22,296,057		
<b>Total comprehensive income for the year</b>	-	-	-	-	1,975,534	8,042,399	121,194,596	493,383,200	123,170,130	501,425,599	111,688	454,682	123,281,818	501,880,281		
<b>Transactions with owners:</b>																
Additional tax on capital conversion – ABL	-	-	-	-	-	-	(203,428)	(828,155)	(203,428)	(828,155)	(477)	(1,942)	(203,905)	(830,097)		
Dividend paid	-	-	-	-	-	-	(14,805,480)	(60,850,524)	(14,805,480)	(60,850,524)	-	-	(14,805,480)	(60,850,524)		
Transfer from retained earnings to regulatory reserves	-	-	-	-	88,644,692	360,872,541	(88,644,692)	(360,872,541)	-	-	-	-	-	-		
Additional reassessment tax – ABL	-	-	-	-	-	-	(126,237)	(513,911)	(126,237)	(513,911)	(77)	(313)	(126,314)	(514,224)		
Exchange differences	-	-	-	-	-	(86,952,154)	-	-	-	(86,952,154)	-	(366,404)	-	(87,318,558)		
<b>Total transactions with owners</b>	-	-	-	-	88,644,692	273,920,387	(103,779,837)	(423,065,131)	(15,135,145)	(149,144,744)	(554)	(368,659)	(15,135,699)	(149,513,403)		
<b>As at 31 December 2024</b>	<u>433,163,019</u>	<u>1,732,652,076</u>	<u>11,706,215</u>	<u>48,235,459</u>	<u>813,247,864</u>	<u>3,287,544,770</u>	<u>225,917,158</u>	<u>904,805,572</u>	<u>1,484,034,256</u>	<u>5,973,237,877</u>	<u>6,132,665</u>	<u>24,683,977</u>	<u>1,490,166,921</u>	<u>5,997,921,854</u>		

	Attributable to owners of the Bank												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)						
<b>As at 1 January 2023</b>	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 year	-	-	-	-	-	-	148,054,791	608,505,189	148,054,791	608,505,189	(36,366)	(149,464)	148,018,425	608,355,725		
Other comprehensive income:																
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(3,883,907)	(15,962,858)	-	-	(3,883,907)	(15,962,858)	-	-	(3,883,907)	(15,962,858)		
Currency translation differences - foreign subsidiaries	-	-	-	-	(5,834,214)	(23,978,620)	-	-	(5,834,214)	(23,978,620)	(1,365)	(5,610)	(5,835,579)	(23,984,230)		
<b>Total comprehensive (loss)/income for the year</b>	-	-	-	-	(9,718,121)	(39,941,478)	148,054,791	608,505,189	138,336,670	568,563,711	(37,731)	(155,074)	138,298,939	568,408,637		
<b>Transactions with owners:</b>																
Additional tax on capital conversion – ABL	-	-	-	-	-	-	(230,017)	(945,370)	(230,017)	(945,370)	(597)	(2,454)	(230,614)	(947,824)		
Dividend paid	-	-	-	-	-	-	(72,695,343)	(297,105,865)	(72,695,343)	(297,105,865)	-	-	(72,695,343)	(297,105,865)		
Transfer from retained earnings to regulatory reserves	-	-	-	-	93,483,511	384,217,230	(93,483,511)	(384,217,230)	-	-	-	-	-	-		
Exchange differences	-	-	-	-	-	(45,246,088)	-	-	-	(45,246,088)	-	(192,958)	-	(45,439,046)		
<b>Total transactions with owners</b>	-	-	-	-	93,483,511	338,971,142	(166,408,871)	(682,268,465)	(72,925,360)	(343,297,323)	(597)	(195,412)	(72,925,957)	(343,492,735)		
<b>As at 31 December 2023</b>	<u>433,163,019</u>	<u>1,732,652,076</u>	<u>11,706,215</u>	<u>48,235,459</u>	<u>722,627,638</u>	<u>3,005,581,984</u>	<u>208,502,399</u>	<u>834,487,503</u>	<u>1,375,999,271</u>	<u>5,620,957,022</u>	<u>6,021,531</u>	<u>24,597,954</u>	<u>1,382,020,802</u>	<u>5,645,554,976</u>		

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

**ACLEDA BANK PLC.**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	Notes				
<b>Cash flows from operating activities</b>					
Profit for the year before income tax		153,745,369	184,237,530	625,897,397	757,216,247
<i>Adjustments for:</i>					
Net impairment losses	10	75,596,246	41,685,870	307,752,317	171,328,926
Depreciation of property and equipment	31	25,729,960	23,541,254	104,746,667	96,754,554
Depreciation of right-of-use assets	16	12,910,310	12,227,167	52,557,872	50,253,656
Seniority indemnity benefits	25(a)	10,191,690	9,610,624	41,490,370	39,499,665
Net currency translation differences		5,440,975	(5,245,569)	22,150,209	(21,559,289)
Amortisation of intangible assets	15	4,565,938	2,821,055	18,587,934	11,594,536
Career development expense	25(b)	1,761,433	1,672,985	7,170,794	6,875,968
Pension fund		868,917	860,481	3,537,361	3,536,577
Adjustment in property and equipment		109,701	364,663	446,593	1,498,765
Adjustment in intangible assets		83,830	106,902	341,272	439,367
Reversal of retirement benefits	25	-	(121,300)	-	(498,543)
Dividend income	30	(290,036)	(407,862)	(1,180,737)	(1,676,313)
Gain on disposals of property and equipment and lease	30	(642,177)	(426,746)	(2,614,303)	(1,753,926)
Net monetary loss from hyperinflationary economy		(1,976,080)	-	(8,044,622)	-
Net interest income		(459,153,599)	(426,629,651)	(1,869,214,301)	(1,753,447,865)
<b>Operating loss before changes in working capital</b>		(171,057,523)	(155,702,597)	(696,375,177)	(639,937,675)
<i>Changes in:</i>					
Deposits from customers		1,154,521,015	836,856,117	4,700,055,052	3,439,478,641
Other liabilities		13,262,316	(89,199,747)	53,990,888	(366,610,960)
Other assets		1,758,291	45,777,932	7,158,003	188,147,301
Deposits and placements with other banks		(9,074,258)	11,039,941	(36,941,304)	45,374,158
Deposits and placements from other banks and financial institutions		(23,278,269)	1,966,221	(94,765,833)	8,081,168
Reserve requirement		(55,225,532)	(66,296,116)	(224,823,141)	(272,477,037)
Loans and advances		(497,005,412)	(263,763,061)	(2,023,309,032)	(1,084,066,181)
<b>Cash flows from operations</b>		413,900,628	320,678,690	1,684,989,456	1,317,989,415
Interest received		799,623,334	751,560,355	3,255,266,593	3,088,913,059
Retirement benefits paid		-	(22,464,315)	-	(92,328,335)
Payment for additional reassessment tax for ABL		(126,314)	-	(514,224)	-
Career development benefits paid	25(b)	(764,647)	(3,882,076)	(3,112,878)	(15,955,332)
Pension fund paid		(868,230)	(860,093)	(3,534,564)	(3,534,982)
Seniority benefits paid	25(a)	(9,547,071)	(9,766,773)	(38,866,126)	(40,141,437)
Income tax paid	32(a)	(11,994,913)	(42,669,437)	(48,831,291)	(175,371,386)
Interest paid		(265,513,434)	(218,069,981)	(1,080,905,190)	(896,267,622)
<b>Net cash generated from operating activities (carried forward to next page)</b>		924,709,353	774,526,370	3,764,491,776	3,183,303,380

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Net cash generated from operating activities (brought down from previous page)</b>		<u>924,709,353</u>	<u>774,526,370</u>	<u>3,764,491,776</u>	<u>3,183,303,380</u>
<b>Cash flows from investing activities</b>					
Proceeds from matured investments		33,317,087	57,185,184	135,633,861	235,031,106
Interest received from investments		4,182,471	4,070,729	17,026,839	16,730,696
Proceeds from disposals of property and equipment		728,720	475,133	2,966,619	1,952,797
Dividends received		290,036	407,862	1,180,737	1,676,313
Purchases of intangible assets	15	(10,304,597)	(2,858,118)	(41,950,015)	(11,746,865)
Purchases of property and equipment	14	(28,888,168)	(31,658,674)	(117,603,732)	(130,117,150)
Purchases of financial investments		(150,832,021)	-	(614,037,157)	-
<b>Net cash (used in)/generated from investing activities</b>		<u>(151,506,472)</u>	<u>27,622,116</u>	<u>(616,782,848)</u>	<u>113,526,897</u>
<b>Cash flows from financing activities</b>					
Proceeds from subordinated debts		83,996,593	14,962,500	341,950,130	61,495,875
Proceeds from borrowings		12,753,898	142,939,167	51,921,119	587,479,976
Payment tax on ABL's capital increase		(203,905)	(230,614)	(830,097)	(947,824)
Payments of lease liabilities (principal)	35	(13,074,037)	(14,205,707)	(53,224,405)	(58,385,456)
Payments of dividends		(14,805,480)	(72,695,343)	(60,850,524)	(297,105,865)
Repayments of subordinated debts		(26,915,401)	(26,000,000)	(109,572,597)	(106,860,000)
Interest paid		(68,991,520)	(70,942,605)	(280,864,478)	(291,574,107)
Repayments of borrowings		(267,353,066)	(244,700,980)	(1,088,394,332)	(1,005,721,028)
<b>Net cash used in financing activities</b>		<u>(294,592,918)</u>	<u>(270,873,582)</u>	<u>(1,199,865,184)</u>	<u>(1,111,618,429)</u>
<b>Net increase in cash and cash equivalents</b>		<u>478,609,963</u>	<u>531,274,904</u>	<u>1,947,843,744</u>	<u>2,185,211,848</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>2,279,718,573</u>	<u>1,748,443,669</u>	<u>9,312,650,371</u>	<u>7,198,342,585</u>
Exchange differences		-	-	(158,221,758)	(70,904,062)
<b>Cash and cash equivalents at the end of the year</b>	34	<u><u>2,758,328,536</u></u>	<u><u>2,279,718,573</u></u>	<u><u>11,102,272,357</u></u>	<u><u>9,312,650,371</u></u>

**Non-cash investing activities**

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

**Non-cash financing activities**

During the year ended 31 December 2024, the Group entered into new lease agreements and recognised right-of-use assets amounting to US\$17,173,328 (31 December 2023: US\$17,886,445), and pre-terminated right-of-use assets and lease liabilities amounting to US\$1,631,785 and US\$1,771,020 (31 December 2023: US\$1,245,468 and US\$1,306,483), respectively, and recognised a gain from pretermination amounting to US\$139,265 (31 December 2023: US\$101,682), which is a non-cash transaction.

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

**ACLEDA BANK PLC.**

**SEPARATE STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024**

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Notes 5)
<b>ASSETS</b>					
Cash on hand	7	503,459,073	486,584,317	2,026,422,769	1,987,696,935
Deposits and placements with other banks, net	8	1,958,058,129	1,478,882,021	7,881,183,969	6,041,233,056
Financial investments, net	9	471,804,878	357,544,384	1,899,014,634	1,460,568,809
Loans and advances, net	10	6,861,826,011	6,457,043,288	27,618,849,694	26,377,021,831
Other assets	11	28,121,672	31,035,271	113,189,731	126,779,083
Statutory deposits	12	596,402,637	543,302,104	2,400,520,614	2,219,389,095
Investments in subsidiaries	13	91,117,716	91,117,716	366,748,807	372,215,870
Property and equipment, net	14	115,350,609	113,709,160	464,286,201	464,501,919
Intangible assets, net	15	15,145,392	9,829,455	60,960,203	40,153,324
Right-of-use assets, net	16	33,189,075	30,852,413	133,586,027	126,032,107
Derivative financial instruments	23	2,250,246	5,746,686	9,057,240	23,475,212
<b>TOTAL ASSETS</b>		<u>10,676,725,438</u>	<u>9,605,646,815</u>	<u>42,973,819,889</u>	<u>39,239,067,241</u>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits and placements of other banks and financial institutions	18	372,727,604	386,405,927	1,500,228,606	1,578,468,212
Deposits from customers	19	7,845,298,389	6,715,289,025	31,577,326,016	27,431,955,667
Other liabilities	20	99,709,704	82,983,974	401,331,559	338,989,534
Borrowings	21	598,522,015	843,418,591	2,409,051,110	3,445,364,944
Subordinated debts	22	178,762,108	117,053,882	719,517,485	478,165,108
Lease liabilities	24	32,783,552	30,547,348	131,953,797	124,785,917
Employee benefits	25	9,854,350	8,200,636	39,663,759	33,499,598
Current income tax liabilities	32(a)	14,893,706	2,319,080	59,947,167	9,473,442
Deferred tax liabilities	17	33,896,262	26,782,045	136,432,455	109,404,654
<b>TOTAL LIABILITIES</b>		<u>9,186,447,690</u>	<u>8,213,000,508</u>	<u>36,975,451,954</u>	<u>33,550,107,076</u>
<b>EQUITY</b>					
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	37	841,203,517	765,115,248	3,401,235,494	3,178,952,563
Retained earnings		204,204,997	182,661,825	816,244,906	729,120,067
<b>TOTAL EQUITY</b>		<u>1,490,277,748</u>	<u>1,392,646,307</u>	<u>5,998,367,935</u>	<u>5,688,960,165</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>10,676,725,438</u>	<u>9,605,646,815</u>	<u>42,973,819,889</u>	<u>39,239,067,241</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	<b>Notes</b>				
Interest income	27	769,614,221	726,710,020	3,133,099,494	2,986,778,182
Interest expense	28	(335,181,137)	(321,533,128)	(1,364,522,409)	(1,321,501,156)
<b>Net interest income</b>		<u>434,433,084</u>	<u>405,176,892</u>	<u>1,768,577,085</u>	<u>1,665,277,026</u>
Fee and commission income	29	37,665,884	42,205,729	153,337,814	173,465,546
Fee and commission expense		(4,557,808)	(3,858,699)	(18,554,836)	(15,859,253)
<b>Net fee and commission income</b>		<u>33,108,076</u>	<u>38,347,030</u>	<u>134,782,978</u>	<u>157,606,293</u>
Allowance for impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(74,615,589)	(38,466,607)	(303,760,063)	(158,097,755)
(Allowance for)/reversal of impairment losses on off-balance sheet commitments	10	(23,078)	15,518	(93,951)	63,779
<b>Net impairment losses</b>		<u>(74,638,667)</u>	<u>(38,451,089)</u>	<u>(303,854,014)</u>	<u>(158,033,976)</u>
<b>Income after impairment losses</b>		392,902,493	405,072,833	1,599,506,049	1,664,849,343
Other income, net	30	22,011,472	23,209,381	89,608,703	95,390,556
Other operating expenses	31	(269,341,998)	(256,080,366)	(1,096,491,274)	(1,052,490,304)
<b>Profit before income tax</b>		145,571,967	172,201,848	592,623,478	707,749,595
Income tax expense	32(b)	(29,638,605)	(34,062,571)	(120,658,761)	(139,997,167)
<b>Profit for the year</b>		<u>115,933,362</u>	<u>138,139,277</u>	<u>471,964,717</u>	<u>567,752,428</u>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Exchange differences		-	-	(87,472,412)	(45,805,759)
<b>Item that is or may be reclassified subsequently to profit or loss:</b>					
Remeasurement of the effective portion of derivatives arising from cash flow hedge		(3,496,441)	(3,883,907)	(14,234,011)	(15,962,858)
<b>Other comprehensive loss for the year</b>		<u>(3,496,441)</u>	<u>(3,883,907)</u>	<u>(101,706,423)</u>	<u>(61,768,617)</u>
<b>Total comprehensive income for the year</b>		<u>112,436,921</u>	<u>134,255,370</u>	<u>370,258,294</u>	<u>505,983,811</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

	The Bank									
	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)
<b>As at 1 January 2024</b>	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 year	-	-	-	-	-	-	115,933,362	471,964,717	115,933,362	471,964,717
Other comprehensive income:										
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(3,496,441)	(14,234,011)	-	-	(3,496,441)	(14,234,011)
<b>Total comprehensive income for the year</b>	-	-	-	-	(3,496,441)	(14,234,011)	115,933,362	471,964,717	112,436,921	457,730,706
<b>Transactions with owners:</b>										
Dividend paid	-	-	-	-	-	-	(14,805,480)	(60,850,524)	(14,805,480)	(60,850,524)
Transfer from retained earnings to regulatory reserves	-	-	-	-	79,584,710	323,989,354	(79,584,710)	(323,989,354)	-	-
Exchange differences	-	-	-	-	-	(87,472,412)	-	-	-	(87,472,412)
<b>Total transactions with owners</b>	-	-	-	-	79,584,710	236,516,942	(94,390,190)	(384,839,878)	(14,805,480)	(148,322,936)
<b>As at 31 December 2024</b>	<u>433,163,019</u>	<u>1,732,652,076</u>	<u>11,706,215</u>	<u>48,235,459</u>	<u>841,203,517</u>	<u>3,401,235,494</u>	<u>204,204,997</u>	<u>816,244,906</u>	<u>1,490,277,748</u>	<u>5,998,367,935</u>
	The Bank									
	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)
<b>As at 1 January 2023</b>	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 year	-	-	-	-	-	-	138,139,277	567,752,428	138,139,277	567,752,428
Other comprehensive income:										
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(3,883,907)	(15,962,858)	-	-	(3,883,907)	(15,962,858)
<b>Total comprehensive income for the year</b>	-	-	-	-	(3,883,907)	(15,962,858)	138,139,277	567,752,428	134,255,370	551,789,570
<b>Transactions with owners:</b>										
Dividend paid	-	-	-	-	-	-	(72,695,343)	(297,105,865)	(72,695,343)	(297,105,865)
Transfer from retained earnings to regulatory reserves	-	-	-	-	92,920,171	381,901,903	(92,920,171)	(381,901,903)	-	-
Exchange differences	-	-	-	-	-	(45,805,759)	-	-	-	(45,805,759)
<b>Total transactions with owners</b>	-	-	-	-	92,920,171	336,096,144	(165,615,514)	(679,007,768)	(72,695,343)	(342,911,624)
<b>As at 31 December 2023</b>	<u>433,163,019</u>	<u>1,732,652,076</u>	<u>11,706,215</u>	<u>48,235,459</u>	<u>765,115,248</u>	<u>3,178,952,563</u>	<u>182,661,825</u>	<u>729,120,067</u>	<u>1,392,646,307</u>	<u>5,688,960,165</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

**ACLEDA BANK PLC.**

**SEPARATE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	<u>Notes</u>				
<b>Cash flows from operating activities</b>					
Profit for the year before income tax		145,571,967	172,201,848	592,623,478	707,749,595
<i>Adjustments for:</i>					
Net impairment losses	10	74,638,667	38,451,089	303,854,014	158,033,976
Depreciation of property and equipment	31	23,827,643	22,044,132	97,002,335	90,601,383
Depreciation of right-of-use assets	16	12,437,143	11,755,148	50,631,609	48,313,658
Seniority indemnity benefits	25(a)	10,010,306	9,448,722	40,751,956	38,834,247
Amortisation of intangible assets	15	4,313,776	2,622,695	17,561,382	10,779,276
Career development expense	25(b)	1,712,055	1,593,047	6,969,776	6,547,423
Unrealised foreign exchange losses		956,837	409,096	3,895,283	1,681,385
Pension fund		853,201	845,959	3,473,381	3,476,891
Adjustment in property and equipment		110,492	364,663	449,813	1,498,765
Adjustment in intangible assets		83,830	106,902	341,272	439,367
Reversal of retirement benefits	25	-	(49,526)	-	(203,551)
Dividend income	30	(290,036)	(407,862)	(1,180,737)	(1,676,313)
Gain on disposals of property and equipment and lease	30	(632,717)	(424,901)	(2,575,791)	(1,746,343)
Net interest income		<u>(434,433,084)</u>	<u>(405,176,892)</u>	<u>(1,768,577,085)</u>	<u>(1,665,277,026)</u>
<b>Operating loss before changes in working capital</b>		<b>(160,839,920)</b>	<b>(146,215,880)</b>	<b>(654,779,314)</b>	<b>(600,947,267)</b>
<i>Changes in:</i>					
Deposits from customers		1,130,009,364	825,855,615	4,600,268,121	3,394,266,578
Other liabilities		14,200,970	(89,314,969)	57,812,149	(367,084,523)
Other assets		2,911,733	46,480,053	11,853,665	191,033,018
Deposits and placements with other banks		(10,065,228)	12,468,670	(40,975,543)	51,246,234
Deposits and placements of other banks and financial institutions		(13,678,323)	(4,205,717)	(55,684,453)	(17,285,497)
Reserve requirement		(53,100,533)	(63,746,028)	(216,172,270)	(261,996,175)
Loans and advances		<u>(479,559,725)</u>	<u>(249,381,778)</u>	<u>(1,952,287,640)</u>	<u>(1,024,959,108)</u>
<b>Cash flows from operations</b>		<b>429,878,338</b>	<b>331,939,966</b>	<b>1,750,034,715</b>	<b>1,364,273,260</b>
Interest received		765,431,750	722,639,291	3,116,072,654	2,970,047,486
Retirement benefits paid		-	(21,920,036)	-	(90,091,348)
Career development benefits paid	25(b)	(678,925)	(3,882,076)	(2,763,904)	(15,955,332)
Pension fund paid		(852,589)	(845,679)	(3,470,890)	(3,475,741)
Seniority benefits paid	25(a)	(9,379,133)	(9,609,515)	(38,182,450)	(39,495,107)
Income tax paid	32(a)	(9,949,762)	(41,131,732)	(40,505,481)	(169,051,419)
Interest paid		<u>(259,051,762)</u>	<u>(212,987,464)</u>	<u>(1,054,599,723)</u>	<u>(875,378,477)</u>
<b>Net cash generated from operating activities (carried forward to next page)</b>		<b><u>915,397,917</u></b>	<b><u>764,202,755</u></b>	<b><u>3,726,584,921</u></b>	<b><u>3,140,873,322</u></b>

ACLEDA BANK PLC.

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Net cash generated from operating activities (brought down from previous page)</b>		<u>915,397,917</u>	<u>764,202,755</u>	<u>3,726,584,921</u>	<u>3,140,873,322</u>
<b>Cash flows from investing activities</b>					
Proceeds from matured investments		33,317,087	57,185,184	135,633,861	235,031,106
Interest received from investments		4,182,471	4,070,729	17,026,839	16,730,696
Proceeds from disposals of property and equipment		712,377	465,316	2,900,087	1,912,449
Dividend received		290,036	407,862	1,180,737	1,676,313
Purchases of intangible assets	15	(9,769,895)	(2,238,497)	(39,773,243)	(9,200,223)
Purchases of property and equipment	14	(25,574,652)	(29,856,118)	(104,114,408)	(122,708,645)
Purchases of financial investments		(150,832,021)	-	(614,037,157)	-
<b>Net cash (used in)/generated from investing activities</b>		<u>(147,674,597)</u>	<u>30,034,476</u>	<u>(601,183,284)</u>	<u>123,441,696</u>
<b>Cash flows from financing activities</b>					
Proceeds from subordinated debts		83,996,593	14,962,500	341,950,130	61,495,875
Proceeds from borrowings		10,000,000	132,955,273	40,710,000	546,446,172
Payments of lease liabilities (principal)	35	(12,375,111)	(13,521,708)	(50,379,077)	(55,574,220)
Payments of dividends		(14,805,480)	(72,695,343)	(60,850,524)	(297,105,865)
Repayments of subordinated debts		(26,915,401)	(26,000,000)	(109,572,597)	(106,860,000)
Interest paid		(67,799,759)	(69,898,383)	(276,012,819)	(287,282,354)
Repayments of borrowings		(257,123,440)	(238,660,802)	(1,046,749,524)	(980,895,896)
<b>Net cash used in financing activities</b>		<u>(285,022,598)</u>	<u>(272,858,463)</u>	<u>(1,160,904,411)</u>	<u>(1,119,776,288)</u>
<b>Net increase in cash and cash equivalents</b>		482,700,722	521,378,768	1,964,497,226	2,144,538,730
<b>Cash and cash equivalents at the beginning of the year</b>		2,240,749,214	1,719,370,446	9,153,460,539	7,078,648,126
Exchange differences		-	-	(156,071,773)	(69,726,317)
<b>Cash and cash equivalents at the end of the year</b>	34	<u>2,723,449,936</u>	<u>2,240,749,214</u>	<u>10,961,885,992</u>	<u>9,153,460,539</u>

**Non-cash investing activities**

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

**Non-cash financing activities**

During the year ended 31 December 2024, the Bank entered into new lease agreements and recognised right-of-use assets amounting to US\$16,373,362 (31 December 2023: US\$17,331,167), and pre-terminated right-of-use assets and lease liabilities amounting to US\$1,633,217 and US\$1,755,926 (31 December 2023: US\$1,244,938 and US\$1,324,238), respectively, and recognised gain from pretermination amounting to US\$122,709 (31 December 2023: US\$76,783), which is a non-cash transaction.

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.



## **ACLEDA BANK PLC.**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **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 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. However, there has not been any green bond issued by the Bank yet as of the reporting date.

The registered office of the Bank is located at Building N<sup>o</sup> 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh, Phnom Penh.

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 financial statements. Currently, the Group has 265 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 December 2024, the Group and the Bank have 13,454 and 11,971 employees, respectively (31 December 2023: 13,503 and 12,045 employees, respectively).

The consolidated and separate financial statements as at and for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 10 February 2025.

#### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

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

##### **(a) Basis of preparation and presentation**

The financial statements of the Group and the Bank have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”). The consolidated and separate 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.
- The application of CIAS 29 ‘Financial Reporting in Hyperinflationary Economies’ for the Group’s entity reporting in Lao Kip (LAK).

The preparation of 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 financial statements are disclosed in Note 4. In addition to the consolidated financial statements, the Bank prepares separate financial statements in accordance with the decision of the Board of Directors considering the Bank’s balances constitute a substantial portion out of the Group’s balances making the separate financial statements material for users’ decision-making processes.

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

**(a) Basis of preparation and presentation** (continued)

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

An English version of the financial statements have been prepared from the 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 year*

The Group and the Bank adopted all accounting standards and interpretations as at 31 December 2024. The amended accounting standards assessed to be applicable and have no material impact to the Group's and the Bank's 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.

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.

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

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group and the Bank.

- Amendments to CIAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to CIFRS 9 and CIFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- CIFRS 18 — Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

**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 (continued)*

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 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 financial statements include the financial statements of the Bank and all its subsidiaries made up to the end of the financial year.

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 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 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 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) 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.

*(iv) 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**(c) Consolidation (continued)**

*(iv) Non-controlling interests (continued)*

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.

*(v) Hyperinflation accounting*

The Group applied hyperinflation accounting to its operations in Lao PDR.

The three-year cumulative inflation in Lao PDR exceeded 100% in 2024. As a result, hyperinflation accounting was applied for the year ended 31 December 2024 to the Group's operations in Lao PDR.

The Group's consolidated financial statements include the results and financial position of its operations in Lao PDR, restated to the measuring unit current at the end of the period. Net monetary gain/(loss) is presented within 'other income' line item in profit or loss.

In the Group's consolidated financial statements, all amounts in the subsidiary's financial statements (assets, liabilities, equity items, income and expenses) are translated at the closing rate at the date of the most recent statement of financial position. Comparative amounts presented in a stable currency are not adjusted for subsequent changes in the price level or exchange rates.

In the reporting period in which the Group identifies the existence of hyperinflation, CIAS 29 Financial Reporting in Hyperinflationary Economies needs to be applied as if Lao PDR had always been a hyperinflationary economy. When CIAS 29 is first applied, a difference arises between:

- the reported closing equity at 31 December 2023 (which is translated using the closing rate at 31 December 2023), and
- the opening equity at 1 January 2024 (which is restated to the measuring unit current as of 31 December 2024 and translated using the closing rate at 31 December 2024).

The Group recognises the difference in other comprehensive income as a net translation adjustment.

When applying CIAS 29 on an ongoing basis, the Group presents the combined effect of restating in accordance with CIAS 29 and translation according to CIAS 21 as a net change in other comprehensive income.

The price index used for the application of hyperinflation accounting was the Consumer Price Index published by the Bank of the Lao PDR. The movement in the Consumer Price Index for the year ended 31 December 2024 was 243.52% (2023: 208.37%).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**(d) Foreign currency translation**

*(i) Functional and presentation currency*

Items included in the 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 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\$, with the exception of the Group's Lao Kip operation which is subject to hyperinflation accounting and explained above, 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 year-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognised in the statement of profit or loss and other comprehensive income.

*(iii) Group's companies*

The results and financial position of foreign operations (except those whose functional currency is the currency of a hyperinflationary 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 statement of financial position presented are translated using the closing rate at the end of the reporting period;
- b) income and expenses for each 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,
- 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 statement of profit or loss and other comprehensive income as gain or loss on sale.

The results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy are translated into the presentation currency as follows:

- All amounts (assets, liabilities, equity items, income and expenses are translated at the closing rate at the date of the most recent statement of financial position.
- When amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts are those that were presented as current year amounts in the relevant prior year financial statements (not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

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

**(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.

**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;

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

**Business model assessment** (continued)

- 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).

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:

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

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

(ii) *Classification (continued)*

**Non-recourse loans** (continued)

- 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 Note 2 (e) (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.

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.



2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

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

**Financial assets**

If the terms of a financial asset are modified, then the Group and the Bank evaluate whether the cash flows of the modified asset are substantially different. 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 Note 2 (e) (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 Note 2 (e) (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.

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 Note 2(e) (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(q)].

**Financial liabilities**

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

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

**Financial liabilities** (continued)

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

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

(v) *Offsetting*

Financial assets and financial liabilities are offset and the net amount is presented in the 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.

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.

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

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

*(vii) Impairment (continued)*

Loss allowances for loans and advances are 12-month ECL will be computed for stage 1, while lifetime ECL will be computed for stage 2 and stage 3.

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 twelve 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:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

**Measurement of ECL (continued)**

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.

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 Note 2 (e) (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.

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

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

(vii) *Impairment (continued)*

**Credit-impaired financial assets** (continued)

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.

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

The Group and the Bank present loss allowances for ECL in the statement of financial position as follows:

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

**Write-off**

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

**Non-integral financial guarantee contracts**

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

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; 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.

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 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.

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

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

*(ix) Hedge accounting (continued)*

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.

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 statement of financial position.

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

**(g) Financial investments**

The 'Financial investments' caption in the 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.

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 year attributable to common shareholders by the weighted average number of common stocks outstanding during the year, after giving retroactive effect to any stock dividends declared in the current year.

Diluted EPS is also computed by dividing net profit by the weighted average number of common stocks subscribed and issued during the year. 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.



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

**(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 statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

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:

<b>Classes</b>	<b>Years</b>
Land improvement	3 to 20
Building and improvement	3 to 20
Leasehold improvement*	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.

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

**(k) Intangible assets** (continued)

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 from three to seven 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.

**(l) Impairment of non-financial assets**

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses are recognised in the statement of profit or loss 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 when the total accumulated regulatory provision is higher than the accumulated impairment based on CIFRS 9.

The regulatory provision is calculated by applying the prescribed credit grading rates issued by the NBC to the gross carrying amount per CIFRS. These rates are as follows: Normal at 1%, Special Mention at 3%, Sub-standard at 20%, Doubtful at 50%, and Loss at 100%.

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.

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

**(n) Current and deferred income tax**

The tax expense for the year 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.

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 financial statement. 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 year in which the associated services are rendered by the employees of the Group and the Bank.

*(ii) 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\$99 to US\$298, respectively), which is paid both by the Bank and its employees at 2% each (see Note 25).

*(iii) 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. 042/19 K.B/S.N.N.Kh.L 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:

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

**(o) Employee benefits** (continued)

*(iii) Long-term employment benefits (continued)*

**Seniority benefits** (continued)

- Current Seniority Indemnity: effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month on June and December (7.5 days each payment).
- Back Pay Seniority Indemnity: employees are entitled to 15 days of their salary per year of service since the commencement of employment up to 31 December 2018 and still continue working with the Group and the Bank. The back pay seniority indemnity depends on each staff's past services and shall not exceed six months of average basic salaries. On 22 March 2019, the Ministry of Labour and Vocational Training issued guideline number 042/19 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December starting December 2021.

The current seniority indemnity is considered as short-term employee benefits. These are accrued in the year in which the associated services are rendered by the employees of the Group and the Bank.

The back pay seniority indemnity is classified as long-term employee benefits, except for the amount payable within 12 months. The liability was recognised at the present value at the reporting period that employees have earned in return for their service from 2008 to 2018 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 the longest term deposit interest rate.

**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\$378) to LAK23,372,500 (equivalent to US\$1,112) based on the management position level.

Employees in management positions become eligible for the career development incentive fund after two consecutive years in management roles, and have achieved at least very good performance results. They will automatically qualify for the management career development incentive fund starting on 1st January of the third year (date of eligibility). To receive the fund, employees must have worked in their position and maintained from very good performance for three years from the date of eligibility. The first career development incentive fund payment will be made in March of the year following the completion of the three-year criteria, and subsequently every three years thereafter.

The liability is recognised in the 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.

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

**(p) Provisions** (continued)

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.

**(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.

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

**(q) Interest** (continued)

**Interest income and interest expense** (continued)

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.

**Presentation**

Interest income calculated using the effective interest method presented in the 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 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 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 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.

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

**(s) Recognition of fee and other income** (continued)

*(ii) Training and consultancy services*

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

**(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.

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

**(t) Leases (continued)**

**As a lessee (continued)**

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.

**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 twelve 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 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 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:



## ACLEDA BANK PLC.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

##### (v) Segment reporting (continued)

- 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 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.

##### (w) Rounding of amounts

All amounts in US\$ disclosed in the financial statements and notes are in whole US\$ currency unit. All Khmer Riel amounts disclosed in the 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 December 2024 and 31 December 2023 are presented in Note 13.

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

##### ACLEDA University of Business Co., Ltd.

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<u>Financial position:</u>				
Current assets	615,358	296,691	2,476,816	1,211,983
Non-current assets	30,682,426	31,433,019	123,496,765	128,403,883
Total assets	<u>31,297,784</u>	<u>31,729,710</u>	<u>125,973,581</u>	<u>129,615,866</u>
Current liabilities	3,699,091	2,793,262	14,888,842	11,410,475
Non-current liabilities	1,386,562	3,179,093	5,580,912	12,986,596
Total liabilities	<u>5,085,653</u>	<u>5,972,355</u>	<u>20,469,754</u>	<u>24,397,071</u>
Equity	<u>26,212,131</u>	<u>25,757,355</u>	<u>105,503,827</u>	<u>105,218,795</u>
Total liabilities and equity	<u>31,297,784</u>	<u>31,729,710</u>	<u>125,973,581</u>	<u>129,615,866</u>
Ownership and voting interest held by non-controlling interest	23.391%	23.391%	23.391%	23.391%
<u>Equity attributable to:</u>				
Owners of the Bank	20,080,851	19,732,452	80,825,425	80,607,067
Non-controlling interest	6,131,280	6,024,903	24,678,402	24,611,728

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**3. COMPOSITION OF THE GROUP (continued)**

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

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<u>Results of operations:</u>				
Revenue	6,325,602	4,651,145	25,751,526	19,116,206
Costs and expenses	(5,870,826)	(4,815,343)	(23,900,133)	(19,791,060)
Profit for the year	454,776	(164,198)	1,851,393	(674,854)
Total comprehensive income for the year	454,776	(164,198)	1,851,393	(674,854)
Profit attributable to:				
Owners of the Bank	348,399	(125,790)	1,418,332	(516,997)
Non-controlling interest	106,377	(38,408)	433,061	(157,857)
Total	454,776	(164,198)	1,851,393	(674,854)
Total comprehensive income for the year attributable to:				
Owners of the Bank	348,399	(125,790)	1,418,332	(516,997)
Non-controlling interest	106,377	(38,408)	433,061	(157,857)
Total	454,776	(164,198)	1,851,393	(674,854)
<u>Cash flows:</u>				
Net cash inflows from operating activities	1,192,066	1,514,747	4,852,901	6,225,610
Net cash outflows from investing activities	(131,231)	(72,319)	(534,241)	(297,231)
Net cash outflows from financing activities	(1,065,830)	(1,867,480)	(4,338,994)	(7,675,343)
Net cash outflows	(4,995)	(425,052)	(20,334)	(1,746,964)

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

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)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**Measurement of the expected credit loss allowance (continued)**

- applying assumptions and analysis on expected future cash flows and forward-looking information.
- the Bank raised the LGD floor to 10% for ECL calculation in the event of over-collateralization for loans that can be secured by different types of collateral, particularly when the pledged collaterals are concentrated on land and buildings, following an analysis of historical loss data and in response to recent developments in the Bank's loan portfolios, as well as prevailing market and economic conditions.

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 back pay seniority indemnity and career development incentive fund obligation depends on a number of factors that are determined by the Management using a number of assumptions. The assumptions used in determining the net cost for employee benefits include discount rate and turnover rate. Any changes in these assumptions will impact the value of employee benefits.

In the absence of US dollar bond market and US dollar government bonds in Cambodia, the Management used the longest term deposit rate 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 back pay seniority indemnity and career development benefit obligations, respectively, which are in US dollar.

**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 statement of financial position presented and reserves are translated using the closing rate as at the reporting date. Shareholders' capital and share premium are translated at the rate at the date of transaction. The statement of profit or loss and other comprehensive income and the statement of cash flows are translated into KHR using the applicable yearly average rates for the reporting date. 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:

		<b>Closing Rate</b>	<b>Average rate</b>
31 December 2024	US\$1 =	KHR4,025	KHR4,071
31 December 2023	US\$1 =	KHR4,085	KHR4,110

**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 FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

6. SEGMENT INFORMATION (continued)

(b) Analysis of primary segment information

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

	2024						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)	
<b>Revenues</b>												
Interest income	803,805,805	3,272,293,432	-	-	803,805,805	3,272,293,432	755,631,085	3,105,643,759	-	-	755,631,085	3,105,643,759
Interest expense	(344,652,206)	(1,403,079,131)	-	-	(344,652,206)	(1,403,079,131)	(329,001,434)	(1,352,195,894)	-	-	(329,001,434)	(1,352,195,894)
<b>Net interest income</b>	459,153,599	1,869,214,301	-	-	459,153,599	1,869,214,301	426,629,651	1,753,447,865	-	-	426,629,651	1,753,447,865
Non-interest income	-	-	61,443,669	250,137,176	61,443,669	250,137,176	-	-	72,377,153	297,470,099	72,377,153	297,470,099
<b>Total net revenues</b>	459,153,599	1,869,214,301	61,443,669	250,137,176	520,597,268	2,119,351,477	426,629,651	1,753,447,865	72,377,153	297,470,099	499,006,804	2,050,917,964

(c) Analysis of secondary segment information

Secondary information (by geographical locations) follows:

	2024								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)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
<b>Profit or loss</b>																
Total income	835,975,628	3,403,256,782	24,176,055	98,420,720	6,581,475	26,793,185	866,733,158	3,528,470,687	797,311,514	3,276,950,323	26,845,940	110,336,813	6,067,231	24,936,319	830,224,685	3,412,223,455
Total expense	(719,730,889)	(2,930,024,449)	(22,102,453)	(89,979,086)	(3,563,780)	(14,508,149)	(745,397,122)	(3,034,511,684)	(659,302,676)	(2,709,733,998)	(18,115,501)	(74,454,709)	(4,742,684)	(19,492,433)	(682,160,861)	(2,803,681,140)
<b>Net profit</b>	116,244,739	473,232,333	2,073,602	8,441,634	3,017,695	12,285,036	121,336,036	493,959,003	138,008,838	567,216,325	8,730,439	35,882,104	1,324,547	5,443,886	148,063,824	608,542,315
<b>Other segment information</b>																
Depreciation and amortisation	41,480,321	168,866,387	1,546,579	6,296,123	191,475	779,495	43,218,375	175,942,005	37,300,794	153,306,263	1,102,304	4,530,469	204,800	841,728	38,607,898	158,678,461

	2024								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)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
<b>Financial position</b>																
Total assets	10,710,607,987	43,110,197,148	197,431,153	794,660,391	23,567,409	94,858,820	10,931,606,549	43,999,716,359	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	9,191,685,857	36,996,535,574	153,921,344	619,533,410	4,831,607	19,447,219	9,350,438,808	37,635,516,203	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

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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 financial statements.

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Revenues</b>				
Total segment revenues	866,733,158	830,224,685	3,528,470,686	3,412,223,455
Elimination of intersegment revenues	(1,483,684)	(2,216,447)	(6,040,078)	(9,109,597)
<b>Group net revenues as reported in profit or loss</b>	<b>865,249,474</b>	<b>828,008,238</b>	<b>3,522,430,608</b>	<b>3,403,113,858</b>
<b>Profit or loss</b>				
Total segment profit	121,336,036	148,063,824	493,959,003	608,542,315
Elimination of intersegment profit	(34,578)	(45,399)	(140,767)	(186,590)
<b>Group net profit as reported in profit or loss</b>	<b>121,301,458</b>	<b>148,018,425</b>	<b>493,818,236</b>	<b>608,355,725</b>
<b>Assets</b>				
Total segment assets	10,931,606,549	9,841,808,636	43,999,716,359	40,203,788,278
Elimination of intersegment assets	(97,774,719)	(97,768,150)	(393,543,244)	(399,382,892)
<b>Total assets</b>	<b>10,833,831,830</b>	<b>9,744,040,486</b>	<b>43,606,173,115</b>	<b>39,804,405,386</b>
<b>Liabilities</b>				
Total segment liabilities	9,350,438,808	8,368,809,353	37,635,516,203	34,186,586,208
Elimination of intersegment liabilities	(6,773,899)	(6,789,669)	(27,264,942)	(27,735,798)
<b>Total liabilities</b>	<b>9,343,664,909</b>	<b>8,362,019,684</b>	<b>37,608,251,261</b>	<b>34,158,850,410</b>
<b>Other segment information</b>				
Total segment depreciation and amortisation	43,218,375	38,607,898	175,942,005	158,678,461
Elimination of intersegment depreciation and amortisation	(12,169)	(18,422)	(49,540)	(75,715)
<b>Total depreciation and amortisation</b>	<b>43,206,206</b>	<b>38,589,476</b>	<b>175,892,465</b>	<b>158,602,746</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

7. CASH ON HAND

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Current</b>								
<b>By currency:</b>								
In US\$	315,695,503	303,036,520	1,270,674,400	1,237,904,184	313,983,437	301,587,525	1,263,783,334	1,231,985,040
In KHR	161,242,544	151,910,894	649,001,240	620,556,002	161,226,576	151,904,672	648,936,968	620,530,585
In THB	28,184,652	32,204,150	113,443,224	131,553,953	26,667,667	30,583,206	107,337,360	124,932,397
In Euro	1,048,048	576,681	4,218,393	2,355,742	1,041,344	572,521	4,191,410	2,338,748
In other currencies	7,771,376	8,065,323	31,279,788	32,946,844	540,049	1,936,393	2,173,697	7,910,165
	<u>513,942,123</u>	<u>495,793,568</u>	<u>2,068,617,045</u>	<u>2,025,316,725</u>	<u>503,459,073</u>	<u>486,584,317</u>	<u>2,026,422,769</u>	<u>1,987,696,935</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS, NET

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Balances with local banks:</b>								
National Bank of Cambodia	1,247,773,047	1,389,931,664	5,022,286,514	5,677,870,847	1,247,773,047	1,389,931,664	5,022,286,514	5,677,870,847
Other banks	50,409,153	248,726	202,896,841	1,016,046	50,409,153	248,726	202,896,841	1,016,046
	<u>1,298,182,200</u>	<u>1,390,180,390</u>	<u>5,225,183,355</u>	<u>5,678,886,893</u>	<u>1,298,182,200</u>	<u>1,390,180,390</u>	<u>5,225,183,355</u>	<u>5,678,886,893</u>
<b>Balances with overseas banks:</b>								
Bank of Lao PDR	22,593,188	27,299,355	90,937,582	111,517,865	-	-	-	-
Other banks	662,239,182	92,179,627	2,665,512,708	376,553,777	660,436,819	88,714,056	2,658,258,196	362,396,919
	<u>684,832,370</u>	<u>119,478,982</u>	<u>2,756,450,290</u>	<u>488,071,642</u>	<u>660,436,819</u>	<u>88,714,056</u>	<u>2,658,258,196</u>	<u>362,396,919</u>
Total balances with local and overseas banks	1,983,014,570	1,509,659,372	7,981,633,645	6,166,958,535	1,958,619,019	1,478,894,446	7,883,441,551	6,041,283,812
Allowance for impairment losses	(622,908)	(116,194)	(2,507,205)	(474,653)	(560,890)	(12,425)	(2,257,582)	(50,756)
	<u>1,982,391,662</u>	<u>1,509,543,178</u>	<u>7,979,126,440</u>	<u>6,166,483,882</u>	<u>1,958,058,129</u>	<u>1,478,882,021</u>	<u>7,881,183,969</u>	<u>6,041,233,056</u>
Current	1,982,391,662	1,509,543,178	7,979,126,440	6,166,483,882	1,958,058,129	1,478,882,021	7,881,183,969	6,041,233,056
Non-current	-	-	-	-	-	-	-	-
	<u>1,982,391,662</u>	<u>1,509,543,178</u>	<u>7,979,126,440</u>	<u>6,166,483,882</u>	<u>1,958,058,129</u>	<u>1,478,882,021</u>	<u>7,881,183,969</u>	<u>6,041,233,056</u>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

a) By account types

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Balances with local banks:</b>								
Current accounts	1,248,058,850	1,390,180,390	5,023,436,871	5,678,886,893	1,248,058,850	1,390,180,390	5,023,436,871	5,678,886,893
Fixed deposits	50,123,350	-	201,746,484	-	50,123,350	-	201,746,484	-
	<u>1,298,182,200</u>	<u>1,390,180,390</u>	<u>5,225,183,355</u>	<u>5,678,886,893</u>	<u>1,298,182,200</u>	<u>1,390,180,390</u>	<u>5,225,183,355</u>	<u>5,678,886,893</u>
<b>Balances with overseas banks:</b>								
Current accounts	684,832,370	118,474,163	2,756,450,290	483,966,956	660,436,819	88,714,056	2,658,258,196	362,396,919
Fixed deposits	-	1,004,819	-	4,104,686	-	-	-	-
	<u>684,832,370</u>	<u>119,478,982</u>	<u>2,756,450,290</u>	<u>488,071,642</u>	<u>660,436,819</u>	<u>88,714,056</u>	<u>2,658,258,196</u>	<u>362,396,919</u>
Total balances with local and overseas banks	1,983,014,570	1,509,659,372	7,981,633,645	6,166,958,535	1,958,619,019	1,478,894,446	7,883,441,551	6,041,283,812
Allowance for impairment losses	(622,908)	(116,194)	(2,507,205)	(474,653)	(560,890)	(12,425)	(2,257,582)	(50,756)
	<u>1,982,391,662</u>	<u>1,509,543,178</u>	<u>7,979,126,440</u>	<u>6,166,483,882</u>	<u>1,958,058,129</u>	<u>1,478,882,021</u>	<u>7,881,183,969</u>	<u>6,041,233,056</u>

b) By interest rate (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	Nil	Nil	Nil	Nil
Fixed deposits	0.74% - 6.00%	0.74% - 7.50%	3.86% - 6.00%	4.34% - 6.95%

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

c) By maturity

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
On demand	1,932,891,220	1,508,602,147	7,779,887,161	6,162,639,772	1,908,495,669	1,478,894,446	7,681,695,068	6,041,283,812
Within 1 month	-	52,405	-	214,074	-	-	-	-
Between 2 to 3 months	40,056,406	502,910	161,227,034	2,054,387	40,056,406	-	161,227,033	-
Between 4 to 6 months	10,066,944	501,910	40,519,450	2,050,302	10,066,944	-	40,519,450	-
At gross carrying amount	<u>1,983,014,570</u>	<u>1,509,659,372</u>	<u>7,981,633,645</u>	<u>6,166,958,535</u>	<u>1,958,619,019</u>	<u>1,478,894,446</u>	<u>7,883,441,551</u>	<u>6,041,283,812</u>

9. FINANCIAL INVESTMENTS, NET

	Notes	The Group				The Bank			
		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Unlisted equity securities at FVOCI</b>									
Credit Bureau Holding (Cambodia) Ltd.		153,529	153,529	617,954	627,166	153,529	153,529	617,954	627,166
SWIFT		36,141	36,141	145,468	147,636	36,141	36,141	145,468	147,636
<b>Total financial investments at FVOCI</b>	(a)	<u>189,670</u>	<u>189,670</u>	<u>763,422</u>	<u>774,802</u>	<u>189,670</u>	<u>189,670</u>	<u>763,422</u>	<u>774,802</u>
<b>Unquoted financial investments at amortised cost</b>									
Negotiable certificate of deposits with the NBC	(b)	373,392,471	284,890,089	1,502,904,696	1,163,776,014	373,392,471	284,890,089	1,502,904,696	1,163,776,014
Debt securities	(c)	98,274,772	73,093,885	395,555,957	298,588,520	98,274,772	73,093,885	395,555,957	298,588,520
		471,667,243	357,983,974	1,898,460,653	1,462,364,534	471,667,243	357,983,974	1,898,460,653	1,462,364,534
ECL allowance		(52,035)	(629,260)	(209,441)	(2,570,527)	(52,035)	(629,260)	(209,441)	(2,570,527)
<b>Total financial investments at amortised cost</b>		<u>471,615,208</u>	<u>357,354,714</u>	<u>1,898,251,212</u>	<u>1,459,794,007</u>	<u>471,615,208</u>	<u>357,354,714</u>	<u>1,898,251,212</u>	<u>1,459,794,007</u>
<b>Total financial investments, net</b>		<u>471,804,878</u>	<u>357,544,384</u>	<u>1,899,014,634</u>	<u>1,460,568,809</u>	<u>471,804,878</u>	<u>357,544,384</u>	<u>1,899,014,634</u>	<u>1,460,568,809</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

9. FINANCIAL INVESTMENTS, NET (continued)

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current	435,616,471	301,690,138	1,753,356,295	1,232,404,214	435,616,471	301,690,138	1,753,356,297	1,232,404,214
Non-current	36,050,772	56,293,836	145,104,358	229,960,320	36,050,772	56,293,836	145,104,356	229,960,320
At gross carrying amount	<u>471,667,243</u>	<u>357,983,974</u>	<u>1,898,460,653</u>	<u>1,462,364,534</u>	<u>471,667,243</u>	<u>357,983,974</u>	<u>1,898,460,653</u>	<u>1,462,364,534</u>

Analysis of maturity of financial investments at amortised cost

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 1 month	409,702,370	288,443,092	1,649,052,039	1,178,290,030	409,702,370	288,443,092	1,649,052,041	1,178,290,030
Between 2 to 3 months	15,935,697	3,414,265	64,141,180	13,947,273	15,935,697	3,414,265	64,141,180	13,947,273
Between 4 to 6 months	120,478	71,316	484,924	291,326	120,478	71,316	484,924	291,326
Between 7 to 12 months	9,857,926	9,761,465	39,678,152	39,875,585	9,857,926	9,761,465	39,678,152	39,875,585
More than 12 months	36,050,772	56,293,836	145,104,358	229,960,320	36,050,772	56,293,836	145,104,356	229,960,320
At gross carrying amount	<u>471,667,243</u>	<u>357,983,974</u>	<u>1,898,460,653</u>	<u>1,462,364,534</u>	<u>471,667,243</u>	<u>357,983,974</u>	<u>1,898,460,653</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 December 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 year ended 31 December 2024 amounted to KHR1,187,524,800 (equivalent to US\$290,036) (31 December 2023: KHR1,662,534,720 (equivalent to US\$407,862)).
- (b) As at 31 December 2024, the Bank had pledged negotiable certificate of deposits ("NCD") amounting to nil (31 December 2023: US\$3,038,699) with the NBC as collateral for settlement clearing facility. As at 31 December 2024, the other NCD amounting to US\$373,392,471 (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 December 2024, the Bank is yet to utilise the overdraft on the settlement clearing facility.

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**9. FINANCIAL INVESTMENTS, NET** (continued)

- (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 was redeemed upon reaching its maturity date on 11 January 2025. As at 31 December 2024, the carrying amount of this investment is US\$31,609,315 (31 December 2023: US\$31,604,794).

As at 31 December 2024, the amortised cost of the investments in government bonds is KHR268,328,469,435 (equivalent to US\$66,665,458) (31 December 2023: KHR169,482,933,554 (equivalent to US\$41,489,090)) and its face value is KHR268,000,000,000 (equivalent to US\$66,583,851) (31 December 2023: KHR168,000,000,000 (equivalent to US\$41,126,068)). As at 31 December 2024, the Bank has pledged the government bonds amounting KHR98,300,000,000 (equivalent to US\$24,422,360) (31 December 2023: KHR70,348,000,000 (equivalent to US\$17,221,053)) with the NBC as collaterals for settlement clearing facility.

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

No.	Value date	Quantity (sheet)	Interest per annum	Yield to maturity	Tenure (year)	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	14,906,832
2	18/08/2023	20,000	4.00%	4.30%	2	18/08/2025	1,000,000	20,000,000	4,968,944
3	22/09/2023	8,000	4.50%	5.20%	3	22/09/2026	1,000,000	8,000,000	1,987,578
4	24/11/2023	10,000	4.00%	4.50%	2	24/11/2025	1,000,000	10,000,000	2,484,472
5	24/11/2023	10,000	4.00%	4.60%	2	24/11/2025	1,000,000	10,000,000	2,484,472
6	26/01/2024	10,000	3.50%	3.95%	1	26/01/2025	1,000,000	10,000,000	2,484,472
7	26/01/2024	10,000	3.50%	3.85%	1	26/01/2025	1,000,000	10,000,000	2,484,472
8	23/02/2024	10,000	4.00%	4.75%	2	23/02/2026	1,000,000	10,000,000	2,484,472
9	23/02/2024	10,000	4.00%	4.70%	2	23/02/2026	1,000,000	10,000,000	2,484,472
10	22/03/2024	120,000	4.50%	5.25%	3	22/03/2027	1,000,000	120,000,000	29,813,665
<b>Total</b>		<b>268,000</b>					<b>10,000,000</b>	<b>268,000,000</b>	<b>66,583,851</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

10. LOANS AND ADVANCES, NET

	The Group											
	2024			2023			2024			2023		
	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)
Small Loan	3,207,188,106	45,315,347	3,161,872,759	3,010,956,957	27,770,215	2,983,186,742	12,908,932,127	182,394,272	12,726,537,855	12,299,759,169	113,441,328	12,186,317,841
Medium Loan	2,495,321,357	35,687,656	2,459,633,701	2,363,039,566	18,938,304	2,344,101,262	10,043,668,462	143,642,815	9,900,025,647	9,653,016,627	77,362,972	9,575,653,655
Personal & Others Loan	616,161,630	6,373,215	609,788,415	483,524,761	3,643,801	479,880,960	2,480,050,561	25,652,190	2,454,398,371	1,975,198,650	14,884,929	1,960,313,721
Staff Loan	298,878,207	452,264	298,425,943	297,515,093	59,271	297,455,822	1,202,984,783	1,820,363	1,201,164,420	1,215,349,155	242,122	1,215,107,033
Overdraft Loan	163,487,893	1,367,944	162,119,949	159,816,406	689,036	159,127,370	658,038,769	5,505,975	652,532,794	652,850,019	2,814,712	650,035,307
Public Housing Loan	132,013,296	1,474,404	130,538,892	154,400,982	990,876	153,410,106	531,353,516	5,934,476	525,419,040	630,728,011	4,047,728	626,680,283
Credit Card Loan	123,331,831	4,563,847	118,767,984	88,962,172	2,502,209	86,459,963	496,410,620	18,369,484	478,041,136	363,410,473	10,221,524	353,188,949
Staff Housing Loan	31,630,872	105,412	31,525,460	31,007,135	26,261	30,980,874	127,314,260	424,283	126,889,977	126,664,146	107,276	126,556,870
Revolving Loan	16,731,106	124,106	16,607,000	29,992,751	97,276	29,895,475	67,342,702	499,527	66,843,175	122,520,388	397,372	122,123,016
Trade Loan	20,060,319	59,116	20,001,203	16,962,181	16,335	16,945,846	80,742,784	237,942	80,504,842	69,290,509	66,728	69,223,781
Home Improvement Loan	14,218,573	335,775	13,882,798	21,134,005	913,194	20,220,811	57,229,756	1,351,494	55,878,262	86,332,410	3,730,397	82,602,013
	<u>7,119,023,190</u>	<u>95,859,086</u>	<u>7,023,164,104</u>	<u>6,657,312,009</u>	<u>55,646,778</u>	<u>6,601,665,231</u>	<u>28,654,068,340</u>	<u>385,832,821</u>	<u>28,268,235,519</u>	<u>27,195,119,557</u>	<u>227,317,088</u>	<u>26,967,802,469</u>
	<b>The Bank</b>											
	2024			2023			2024			2023		
	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)
Small Loan	3,072,415,656	29,425,877	3,042,989,779	2,884,157,048	12,673,382	2,871,483,666	12,366,473,015	118,439,155	12,248,033,860	11,781,781,541	51,770,765	11,730,010,776
Medium Loan	2,473,252,503	35,573,651	2,437,678,852	2,349,484,724	18,865,068	2,330,619,656	9,954,841,325	143,183,945	9,811,657,380	9,597,645,098	77,063,803	9,520,581,295
Personal & Others Loan	613,265,918	6,352,877	606,913,041	480,498,163	3,612,266	476,885,897	2,468,395,318	25,570,329	2,442,824,989	1,962,834,995	14,756,107	1,948,078,888
Staff Loan	294,217,772	443,062	293,774,710	293,163,708	44,899	293,118,809	1,184,226,532	1,783,325	1,182,443,207	1,197,573,747	183,412	1,197,390,335
Overdraft Loan	160,198,940	1,344,023	158,854,917	158,920,550	684,232	158,236,318	644,800,734	5,409,693	639,391,041	649,190,447	2,795,088	646,395,359
Public Housing Loan	129,886,188	1,464,495	128,421,693	151,945,600	982,034	150,963,566	522,791,907	5,894,592	516,897,315	620,697,776	4,011,609	616,686,167
Credit Card Loan	123,331,831	4,563,847	118,767,984	88,962,172	2,502,209	86,459,963	496,410,620	18,369,484	478,041,136	363,410,473	10,221,524	353,188,949
Staff Housing Loan	31,560,750	105,300	31,455,450	30,933,591	26,254	30,907,337	127,032,019	423,833	126,608,186	126,363,719	107,248	126,256,471
Revolving Loan	16,731,106	124,106	16,607,000	29,992,751	97,276	29,895,475	67,342,702	499,527	66,843,175	122,520,388	397,372	122,123,016
Trade Loan	20,060,319	59,116	20,001,203	16,962,181	16,335	16,945,846	80,742,784	237,942	80,504,842	69,290,509	66,728	69,223,781
Home Improvement Loan	6,464,796	103,414	6,361,382	11,622,338	95,583	11,526,755	26,020,804	416,241	25,604,563	47,477,251	390,457	47,086,794
	<u>6,941,385,779</u>	<u>79,559,768</u>	<u>6,861,826,011</u>	<u>6,496,642,826</u>	<u>39,599,538</u>	<u>6,457,043,288</u>	<u>27,939,077,760</u>	<u>320,228,066</u>	<u>27,618,849,694</u>	<u>26,538,785,944</u>	<u>161,764,113</u>	<u>26,377,021,831</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

10. LOANS AND ADVANCES, NET (continued)

(a) Loans and advances in gross amount by maturity

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 1 year	1,589,975,812	1,600,707,057	6,399,652,643	6,538,888,329	1,521,686,724	1,543,246,088	6,124,789,064	6,304,160,270
Later than 1 year but not later than 3 years	2,271,851,384	2,224,498,064	9,144,201,821	9,087,074,591	2,212,294,171	2,170,793,786	8,904,484,038	8,867,692,616
Later than 3 years but not later than 5 years	1,524,697,928	1,505,478,580	6,136,909,160	6,149,879,999	1,494,760,397	1,476,912,594	6,016,410,598	6,033,187,946
Later than 5 years	1,732,498,066	1,326,628,308	6,973,304,716	5,419,276,638	1,712,644,487	1,305,690,358	6,893,394,060	5,333,745,112
At gross carrying amount	<u>7,119,023,190</u>	<u>6,657,312,009</u>	<u>28,654,068,340</u>	<u>27,195,119,557</u>	<u>6,941,385,779</u>	<u>6,496,642,826</u>	<u>27,939,077,760</u>	<u>26,538,785,944</u>

During the year, the Group and the Bank recognised the impairment losses charged as follows:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Impairment charged/(reversal of impairment charge)								
on:								
Loans and advances	84,974,496	41,824,525	345,931,173	171,898,798	82,782,840	38,676,227	337,008,942	158,959,293
Deposits and placements with other banks	518,846	(177,657)	2,112,221	(730,170)	546,749	(199,422)	2,225,815	(819,624)
Other receivables	36,223	23,768	147,464	97,686	(5,634)	(23,252)	(22,936)	(95,566)
Investments in debt securities	(577,225)	13,054	(2,349,883)	53,652	(577,225)	13,054	(2,349,883)	53,652
Recovery on loans written off	(9,393,846)	-	(38,242,346)	-	(8,131,141)	-	(33,101,875)	-
	<u>75,558,494</u>	<u>41,683,690</u>	<u>307,598,629</u>	<u>171,319,966</u>	<u>74,615,589</u>	<u>38,466,607</u>	<u>303,760,063</u>	<u>158,097,755</u>
Off-balance sheet commitments	37,752	2,180	153,688	8,960	23,078	(15,518)	93,951	(63,779)
	<u>75,596,246</u>	<u>41,685,870</u>	<u>307,752,317</u>	<u>171,328,926</u>	<u>74,638,667</u>	<u>38,451,089</u>	<u>303,854,014</u>	<u>158,033,976</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

10. LOANS AND ADVANCES, NET (continued)

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

During the year, the movement of impairment loss allowance on loans and advances of the Group and the Bank were as follows:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	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 year	84,974,496	41,824,525	345,931,173	171,898,798	82,782,840	38,676,227	337,008,942	158,959,293
Written off during the year	(44,688,076)	(28,099,807)	(181,925,157)	(115,490,207)	(42,947,913)	(27,165,405)	(174,840,954)	(111,649,815)
Currency translation differences	(74,112)	(320,602)	(301,710)	(1,317,674)	125,303	(68,252)	510,109	(280,516)
Exchange differences	-	-	(5,188,573)	(1,686,868)	-	-	(4,214,144)	(1,187,086)
At the end of the year	<u>95,859,086</u>	<u>55,646,778</u>	<u>385,832,821</u>	<u>227,317,088</u>	<u>79,559,768</u>	<u>39,599,538</u>	<u>320,228,066</u>	<u>161,764,113</u>

11. OTHER ASSETS

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Prepayments and advances	10,039,772	13,351,052	40,410,082	54,539,048	9,152,065	12,223,566	36,837,062	49,933,267
Withholding tax receivable	5,563,315	4,638,694	22,392,343	18,949,065	5,497,761	4,582,366	22,128,488	18,718,965
Stationery supplies	5,122,700	5,335,702	20,618,868	21,796,343	4,903,001	5,097,968	19,734,579	20,825,199
Receivable from Western Union and VISA	5,451,235	4,226,939	21,941,221	17,267,046	5,430,497	4,196,511	21,857,750	17,142,747
Others	5,082,693	5,303,827	20,457,838	21,666,133	3,146,223	4,948,646	12,663,549	20,215,221
	<u>31,259,715</u>	<u>32,856,214</u>	<u>125,820,352</u>	<u>134,217,635</u>	<u>28,129,547</u>	<u>31,049,057</u>	<u>113,221,428</u>	<u>126,835,399</u>
ECL allowance	(32,155)	(16,696)	(129,423)	(68,204)	(7,875)	(13,786)	(31,697)	(56,316)
Total	<u>31,227,560</u>	<u>32,839,518</u>	<u>125,690,929</u>	<u>134,149,431</u>	<u>28,121,672</u>	<u>31,035,271</u>	<u>113,189,731</u>	<u>126,779,083</u>
Current	18,610,176	17,351,501	74,905,958	70,880,882	15,723,554	15,966,836	63,287,306	65,224,526
Non-current	12,617,384	15,488,017	50,784,971	63,268,549	12,398,118	15,068,435	49,902,425	61,554,557
	<u>31,227,560</u>	<u>32,839,518</u>	<u>125,690,929</u>	<u>134,149,431</u>	<u>28,121,672</u>	<u>31,035,271</u>	<u>113,189,731</u>	<u>126,779,083</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

12. STATUTORY DEPOSITS

	Notes	The Group				The Bank			
		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
With the central bank	(a)	596,402,637	543,302,104	2,400,520,614	2,219,389,095	596,402,637	543,302,104	2,400,520,614	2,219,389,095
With other central bank	(b)	7,164,290	5,043,487	28,836,266	20,602,645	-	-	-	-
Others	(c)	285,714	281,518	1,150,000	1,150,000	-	-	-	-
		<u>603,852,641</u>	<u>548,627,109</u>	<u>2,430,506,880</u>	<u>2,241,141,740</u>	<u>596,402,637</u>	<u>543,302,104</u>	<u>2,400,520,614</u>	<u>2,219,389,095</u>
Current		-	-	-	-	-	-	-	-
Non-current		603,852,641	548,627,109	2,430,506,880	2,241,141,740	596,402,637	543,302,104	2,400,520,614	2,219,389,095
		<u>603,852,641</u>	<u>548,627,109</u>	<u>2,430,506,880</u>	<u>2,241,141,740</u>	<u>596,402,637</u>	<u>543,302,104</u>	<u>2,400,520,614</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 with NBC amounted to US\$553,086,335 as at 31 December 2024 (31 December 2023: US\$499,985,802).



**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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 December 2024, capital guarantee deposit with NBC amounted to US\$43,316,302 (31 December 2023: US\$43,316,302). The capital guarantee deposit is earning at an interest and receives interest on a 6-month basis.

**(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 other 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 8% for the Lao Kip ("LAK") and 10% to 11% for foreign currency effective from 28 August 2024, 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 2018 on licensing and supervision of securities business, ACS is required to reserve the guarantee capital of KHR1,000,000,000 (which is equivalent to US\$248,447 and US\$244,798 as at 31 December 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\$37,267 and US\$36,720 as at 31 December 2024 and 31 December 2023, respectively) 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 which is tasked with opening investment fund accounts for investors, supporting subscribe unit funds for investors and facilitating redeem of fund units upon holding unit investors' redemption requests.

**13. INVESTMENTS IN SUBSIDIARIES**

	Notes	The Bank			
		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Unquoted ordinary shares, at cost</b>					
ACLEDA Bank Lao Ltd.	(a)	49,389,566	49,389,566	198,793,003	201,756,377
ACLEDA Securities Plc.	(b)	2,010,000	2,010,000	8,090,250	8,210,850
ACLEDA University of Business Co., Ltd.	(c)	19,805,000	19,805,000	79,715,125	80,903,425
ACLEDA MFI Myanmar Co., Ltd.	(d)	19,913,150	19,913,150	80,150,429	81,345,218
		<u>91,117,716</u>	<u>91,117,716</u>	<u>366,748,807</u>	<u>372,215,870</u>

**ACLEDA BANK PLC.****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024****13. INVESTMENTS IN SUBSIDIARIES (continued)**

Details of the Bank's subsidiaries are as follows:

Name of Subsidiaries	Notes	Ownership and Voting Interest	
		2024	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, Stichting Triodos Doen, 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 December 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 (equivalent to KHR8,240,000,000), divided into 2,060,000 shares with par value of KHR4,000 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.**

AUB (previously known as ACLEDA Training Center Ltd. and ACLEDA Institute of Business Co., 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 AUB is US\$17,805,000, divided into 17,805,000 shares with par value of US\$1 each. In 2018, AUB 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.

AUB 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. AUB provides training and education for Associate's degree, Bachelor's degree, and Master's degree in Business Administration, Major in Banking and Finance. AUB 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 ("MoEYS").

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**13. INVESTMENTS IN SUBSIDIARIES (continued)**

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

On 10 February 2021, the NBC approved, on request of the Bank, an increase in the capital of AUB as invested by ACLEDA Financial Trust (“AFT”), amounting to US\$10,000,000, which represents 23.391% 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, AUB, and AFT. Consequently, AUB’s share capital increased to US\$25,852,046 and reduced the Bank’s ownership to 76.609%, which is equal to US\$19,805,000.

On 29 March 2021, AUB 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, AUB obtained the approval from the MOC.

On 12 February 2024, AUB is recognised as transformation from ACLEDA Institute of Business Co., Ltd. to be ACLEDA University of Business Co., Ltd. under the Sub-Decree No. 27 RNK. BK from the Royal Government of Cambodia. The Ministry of Education, Youth and Sport (“MoEYS”) approved this transformation on 16 January 2024.

**(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<sup>o</sup>: 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 Kredittanstalt 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 to 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 had approved AMM’s request with Letter No. KaKa-1/6 (467/2021) dated 23 December 2021.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$
<b>Cost</b>									
<b>As at 1 January 2024</b>	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	-	1,137,773	8,799,373	10,044,419	4,002,907	4,931,802	28,934,231
Disposals/write-offs	-	-	(455)	(143,181)	(2,632,705)	(4,646,445)	(1,107,368)	-	(8,530,154)
Transfers	-	-	-	445,484	66,744	2,525,684	70,334	(3,108,246)	-
Effect of hyperinflationary economy	-	-	-	43,107	214,009	1,257,070	145,014	(70)	1,659,130
Currency translation differences	-	-	-	(22,491)	(59,360)	(324,951)	(48,302)	(60,293)	(515,397)
Adjustments	-	-	-	-	4,409	1,413	(6,598)	(109,716)	(110,492)
<b>As at 31 December 2024</b>	<u>14,542,280</u>	<u>1,777,338</u>	<u>99,132,420</u>	<u>12,861,183</u>	<u>103,385,191</u>	<u>107,640,644</u>	<u>27,743,192</u>	<u>3,872,840</u>	<u>370,955,088</u>
<b>Less: Accumulated depreciation</b>									
<b>As at 1 January 2024</b>	-	962,313	35,943,579	6,514,768	68,126,579	74,455,536	15,768,130	-	201,770,905
Charge for the year	-	70,095	4,640,952	1,848,384	9,886,978	7,184,824	2,098,727	-	25,729,960
Disposals/write-offs	-	-	(455)	(140,531)	(2,615,440)	(4,639,965)	(1,107,367)	-	(8,503,758)
Effect of hyperinflationary economy	-	-	-	27,307	129,991	577,613	59,725	-	794,636
Currency translation differences	-	(10)	(4,366)	(20,589)	(57,206)	(248,344)	(33,753)	-	(364,268)
<b>As at 31 December 2024</b>	<u>-</u>	<u>1,032,398</u>	<u>40,579,710</u>	<u>8,229,339</u>	<u>75,470,902</u>	<u>77,329,664</u>	<u>16,785,462</u>	<u>-</u>	<u>219,427,475</u>
<b>Carrying value</b>	<u>14,542,280</u>	<u>744,940</u>	<u>58,552,710</u>	<u>4,631,844</u>	<u>27,914,289</u>	<u>30,310,980</u>	<u>10,957,730</u>	<u>3,872,840</u>	<u>151,527,613</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>58,532,677</u>	<u>2,998,384</u>	<u>235,674,658</u>	<u>18,643,172</u>	<u>112,355,013</u>	<u>122,001,695</u>	<u>44,104,863</u>	<u>15,588,180</u>	<u>609,898,642</u>

As at 31 December 2024, fully depreciated property and equipment with total historical cost of US\$109,669,869 (31 December 2023: US\$130,332,368) are still in active use.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

14. PROPERTY AND EQUIPMENT, NET (continued)

	The Group								Total US\$
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	
<b>Cost</b>									
<b>As at 1 January 2023</b>	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	-	-	40,664	1,450,025	14,194,354	9,532,489	4,031,203	2,409,939	31,658,674
Disposals/write-offs	-	-	(359)	(248,172)	(1,630,492)	(1,575,629)	(1,155,645)	-	(4,610,297)
Transfers	-	-	50,000	593,310	715,288	1,072,962	9,961	(2,441,521)	-
Currency translation differences	-	-	-	(47,729)	(112,336)	(619,060)	(79,129)	(19,052)	(877,306)
Adjustments	-	-	-	-	12,594	5	-	(377,262)	(364,663)
<b>As at 31 December 2023</b>	<u>14,542,280</u>	<u>1,759,381</u>	<u>99,132,875</u>	<u>11,400,491</u>	<u>96,992,721</u>	<u>98,783,454</u>	<u>24,687,205</u>	<u>2,219,363</u>	<u>349,517,770</u>
<b>Less: Accumulated depreciation</b>									
<b>As at 1 January 2023</b>	-	896,603	31,315,844	5,206,404	61,047,802	69,885,318	15,138,682	-	183,490,653
Charge for the year	-	65,717	4,631,352	1,574,182	8,796,795	6,616,539	1,856,669	-	23,541,254
Disposals/write-offs	-	-	(359)	(224,710)	(1,611,375)	(1,573,751)	(1,151,716)	-	(4,561,911)
Currency translation differences	-	(7)	(3,258)	(41,108)	(106,643)	(472,570)	(75,505)	-	(699,091)
<b>As at 31 December 2023</b>	<u>-</u>	<u>962,313</u>	<u>35,943,579</u>	<u>6,514,768</u>	<u>68,126,579</u>	<u>74,455,536</u>	<u>15,768,130</u>	<u>-</u>	<u>201,770,905</u>
<b>Carrying value</b>	<u>14,542,280</u>	<u>797,068</u>	<u>63,189,296</u>	<u>4,885,723</u>	<u>28,866,142</u>	<u>24,327,918</u>	<u>8,919,075</u>	<u>2,219,363</u>	<u>147,746,865</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>59,405,214</u>	<u>3,256,023</u>	<u>258,128,274</u>	<u>19,958,178</u>	<u>117,918,190</u>	<u>99,379,545</u>	<u>36,434,421</u>	<u>9,066,099</u>	<u>603,545,944</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>Cost</b>									
<b>As at 1 January 2024</b>	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	-	-	-	1,096,555	8,724,384	8,234,496	3,686,295	3,832,922	25,574,652
Disposals/write-offs	-	-	(455)	(121,586)	(2,594,441)	(4,598,139)	(1,090,165)	-	(8,404,786)
Transfers	-	-	-	445,484	66,744	622,665	70,334	(1,205,227)	-
Adjustments	-	-	-	-	4,409	1,413	(6,598)	(109,716)	(110,492)
<b>As at 31 December 2024</b>	<u>2,328,344</u>	<u>282,726</u>	<u>77,195,956</u>	<u>12,352,632</u>	<u>101,116,960</u>	<u>97,286,279</u>	<u>26,401,299</u>	<u>3,834,020</u>	<u>320,798,216</u>
<b>Less: Accumulated depreciation</b>									
<b>As at 1 January 2024</b>	-	175,072	32,148,838	6,104,026	66,361,651	70,153,324	15,086,771	-	190,029,682
Charge for the year	-	9,242	3,905,100	1,828,316	9,789,251	6,293,503	2,002,231	-	23,827,643
Disposals/write-offs	-	-	(455)	(119,337)	(2,580,093)	(4,595,222)	(1,090,165)	-	(8,385,272)
Currency translation differences	-	(10)	(4,366)	(1,707)	(9,534)	(6,857)	(1,972)	-	(24,446)
<b>As at 31 December 2024</b>	<u>-</u>	<u>184,304</u>	<u>36,049,117</u>	<u>7,811,298</u>	<u>73,561,275</u>	<u>71,844,748</u>	<u>15,996,865</u>	<u>-</u>	<u>205,447,607</u>
<b>Carrying value</b>	<u>2,328,344</u>	<u>98,422</u>	<u>41,146,839</u>	<u>4,541,334</u>	<u>27,555,685</u>	<u>25,441,531</u>	<u>10,404,434</u>	<u>3,834,020</u>	<u>115,350,609</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>9,371,585</u>	<u>396,149</u>	<u>165,616,027</u>	<u>18,278,869</u>	<u>110,911,632</u>	<u>102,402,162</u>	<u>41,877,847</u>	<u>15,431,930</u>	<u>464,286,201</u>

As at 31 December 2024, fully depreciated property and equipment with total historical cost of US\$103,228,956 (31 December 2023: US\$124,117,271) are still in active use.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$
<b>Cost</b>									
<b>As at 1 January 2023</b>	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	-	-	30,562	1,438,490	14,057,707	9,208,756	3,804,560	1,316,043	29,856,118
Disposals/write-offs	-	-	(359)	(232,553)	(1,603,108)	(1,557,722)	(1,073,211)	-	(4,466,953)
Transfers	-	-	50,000	591,271	701,454	772,902	-	(2,115,627)	-
Adjustments	-	-	-	-	12,594	5	-	(377,262)	(364,663)
<b>As at 31 December 2023</b>	<u>2,328,344</u>	<u>282,726</u>	<u>77,196,411</u>	<u>10,932,179</u>	<u>94,915,864</u>	<u>93,025,844</u>	<u>23,741,433</u>	<u>1,316,041</u>	<u>303,738,842</u>
<b>Less: Accumulated depreciation</b>									
<b>As at 1 January 2023</b>	-	165,865	28,256,258	4,761,986	59,270,750	65,604,513	14,368,937	-	172,428,309
Charge for the year	-	9,214	3,896,197	1,553,048	8,685,635	6,109,749	1,790,289	-	22,044,132
Disposals/write-offs	-	-	(359)	(209,993)	(1,588,197)	(1,556,776)	(1,071,213)	-	(4,426,538)
Currency translation differences	-	(7)	(3,258)	(1,015)	(6,537)	(4,162)	(1,242)	-	(16,221)
<b>As at 31 December 2023</b>	<u>-</u>	<u>175,072</u>	<u>32,148,838</u>	<u>6,104,026</u>	<u>66,361,651</u>	<u>70,153,324</u>	<u>15,086,771</u>	<u>-</u>	<u>190,029,682</u>
<b>Carrying value</b>	<u>2,328,344</u>	<u>107,654</u>	<u>45,047,573</u>	<u>4,828,153</u>	<u>28,554,213</u>	<u>22,872,520</u>	<u>8,654,662</u>	<u>1,316,041</u>	<u>113,709,160</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>9,511,285</u>	<u>439,767</u>	<u>184,019,336</u>	<u>19,723,005</u>	<u>116,643,960</u>	<u>93,434,244</u>	<u>35,354,294</u>	<u>5,376,028</u>	<u>464,501,919</u>

Movement for cash used for purchases of property and equipment

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Additions	28,934,231	31,658,674	117,791,254	130,117,150	25,574,652	29,856,118	104,114,408	122,708,645
(Increase)/decrease in accounts payables for capital expenditure	(46,063)	(421,075)	(187,522)	(1,730,618)	-	109,899	-	451,685
Cash used for purchases of property and equipment	<u>28,888,168</u>	<u>31,237,599</u>	<u>117,603,732</u>	<u>128,386,532</u>	<u>25,574,652</u>	<u>29,966,017</u>	<u>104,114,408</u>	<u>123,160,330</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$
<b>Cost</b>						
<b>As at 1 January 2024</b>	40,498,585	2,730,718	43,229,303	38,153,750	2,288,017	40,441,767
Additions	8,800,889	1,750,259	10,551,148	8,539,020	1,230,875	9,769,895
Disposals/write-offs	(582,023)	-	(582,023)	(566,790)	-	(566,790)
Transfers	1,744,376	(1,744,376)	-	811,840	(811,840)	-
Effect of hyperinflationary economy	521,315	-	521,315	-	-	-
Currency translation differences	(152,890)	(29,549)	(182,439)	-	-	-
Adjustments	-	(622,563)	(622,563)	-	(622,563)	(622,563)
<b>As at 31 December 2024</b>	<b>50,830,252</b>	<b>2,084,489</b>	<b>52,914,741</b>	<b>46,937,820</b>	<b>2,084,489</b>	<b>49,022,309</b>
<b>Less: Accumulated amortisation</b>						
<b>As at 1 January 2024</b>	32,458,285	-	32,458,285	30,612,312	-	30,612,312
Charge for the year	4,565,938	-	4,565,938	4,313,776	-	4,313,776
Disposals/write-offs	(521,877)	-	(521,877)	(506,644)	-	(506,644)
Effect of hyperinflationary economy	338,327	-	338,327	-	-	-
Currency translation differences	(124,017)	-	(124,017)	(3,794)	-	(3,794)
Adjustments	(538,733)	-	(538,733)	(538,733)	-	(538,733)
<b>As at 31 December 2024</b>	<b>36,177,923</b>	<b>-</b>	<b>36,177,923</b>	<b>33,876,917</b>	<b>-</b>	<b>33,876,917</b>
<b>Carrying value</b>	<b>14,652,329</b>	<b>2,084,489</b>	<b>16,736,818</b>	<b>13,060,903</b>	<b>2,084,489</b>	<b>15,145,392</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>58,975,624</b>	<b>8,390,068</b>	<b>67,365,692</b>	<b>52,570,135</b>	<b>8,390,068</b>	<b>60,960,203</b>

As at 31 December 2024, the Group's and the Bank's fully amortised intangible assets with historical cost of US\$25,272,431 and US\$23,806,038, respectively (31 December 2023: US\$25,101,546 and US\$23,639,872, respectively), are still used actively.



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$
<b>Cost</b>						
<b>As at 1 January 2023</b>	39,382,953	2,484,354	41,867,307	37,140,474	2,261,329	39,401,803
Additions	1,391,039	1,467,079	2,858,118	1,158,809	1,079,688	2,238,497
Disposals	(1,009,305)	-	(1,009,305)	(1,009,305)	-	(1,009,305)
Transfers	1,003,963	(1,003,963)	-	863,772	(863,772)	-
Currency translation differences	(270,065)	(27,524)	(297,589)	-	-	-
Adjustments	-	(189,228)	(189,228)	-	(189,228)	(189,228)
<b>As at 31 December 2023</b>	<b>40,498,585</b>	<b>2,730,718</b>	<b>43,229,303</b>	<b>38,153,750</b>	<b>2,288,017</b>	<b>40,441,767</b>
<b>Less: Accumulated amortisation</b>						
<b>As at 1 January 2023</b>	30,970,766	-	30,970,766	29,083,379	-	29,083,379
Charge for the year	2,821,055	-	2,821,055	2,622,695	-	2,622,695
Disposals	(1,009,305)	-	(1,009,305)	(1,009,305)	-	(1,009,305)
Currency translation differences	(241,905)	-	(241,905)	(2,131)	-	(2,131)
Adjustments	(82,326)	-	(82,326)	(82,326)	-	(82,326)
<b>As at 31 December 2023</b>	<b>32,458,285</b>	<b>-</b>	<b>32,458,285</b>	<b>30,612,312</b>	<b>-</b>	<b>30,612,312</b>
<b>Carrying value</b>	<b>8,040,300</b>	<b>2,730,718</b>	<b>10,771,018</b>	<b>7,541,438</b>	<b>2,288,017</b>	<b>9,829,455</b>
<i>In KHR'000 equivalent (Note 5)</i>	<i>32,844,626</i>	<i>11,154,983</i>	<i>43,999,609</i>	<i>30,806,774</i>	<i>9,346,550</i>	<i>40,153,324</i>

Movement for cash used for purchases of intangible assets

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Additions	10,551,148	2,858,118	42,953,724	11,746,865	9,769,895	2,238,497	39,773,243	9,200,223
Increase in accounts payables for intangible assets	(246,551)	(232,230)	(1,003,709)	(954,465)	-	-	-	-
Cash used for purchases of intangible assets	<b>10,304,597</b>	<b>2,625,888</b>	<b>41,950,015</b>	<b>10,792,400</b>	<b>9,769,895</b>	<b>2,238,497</b>	<b>39,773,243</b>	<b>9,200,223</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

16. RIGHT-OF-USE ASSETS, NET

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Right-of-use assets	36,146,086	32,410,303	145,487,996	132,396,088	33,189,075	30,852,413	133,586,027	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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	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 year	17,173,328	17,886,445	69,912,618	73,513,289	16,373,362	17,331,167	66,655,957	71,231,096
Effect of hyperinflationary economy	897,839	-	3,655,103	-	-	-	-	-
Depreciation for the year	(12,910,310)	(12,227,167)	(52,557,872)	(50,253,656)	(12,437,143)	(11,755,148)	(50,631,609)	(48,313,658)
Lease termination during the year	(1,631,785)	(1,245,468)	(6,642,997)	(5,118,873)	(1,633,217)	(1,244,938)	(6,648,826)	(5,116,695)
Currency translation differences	206,711	(789,312)	841,520	(3,244,072)	33,660	(4,355)	137,030	(17,899)
Exchange differences	-	-	(2,116,464)	(1,011,759)	-	-	(1,958,632)	(956,990)
<b>At the end of the year</b>	<b>36,146,086</b>	<b>32,410,303</b>	<b>145,487,996</b>	<b>132,396,088</b>	<b>33,189,075</b>	<b>30,852,413</b>	<b>133,586,027</b>	<b>126,032,107</b>

For the year ended 31 December 2024, the Group and the Bank have recognised the expense relating to short-term lease payments amounting to US\$3,115 and nil, respectively (31 December 2023: the Group and the Bank have recognised expenses related to variable lease payments amounting to US\$16,792, and the Group has recognised short-term lease payments amounting to US\$834).

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Depreciation expense	12,910,310	12,227,167	52,557,872	50,253,656	12,437,143	11,755,148	50,631,609	48,313,658
Interest on lease liabilities	2,098,202	1,895,277	8,541,780	7,789,590	1,944,340	1,754,557	7,915,408	7,211,230
Gain on pre-termination of leases	(139,265)	(101,682)	(566,948)	(417,913)	(122,709)	(76,783)	(499,548)	(315,578)
	<u>14,869,247</u>	<u>14,020,762</u>	<u>60,532,704</u>	<u>57,625,333</u>	<u>14,258,774</u>	<u>13,432,922</u>	<u>58,047,469</u>	<u>55,209,310</u>

17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Deferred tax assets	4,149,905	4,069,381	16,703,368	16,623,421	-	-	-	-
Deferred tax liabilities	(3,361,806)	(2,716,755)	(13,531,270)	(11,097,944)	-	-	-	-
<b>Net deferred tax assets</b>	<u>788,099</u>	<u>1,352,626</u>	<u>3,172,098</u>	<u>5,525,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets	17,755,287	18,111,328	71,465,030	73,984,775	17,755,287	18,111,328	71,465,030	73,984,775
Deferred tax liabilities	(51,651,549)	(44,893,373)	(207,897,485)	(183,389,429)	(51,651,549)	(44,893,373)	(207,897,485)	(183,389,429)
<b>Net deferred tax liabilities</b>	<u>(33,896,262)</u>	<u>(26,782,045)</u>	<u>(136,432,455)</u>	<u>(109,404,654)</u>	<u>(33,896,262)</u>	<u>(26,782,045)</u>	<u>(136,432,455)</u>	<u>(109,404,654)</u>
Total deferred tax assets	21,905,192	22,180,709	88,168,398	90,608,196	17,755,287	18,111,328	71,465,030	73,984,775
Total deferred tax liabilities	(55,013,355)	(47,610,128)	(221,428,755)	(194,487,373)	(51,651,549)	(44,893,373)	(207,897,485)	(183,389,429)
<b>Total net deferred tax liabilities</b>	<u>(33,108,163)</u>	<u>(25,429,419)</u>	<u>(133,260,357)</u>	<u>(103,879,177)</u>	<u>(33,896,262)</u>	<u>(26,782,045)</u>	<u>(136,432,455)</u>	<u>(109,404,654)</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	(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	(7,844,754)	(24,186,614)	(31,935,994)	(99,406,984)	(7,114,217)	(24,523,692)	(28,961,977)	(100,792,374)
Currency translation differences	166,010	(104,948)	675,827	(431,336)	-	-	-	-
Exchange differences	-	-	1,878,987	643,700	-	-	1,934,176	685,359
<b>At the end of the year</b>	<b>(33,108,163)</b>	<b>(25,429,419)</b>	<b>(133,260,357)</b>	<b>(103,879,177)</b>	<b>(33,896,262)</b>	<b>(26,782,045)</b>	<b>(136,432,455)</b>	<b>(109,404,654)</b>

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

Deferred tax assets of the Group:

	Unamortised loan fees US\$	Unearned revenue US\$	Provision for expected credit losses US\$	Other provision US\$	Employee benefits US\$	Unrealised exchange US\$	Accelerated depreciation US\$	Lease liabilities US\$	Others US\$	Total US\$
<b>As at 1 January 2024</b>	710,701	54,593	3,209,220	5,564,566	1,635,771	2,731,546	4,768	352,122	2,699,396	16,962,683
(Charged)/credited to profit or loss	(110,920)	(5,261)	104,056	483,814	(319,778)	969,980	(4,768)	6,204,833	(2,379,447)	4,942,509
<b>As at 31 December 2024</b>	<b>599,781</b>	<b>49,332</b>	<b>3,313,276</b>	<b>6,048,380</b>	<b>1,315,993</b>	<b>3,701,526</b>	<b>-</b>	<b>6,556,955</b>	<b>319,949</b>	<b>21,905,192</b>
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,414,119</u>	<u>198,561</u>	<u>13,335,936</u>	<u>24,344,730</u>	<u>5,296,872</u>	<u>14,898,642</u>	<u>-</u>	<u>26,391,744</u>	<u>1,287,794</u>	<u>88,168,398</u>
<b>As at 1 January 2023</b>	4,284,530	44,281	2,817,008	9,554,050	2,117,163	1,683,243	473	362,157	1,822,821	22,685,726
(Charged)/credited to profit or loss	(1,818,781)	10,312	392,212	(3,989,484)	(481,392)	1,048,303	4,295	5,754,471	(1,424,953)	(505,017)
<b>As at 31 December 2023</b>	<b>2,465,749</b>	<b>54,593</b>	<b>3,209,220</b>	<b>5,564,566</b>	<b>1,635,771</b>	<b>2,731,546</b>	<b>4,768</b>	<b>6,116,628</b>	<b>397,868</b>	<b>22,180,709</b>
<i>In KHR'000 equivalent (Note 5)</i>	<u>10,072,585</u>	<u>223,012</u>	<u>13,109,663</u>	<u>22,731,252</u>	<u>6,682,124</u>	<u>11,158,365</u>	<u>19,477</u>	<u>24,986,425</u>	<u>1,625,293</u>	<u>90,608,196</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Deferred tax assets of the Bank:

	Unamortised loan fees US\$	Other provision US\$	Employee benefits US\$	Unrealised exchange US\$	Lease liabilities US\$	Others US\$	Total US\$
<b>As at 1 January 2024</b>	-	5,505,303	1,625,989	2,730,883	350,912	2,694,285	12,907,372
Credited/(charged) to profit or loss	-	480,386	(319,277)	855,344	6,205,798	(2,374,336)	4,847,915
<b>As at 31 December 2024</b>	-	5,985,689	1,306,712	3,586,227	6,556,710	319,949	17,755,287
<i>In KHR'000 equivalent (Note 5)</i>	-	24,092,398	5,259,516	14,434,564	26,390,758	1,287,794	71,465,030
<b>As at 1 January 2023</b>	3,648,149	9,392,387	2,117,163	1,682,562	359,397	1,798,711	18,998,369
(Charged)/credited to profit or loss	(1,893,101)	(3,887,084)	(491,174)	1,048,321	5,750,073	(1,414,076)	(887,041)
<b>As at 31 December 2023</b>	1,755,048	5,505,303	1,625,989	2,730,883	6,109,470	384,635	18,111,328
<i>In KHR'000 equivalent (Note 5)</i>	7,169,371	22,489,163	6,642,165	11,155,657	24,957,185	1,571,234	73,984,775

Deferred tax liabilities of the Group:

	Unamortised loan fees US\$	Provision for expected credit losses US\$	Unrealised exchange US\$	Accelerated depreciation US\$	Right of use assets US\$	Others US\$	Total US\$
<b>As at 1 January 2024</b>	3,379,139	36,610,954	1,899	2,383,244	13,112	3,754	42,392,102
Charged/(credited) to profit or loss	1,246,149	4,880,272	(1,899)	323,900	6,175,158	(2,327)	12,621,253
<b>As at 31 December 2024</b>	4,625,288	41,491,226	-	2,707,144	6,188,270	1,427	55,013,355
<i>In KHR'000 equivalent (Note 5)</i>	18,616,785	167,002,185	-	10,896,255	24,907,787	5,743	221,428,755
<b>As at 1 January 2023</b>	2,088,004	19,993,261	3,243	1,728,360	-	10,715	23,823,583
Charged/(credited) to profit or loss	601,202	16,754,317	(1,344)	654,884	5,776,325	1,161	23,786,545
<b>As at 31 December 2023</b>	2,689,206	36,747,578	1,899	2,383,244	5,776,325	11,876	47,610,128
<i>In KHR'000 equivalent (Note 5)</i>	10,985,407	150,113,856	7,757	9,735,552	23,596,288	48,513	194,487,373

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Deferred tax liabilities of the Bank:

	Unamortised loan fees US\$	Provision for expected credit losses US\$	Accelerated depreciation US\$	Right-of-use assets US\$	Total US\$
<b>As at 1 January 2024</b>	689,933	36,610,954	2,375,418	13,112	39,689,417
Charged to profit or loss	686,011	4,787,384	313,579	6,175,158	11,962,132
<b>As at 31 December 2024</b>	<u>1,375,944</u>	<u>41,398,338</u>	<u>2,688,997</u>	<u>6,188,270</u>	<u>51,651,549</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>5,538,175</u>	<u>166,628,310</u>	<u>10,823,213</u>	<u>24,907,787</u>	<u>207,897,485</u>
<b>As at 1 January 2023</b>	-	19,993,261	1,263,461	-	21,256,722
Charged to profit or loss	-	16,754,317	1,111,957	5,770,377	23,636,651
<b>As at 31 December 2023</b>	<u>-</u>	<u>36,747,578</u>	<u>2,375,418</u>	<u>5,770,377</u>	<u>44,893,373</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>-</u>	<u>150,113,856</u>	<u>9,703,583</u>	<u>23,571,990</u>	<u>183,389,429</u>

18. DEPOSITS AND PLACEMENTS OF OTHER BANKS AND FINANCIAL INSTITUTIONS

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current accounts	91,515,600	83,966,188	368,350,290	343,001,878	94,833,426	87,716,198	381,704,540	358,320,669
Savings deposits	33,074,622	34,860,003	133,125,354	142,403,112	32,036,847	34,103,292	128,948,309	139,311,948
Fixed deposits	271,924,129	300,966,429	1,094,494,619	1,229,447,863	245,857,331	264,586,437	989,575,757	1,080,835,595
	<u>396,514,351</u>	<u>419,792,620</u>	<u>1,595,970,263</u>	<u>1,714,852,853</u>	<u>372,727,604</u>	<u>386,405,927</u>	<u>1,500,228,606</u>	<u>1,578,468,212</u>
Current	280,073,909	295,437,098	1,127,297,484	1,206,860,546	256,572,604	263,321,140	1,032,704,731	1,075,666,857
Non-current	116,440,442	124,355,522	468,672,779	507,992,307	116,155,000	123,084,787	467,523,875	502,801,355
	<u>396,514,351</u>	<u>419,792,620</u>	<u>1,595,970,263</u>	<u>1,714,852,853</u>	<u>372,727,604</u>	<u>386,405,927</u>	<u>1,500,228,606</u>	<u>1,578,468,212</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

a) By maturity

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 6 months	236,465,459	262,331,052	951,773,473	1,071,622,348	216,344,800	245,963,272	870,787,820	1,004,759,966
Later than 6 months but not later than 1 year	43,608,450	33,106,046	175,524,011	135,238,198	40,227,804	17,357,868	161,916,911	70,906,891
Later than 1 year but not later than 3 years	29,860,442	38,325,522	120,188,279	156,559,757	29,575,000	37,054,787	119,039,375	151,368,805
Later than 3 years	86,580,000	86,030,000	348,484,500	351,432,550	86,580,000	86,030,000	348,484,500	351,432,550
	<u>396,514,351</u>	<u>419,792,620</u>	<u>1,595,970,263</u>	<u>1,714,852,853</u>	<u>372,727,604</u>	<u>386,405,927</u>	<u>1,500,228,606</u>	<u>1,578,468,212</u>

b) By relationship

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	74,940	51,611	301,634	210,831	3,485,169	3,840,265	14,027,805	15,687,483
Non-related parties	396,439,411	419,741,009	1,595,668,629	1,714,642,022	369,242,435	382,565,662	1,486,200,801	1,562,780,729
	<u>396,514,351</u>	<u>419,792,620</u>	<u>1,595,970,263</u>	<u>1,714,852,853</u>	<u>372,727,604</u>	<u>386,405,927</u>	<u>1,500,228,606</u>	<u>1,578,468,212</u>

c) By interest (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	0.00% - 2.00%	0.00% - 1.50%	0.00% - 0.75%	0.00% - 0.75%
Savings deposits	0.00% - 3.00%	0.00% - 2.00%	0.00% - 1.00%	0.05% - 1.00%
Fixed deposits	1.45% - 13.00%	0.25% - 8.45%	1.45% - 9.50%	0.25% - 8.45%

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

19. DEPOSITS FROM CUSTOMERS

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current accounts	1,416,388,683	950,009,201	5,700,964,450	3,880,787,587	1,400,198,752	937,729,648	5,635,799,977	3,830,625,612
Savings deposits	2,843,866,399	2,297,291,732	11,446,562,256	9,384,436,725	2,814,795,170	2,272,724,032	11,329,550,559	9,284,077,671
Margin deposits	21,430,854	17,263,637	86,259,187	70,521,957	21,405,782	17,163,400	86,158,273	70,112,489
Fixed deposits	3,680,855,498	3,543,455,849	14,815,443,379	14,475,017,143	3,608,898,685	3,487,671,945	14,525,817,207	14,247,139,895
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>27,810,763,412</u>	<u>7,845,298,389</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>
Current	7,117,246,308	5,793,320,150	28,646,916,389	23,665,712,814	7,020,842,564	5,723,328,073	28,258,891,321	23,379,795,178
Non-current	845,295,126	1,014,700,269	3,402,312,883	4,145,050,598	824,455,825	991,960,952	3,318,434,695	4,052,160,489
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>27,810,763,412</u>	<u>7,845,298,389</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>

The deposits from customers are analysed as follows:

a) By maturity

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 6 months	5,939,385,466	4,696,431,675	23,906,026,500	19,184,923,394	5,870,580,196	4,641,685,771	23,629,085,290	18,961,286,374
Later than 6 months but not later than 1 year	1,177,860,842	1,096,888,475	4,740,889,889	4,480,789,420	1,150,262,368	1,081,642,302	4,629,806,031	4,418,508,804
Later than 1 year but not later than 3 years	578,023,980	688,857,452	2,326,546,520	2,813,982,691	567,308,496	675,049,102	2,283,416,696	2,757,575,582
Later than 3 years	267,271,146	325,842,817	1,075,766,363	1,331,067,907	257,147,329	316,911,850	1,035,017,999	1,294,584,907
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>27,810,763,412</u>	<u>7,845,298,389</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

19. DEPOSITS FROM CUSTOMERS (continued)

The deposits from customers are analysed as follows:

b) By relationship

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	16,144,658	13,291,477	64,982,248	54,295,684	17,093,841	14,597,942	68,802,711	59,632,595
Non-related parties	7,946,396,776	6,794,728,942	31,984,247,024	27,756,467,728	7,828,204,548	6,700,691,083	31,508,523,305	27,372,323,072
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>27,810,763,412</u>	<u>7,845,298,389</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>

c) By interest rate (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	0.00% - 2.00%	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	0.03% - 12.00%	0.25% - 9.50%	0.03% - 10.60%	0.25% - 8.45%

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

20. OTHER LIABILITIES

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Accrued annual leave	30,429,869	27,977,024	122,480,223	114,286,143	29,928,445	27,526,513	120,461,991	112,445,806
Fund transfers	26,467,968	22,829,011	106,533,571	93,256,510	26,420,324	22,578,216	106,341,804	92,232,012
Accounts payables	21,484,272	14,193,158	86,474,195	57,979,050	19,679,901	13,013,016	79,211,602	53,158,170
Accrued bonuses	6,486,410	5,271,250	26,107,800	21,533,056	6,000,000	4,700,000	24,150,000	19,199,500
Tax payables	2,838,153	2,628,107	11,423,566	10,735,817	2,805,281	2,600,510	11,291,256	10,623,083
Bakong interbank payable	1,939,132	2,110,321	7,805,006	8,620,661	1,939,132	1,450,509	7,805,006	5,925,329
Others	14,018,505	10,836,473	56,424,483	44,266,993	12,936,621	11,115,210	52,069,900	45,405,634
	<u>103,664,309</u>	<u>85,845,344</u>	<u>417,248,844</u>	<u>350,678,230</u>	<u>99,709,704</u>	<u>82,983,974</u>	<u>401,331,559</u>	<u>338,989,534</u>
Current	58,886,583	47,206,915	237,018,497	192,840,248	55,441,578	44,788,709	223,152,352	182,961,876
Non-current	44,777,726	38,638,429	180,230,347	157,837,982	44,268,126	38,195,265	178,179,207	156,027,658
	<u>103,664,309</u>	<u>85,845,344</u>	<u>417,248,844</u>	<u>350,678,230</u>	<u>99,709,704</u>	<u>82,983,974</u>	<u>401,331,559</u>	<u>338,989,534</u>

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 monthly, quarterly, semi-annual, annual basis, or balloon 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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current	522,897,106	160,899,380	2,104,660,852	657,273,968	517,582,175	150,401,659	2,083,268,254	614,390,777
Non-current	83,960,769	698,914,170	337,942,095	2,855,064,384	80,939,840	693,016,932	325,782,856	2,830,974,167
	<u>606,857,875</u>	<u>859,813,550</u>	<u>2,442,602,947</u>	<u>3,512,338,352</u>	<u>598,522,015</u>	<u>843,418,591</u>	<u>2,409,051,110</u>	<u>3,445,364,944</u>

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**21. BORROWINGS** (continued)

As of 31 December 2024, the Bank's financial covenant ratios were not in line with covenants on borrowings with a few lenders amounting to US\$392,409,534. The Bank had obtained waiver approvals for these financial covenant ratios from the respective lenders, which covered the period up to 31 December 2024. Nevertheless, the non-current portion of the borrowings, amounting to US\$256,470,214, had been reclassified from non-current liabilities to current liabilities as of 31 December 2024.

Meanwhile, management is working to enhance the ratios to be in line with the Bank's strategies and objectives.

Changes in liabilities arising from financing activities – borrowings

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	859,813,550	957,335,868	3,512,338,352	3,941,351,769	843,418,591	944,275,857	3,445,364,944	3,887,583,704
Additions	12,753,898	146,037,349	51,921,119	600,213,504	10,000,000	135,946,598	40,710,000	558,740,518
Charge during the year	61,032,211	72,687,107	248,462,131	298,744,010	59,901,279	71,669,423	243,858,107	294,561,329
Repayments	(326,574,639)	(311,621,047)	(1,329,485,356)	(1,280,762,503)	(315,307,113)	(304,536,647)	(1,283,615,257)	(1,251,645,619)
Withholding tax accrued	(244,672)	(4,369,003)	(996,060)	(17,956,602)	(244,672)	(4,369,003)	(996,060)	(17,956,602)
Effect of hyperinflationary economy	(28,075)	-	(114,293)	-	-	-	-	-
Currency translation difference	105,602	(256,724)	429,906	(1,055,135)	753,930	432,363	3,069,249	1,777,012
Exchange differences	-	-	(39,952,852)	(28,196,691)	-	-	(39,339,873)	(27,695,398)
<b>At the end of the year</b>	<b>606,857,875</b>	<b>859,813,550</b>	<b>2,442,602,947</b>	<b>3,512,338,352</b>	<b>598,522,015</b>	<b>843,418,591</b>	<b>2,409,051,110</b>	<b>3,445,364,944</b>

The borrowings are analysed as follows:

**a) By relationship**

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	34,282,111	49,491,659	137,985,497	202,173,427	34,282,111	49,491,659	137,985,497	202,173,427
Non-related parties	572,575,764	810,321,891	2,304,617,450	3,310,164,925	564,239,904	793,926,932	2,271,065,613	3,243,191,517
	<b>606,857,875</b>	<b>859,813,550</b>	<b>2,442,602,947</b>	<b>3,512,338,352</b>	<b>598,522,015</b>	<b>843,418,591</b>	<b>2,409,051,110</b>	<b>3,445,364,944</b>

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**21. BORROWINGS** (continued)

**b) By interest rate (per annum)**

	<u>The Group</u>		<u>The Bank</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Annual interest rates	2.00% - 15.00%	2.00% - 13.00%	2.00% - 9.80%	2.00% - 9.80%

**22. SUBORDINATED DEBTS**

The subordinated debts totaling US\$173,751,483 have been approved by NBC to be treated as part of complementary capital for the purpose of net worth calculation. An additional amount of US\$5,010,625 is still waiting for approval as at the year-end. Both balances represent the outstanding principal plus accrued interest payable amount. The terms of the subordinated debt range from five to twelve years with interest rate ranging from 6.19% to 11.5% (2023: from six to twelve years with interest rate ranging from 6.19% to 7.75%) per annum. The Group and the Bank did not pledge any collaterals for these subordinated debts.

	<u>The Group</u>				<u>The Bank</u>			
	<u>2024</u> <u>US\$</u>	<u>2023</u> <u>US\$</u>	<u>2024</u> <u>KHR'000</u> <u>(Note 5)</u>	<u>2023</u> <u>KHR'000</u> <u>(Note 5)</u>	<u>2024</u> <u>US\$</u>	<u>2023</u> <u>US\$</u>	<u>2024</u> <u>KHR'000</u> <u>(Note 5)</u>	<u>2023</u> <u>KHR'000</u> <u>(Note 5)</u>
Current	80,352,127	26,160,421	323,417,311	106,865,320	80,352,127	26,160,421	323,417,311	106,865,320
Non-current	98,409,981	90,893,461	396,100,174	371,299,788	98,409,981	90,893,461	396,100,174	371,299,788
	<u>178,762,108</u>	<u>117,053,882</u>	<u>719,517,485</u>	<u>478,165,108</u>	<u>178,762,108</u>	<u>117,053,882</u>	<u>719,517,485</u>	<u>478,165,108</u>

As of 31 December 2024, the Bank's financial covenant ratios were not in line with covenants on subordinated debts with a few lenders amounting to US\$72,052,553. The Bank had obtained waiver approvals for these financial covenant ratios from the respective lenders, which covered the period up to 31 December 2024. Nevertheless, the non-current portion of the subordinated debts, amounting to US\$50,039,623, had been reclassified from non-current liabilities to current liabilities as of 31 December 2024.

Meanwhile, management is working to enhance the ratios to be in line with the Bank's strategies and objectives.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

22. SUBORDINATED DEBTS (continued)

Changes in liabilities arising from financing activities – subordinated debts

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	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	83,996,593	15,269,486	341,950,130	62,757,587	83,996,593	15,269,486	341,950,130	62,757,587
Charge during the year	12,010,121	9,076,562	48,893,203	37,304,670	12,010,121	9,076,562	48,893,203	37,304,670
Repayments	(34,587,147)	(34,607,574)	(140,804,275)	(142,237,129)	(34,587,147)	(34,607,574)	(140,804,275)	(142,237,129)
Withholding tax accrued	16,625	(443,997)	67,680	(1,824,828)	16,625	(443,997)	67,680	(1,824,828)
Currency translation difference	272,034	(2,923)	1,107,451	(12,014)	272,034	(2,923)	1,107,451	(12,014)
Exchange differences	-	-	(9,861,812)	(3,820,682)	-	-	(9,861,812)	(3,820,682)
<b>At the end of the year</b>	<b>178,762,108</b>	<b>117,053,882</b>	<b>719,517,485</b>	<b>478,165,108</b>	<b>178,762,108</b>	<b>117,053,882</b>	<b>719,517,485</b>	<b>478,165,108</b>

The subordinated debts are analysed as follows:

a) By relationship

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	15,105,000	15,094,208	60,797,625	61,659,840	15,105,000	15,094,208	60,797,625	61,659,840
Non-related parties	163,657,108	101,959,674	658,719,860	416,505,268	163,657,108	101,959,674	658,719,860	416,505,268
	<b>178,762,108</b>	<b>117,053,882</b>	<b>719,517,485</b>	<b>478,165,108</b>	<b>178,762,108</b>	<b>117,053,882</b>	<b>719,517,485</b>	<b>478,165,108</b>

b) By interest rate (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Annual interest rates	6.19% - 11.50%	5.76% - 7.75%	6.19% - 11.50%	5.76% - 7.75%

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**23. DERIVATIVE FINANCIAL INSTRUMENTS**

Under existing interest rate swap contracts, the Group and the Bank agree with other financial institutions and commercial banks to exchange the differences 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**

<b>The Group</b>										
<b>Outstanding Contracts</b>	<b>Average Contracted Rate Fixed Interest</b>		<b>Notional Principal Amount</b>				<b>Fair Value</b>			
	<b>2024</b>	<b>2023</b>	<b>2024 US\$</b>	<b>2023 US\$</b>	<b>2024 KHR'000 (Note 5)</b>	<b>2023 KHR'000 (Note 5)</b>	<b>2024 US\$</b>	<b>2023 US\$</b>	<b>2024 KHR'000 (Note 5)</b>	<b>2023 KHR'000 (Note 5)</b>
	Less than 1 year	0.600%	1.709%	20,000,000	3,750,000	80,500,000	15,318,750	278,000	52,811	1,118,950
1 to 2 years	0.565%	3.036%	44,000,000	99,000,000	177,100,000	404,415,000	1,972,246	1,463,462	7,938,290	5,978,242
More than 2 to 5 years		0.565%	-	66,000,000	-	269,610,000	-	4,230,413	-	17,281,237
			<u>64,000,000</u>	<u>168,750,000</u>	<u>257,600,000</u>	<u>689,343,750</u>	<u>2,250,246</u>	<u>5,746,686</u>	<u>9,057,240</u>	<u>23,475,212</u>

<b>The Bank</b>										
<b>Outstanding Contracts</b>	<b>Average Contracted Rate Fixed Interest</b>		<b>Notional Principal Amount</b>				<b>Fair Value</b>			
	<b>2024</b>	<b>2023</b>	<b>2024 US\$</b>	<b>2023 US\$</b>	<b>2024 KHR'000 (Note 5)</b>	<b>2023 KHR'000 (Note 5)</b>	<b>2024 US\$</b>	<b>2023 US\$</b>	<b>2024 KHR'000 (Note 5)</b>	<b>2023 KHR'000 (Note 5)</b>
	Less than 1 year	0.600%	1.709%	20,000,000	3,750,000	80,500,000	15,318,750	278,000	52,811	1,118,950
1 to 2 years	0.565%	3.036%	44,000,000	99,000,000	177,100,000	404,415,000	1,972,246	1,463,462	7,938,290	5,978,242
More than 2 to 5 years		0.565%	-	66,000,000	-	269,610,000	-	4,230,413	-	17,281,237
			<u>64,000,000</u>	<u>168,750,000</u>	<u>257,600,000</u>	<u>689,343,750</u>	<u>2,250,246</u>	<u>5,746,686</u>	<u>9,057,240</u>	<u>23,475,212</u>

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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

24. LEASE LIABILITIES

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

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Undiscounted lease liabilities</b>								
Less than 1 year	12,958,553	12,490,697	52,158,176	51,024,497	12,631,207	12,070,202	50,840,608	49,306,775
1 to 5 years	23,061,296	22,340,588	92,821,716	91,261,302	21,882,315	21,400,227	88,076,318	87,419,927
More than 5 years	5,125,208	3,055,579	20,628,962	12,482,040	2,131,401	228,533	8,578,889	933,557
<b>Total undiscounted lease liabilities</b>	<b>41,145,057</b>	<b>37,886,864</b>	<b>165,608,854</b>	<b>154,767,839</b>	<b>36,644,923</b>	<b>33,698,962</b>	<b>147,495,815</b>	<b>137,660,259</b>
<b>Present value of lease liabilities</b>								
Current	12,545,477	12,094,930	50,495,545	49,407,789	12,237,326	11,688,565	49,255,237	47,747,788
Non-current	22,476,271	20,432,757	90,466,991	83,467,812	20,546,226	18,858,783	82,698,560	77,038,129
<b>Total present value of lease liabilities</b>	<b>35,021,748</b>	<b>32,527,687</b>	<b>140,962,536</b>	<b>132,875,601</b>	<b>32,783,552</b>	<b>30,547,348</b>	<b>131,953,797</b>	<b>124,785,917</b>

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

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	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 year	17,355,884	17,709,094	70,655,804	72,784,376	16,365,861	17,181,102	66,625,420	70,614,329
Payments for the year	(15,172,239)	(14,205,707)	(61,766,185)	(58,385,456)	(14,319,451)	(13,521,708)	(58,294,485)	(55,574,220)
Lease terminations during the year	(1,771,020)	(1,306,483)	(7,209,822)	(5,369,645)	(1,755,926)	(1,324,238)	(7,148,375)	(5,442,618)
Interest charged during the year	2,098,202	1,895,277	8,541,780	7,789,590	1,944,340	1,754,557	7,915,408	7,211,230
Adjustment	(791)	-	(3,220)	-	-	-	-	-
Currency translation differences	(15,975)	(13,264)	(65,034)	(54,515)	1,380	-	5,618	-
Exchange differences	-	-	(2,066,388)	(1,012,335)	-	-	(1,935,706)	(948,887)
<b>At the end of the year</b>	<b>35,021,748</b>	<b>32,527,687</b>	<b>140,962,536</b>	<b>132,875,601</b>	<b>32,783,552</b>	<b>30,547,348</b>	<b>131,953,797</b>	<b>124,785,917</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

24. LEASE LIABILITIES (continued)

Amounts recognised in the statement of cash flows is as follow:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Expenses relating to short-term leases	3,115	834	12,681	3,428	-	-	-	-
Expense relating to variable leases	-	16,792	-	69,015	-	16,792	-	69,015
	<u>3,115</u>	<u>17,626</u>	<u>12,681</u>	<u>72,443</u>	<u>-</u>	<u>16,792</u>	<u>-</u>	<u>69,015</u>

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Total cash outflows for lease payments	<u>15,172,239</u>	<u>14,205,707</u>	<u>61,766,185</u>	<u>58,385,456</u>	<u>14,319,451</u>	<u>13,521,708</u>	<u>58,294,485</u>	<u>55,574,220</u>

25. EMPLOYEE BENEFITS

		The Group				The Bank			
		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Seniority indemnity benefit	(a)	6,595,411	5,961,627	26,546,530	24,353,246	6,533,559	5,912,112	26,297,575	24,150,977
Career development benefits	(b)	3,343,039	2,359,069	13,455,732	9,636,797	3,249,489	2,217,834	13,079,193	9,059,852
Pension fund		72,612	71,925	292,263	293,814	71,302	70,690	286,991	288,769
Retirement benefits	(*)	-	-	-	-	-	-	-	-
		<u>10,011,062</u>	<u>8,392,621</u>	<u>40,294,525</u>	<u>34,283,857</u>	<u>9,854,350</u>	<u>8,200,636</u>	<u>39,663,759</u>	<u>33,499,598</u>
Current		4,113,582	1,591,924	16,557,168	6,503,010	4,052,881	1,493,652	16,312,845	6,101,568
Non-current		5,897,480	6,800,697	23,737,357	27,780,847	5,801,469	6,706,984	23,350,914	27,398,030
		<u>10,011,062</u>	<u>8,392,621</u>	<u>40,294,525</u>	<u>34,283,857</u>	<u>9,854,350</u>	<u>8,200,636</u>	<u>39,663,759</u>	<u>33,499,598</u>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

25. EMPLOYEE BENEFITS (continued)

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 1 month	72,612	74,705	292,264	305,170	71,302	73,470	286,990	300,125
Between 2 to 3 months	3,311,326	918,568	13,328,087	3,752,350	3,253,009	824,722	13,093,361	3,368,989
Between 4 to 6 months	355,722	300,959	1,431,781	1,229,418	355,170	300,381	1,429,559	1,227,056
Between 7 to 12 months	373,922	297,692	1,505,036	1,216,072	373,400	295,079	1,502,935	1,205,398
More than 12 months	5,897,480	6,800,697	23,737,357	27,780,847	5,801,469	6,706,984	23,350,914	27,398,030
	10,011,062	8,392,621	40,294,525	34,283,857	9,854,350	8,200,636	39,663,759	33,499,598

(\*) Retirement benefits

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

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	-	22,581,539	-	92,968,196	-	21,969,800	-	90,449,666
Current service cost	-	164,944	-	677,920	-	132,997	-	546,618
Interest cost	-	145,339	-	597,343	-	132,415	-	544,226
Benefits paid	-	(22,464,315)	-	(92,328,335)	-	(21,920,036)	-	(90,091,348)
Settlement gain	-	(431,583)	-	(1,773,806)	-	(314,938)	-	(1,294,395)
Currency translation differences	-	4,076	-	16,752	-	(238)	-	(978)
Exchange differences	-	-	-	(158,070)	-	-	-	(153,789)
<b>At the end of the year</b>	-	-	-	-	-	-	-	-

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

25. EMPLOYEE BENEFITS (continued)

(\*) Retirement benefits (continued)

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

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current service cost	-	164,944	-	677,920	-	132,997	-	546,618
Interest cost	-	145,339	-	597,343	-	132,415	-	544,226
Settlement gain	-	(431,583)	-	(1,773,806)	-	(314,938)	-	(1,294,395)
	-	(121,300)	-	(498,543)	-	(49,526)	-	(203,551)

During the year ended 31 December 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 pension 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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	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)	10,191,690	9,610,624	41,490,370	39,499,665	10,010,306	9,448,722	40,751,956	38,834,247
Benefits paid	(9,547,071)	(9,766,773)	(38,866,126)	(40,141,437)	(9,379,133)	(9,609,515)	(38,182,450)	(39,495,107)
Effect of hyperinflationary economy	(732)	-	(2,980)	-	-	-	-	-
Currency translation differences	(10,103)	(5,340)	(41,129)	(21,947)	(9,726)	(5,162)	(39,595)	(21,216)
Exchange differences	-	-	(386,851)	(191,903)	-	-	(383,313)	(190,349)
<b>At the end of the year</b>	<b>6,595,411</b>	<b>5,961,627</b>	<b>26,546,530</b>	<b>24,353,246</b>	<b>6,533,559</b>	<b>5,912,112</b>	<b>26,297,575</b>	<b>24,150,977</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

25. EMPLOYEE BENEFITS (continued)

(b) Career development benefits

The Bank approved on 4 December 2024 to pay off the career development benefits to employees in February 2025.

Movements in career development benefits follow:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	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)	1,761,433	1,672,985	7,170,794	6,875,968	1,712,055	1,593,047	6,969,776	6,547,423
Benefits paid	(764,647)	(3,882,076)	(3,112,878)	(15,955,332)	(678,925)	(3,882,076)	(2,763,904)	(15,955,332)
Effect of hyperinflationary economy	(1,952)	-	(7,947)	-	-	-	-	-
Currency translation differences	(10,864)	(29,846)	(44,227)	(122,667)	(1,475)	(887)	(6,005)	(3,646)
Exchange differences	-	-	(186,807)	(91,163)	-	-	(180,526)	(87,000)
<b>At the end of the year</b>	<b>3,343,039</b>	<b>2,359,069</b>	<b>13,455,732</b>	<b>9,636,797</b>	<b>3,249,489</b>	<b>2,217,834</b>	<b>13,079,193</b>	<b>9,059,852</b>

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**26. SHARE CAPITAL AND SHARE PREMIUM**

As at 31 December 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**

	2024			2023		
	Number of shares	US\$	% of shareholding	Number of shares	US\$	% of shareholding
ACLEDA Financial Trust	122,694,061	122,694,061	28.3251%	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	75,431,262	75,431,262	17.4141%	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%.

**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.

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**26. SHARE CAPITAL AND SHARE PREMIUM (continued)**

**Dividend**

During the year, the following dividends have been declared and paid by the Bank to its owners:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
- In respect of the year ended 31 December 2023: KHR140.4795 per ordinary share declared on 07 May 2024 and paid on 17 May 2024	14,805,480	-	60,850,524	-
- In respect of the year ended 31 December 2022: KHR685.8985 per ordinary share declared on 10 May 2023 and paid on 19 May 2023	-	72,695,343	-	297,105,865

**27. INTEREST INCOME**

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Loans and advances	772,362,018	727,428,260	3,144,285,775	2,989,730,149	738,313,761	698,514,658	3,005,675,321	2,870,895,244
Financial investments	8,594,862	5,647,416	34,989,683	23,210,880	8,594,862	5,647,416	34,989,683	23,210,880
Deposits and placements with other banks:								
Banks inside Cambodia	1,990,657	3,727,455	8,103,965	15,319,840	1,957,855	3,702,102	7,970,428	15,215,638
Banks outside Cambodia	20,184,471	18,281,277	82,170,981	75,136,048	20,184,471	18,299,524	82,170,982	75,211,045
National Bank of Cambodia	673,797	546,677	2,743,028	2,246,842	563,272	546,320	2,293,080	2,245,375
	<u>803,805,805</u>	<u>755,631,085</u>	<u>3,272,293,432</u>	<u>3,105,643,759</u>	<u>769,614,221</u>	<u>726,710,020</u>	<u>3,133,099,494</u>	<u>2,986,778,182</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

28. INTEREST EXPENSE

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Deposits and placements of other banks and financial institutions:								
Fixed deposits	16,496,224	17,667,546	67,156,128	72,613,614	13,689,674	15,585,737	55,730,663	64,057,379
Savings deposits	128,649	102,491	523,730	421,238	114,070	83,358	464,379	342,601
Current accounts	42,462	52,779	172,863	216,922	42,462	52,779	172,863	216,922
Deposits from customers:								
Fixed deposits	216,912,464	200,283,440	883,050,641	823,164,938	212,289,058	196,815,089	864,228,755	808,910,016
Savings deposits	25,519,885	20,723,695	103,891,452	85,174,386	24,779,915	20,091,366	100,879,034	82,575,514
Current accounts	10,411,985	7,839,898	42,387,191	32,221,981	10,410,217	7,838,477	42,379,993	32,216,140
Borrowings	61,032,212	71,480,131	248,462,135	293,783,338	59,901,279	70,355,588	243,858,107	289,161,467
Subordinated debts	12,010,123	8,956,177	48,893,211	36,809,887	12,010,122	8,956,177	48,893,207	36,809,887
Interest expenses on lease	2,098,202	1,895,277	8,541,780	7,789,590	1,944,340	1,754,557	7,915,408	7,211,230
	<u>344,652,206</u>	<u>329,001,434</u>	<u>1,403,079,131</u>	<u>1,352,195,894</u>	<u>335,181,137</u>	<u>321,533,128</u>	<u>1,364,522,409</u>	<u>1,321,501,156</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

29. FEE AND COMMISSION INCOME

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
ATM fee	12,820,820	11,226,151	52,193,558	46,139,481	12,763,423	11,178,143	51,959,895	45,942,168
Commission fees	10,878,034	11,826,848	44,284,476	48,608,345	10,726,275	11,717,495	43,666,666	48,158,904
Commission fee collected for assurance agency	6,150,656	6,102,362	25,039,321	25,080,708	6,064,928	6,002,357	24,690,322	24,669,687
Training fees	4,800,360	2,496,162	19,542,266	10,259,226	60,025	36,002	244,362	147,968
Early loan redemption fees	-	6,216,406	-	25,549,429	-	5,141,759	-	21,132,629
Deposit fee charged	455,237	422,059	1,853,270	1,734,662	342,337	305,557	1,393,654	1,255,839
Fee income from guarantee	775,917	864,089	3,158,758	3,551,406	774,061	863,368	3,151,202	3,548,442
Others	7,416,216	7,524,540	30,191,415	30,925,859	6,934,835	6,961,048	28,231,713	28,609,909
	<u>43,297,240</u>	<u>46,678,617</u>	<u>176,263,064</u>	<u>191,849,116</u>	<u>37,665,884</u>	<u>42,205,729</u>	<u>153,337,814</u>	<u>173,465,546</u>

Settlement fees amounting to KHR9,800,100 (equivalent to US\$2,407) and US\$11,092 for the operations of cash settlement agents were recognised for the year ended 31 December 2024 (31 December 2023: KHR23,627,200 (equivalent to US\$5,749) and US\$55,814, respectively).

30. OTHER INCOME, NET

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Foreign exchange gain, net	21,370,405	17,488,974	86,998,919	71,879,683	21,093,612	17,490,988	85,872,094	71,887,961
Net monetary loss from hyperinflationary economy	(5,978,705)	-	(24,339,308)	-	-	-	-	-
Gain on disposals of property and equipment and lease	642,177	426,746	2,614,303	1,753,926	632,717	424,901	2,575,791	1,746,343
Dividend income	290,036	407,862	1,180,737	1,676,313	290,036	407,862	1,180,737	1,676,313
Recovery from loans and advances written off	-	5,944,257	-	24,430,896	-	4,481,745	-	18,419,972
Others	1,822,516	1,430,697	7,419,461	5,880,165	(4,893)	403,885	(19,919)	1,659,967
	<u>18,146,429</u>	<u>25,698,536</u>	<u>73,874,112</u>	<u>105,620,983</u>	<u>22,011,472</u>	<u>23,209,381</u>	<u>89,608,703</u>	<u>95,390,556</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

31. OTHER OPERATING EXPENSES

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Salaries and wages	152,681,091	145,268,102	621,564,721	597,051,899	145,154,094	138,347,688	590,922,317	568,608,998
Depreciation of property and equipment (Note 14)	25,729,960	23,541,254	104,746,667	96,754,554	23,827,643	22,044,132	97,002,335	90,601,383
Other employee expense	20,976,155	17,909,738	85,393,927	73,609,023	20,113,548	18,383,891	81,882,254	75,557,792
Repair and maintenance	13,607,311	15,239,611	55,395,363	62,634,801	13,085,086	14,861,561	53,269,385	61,081,016
Depreciation of right-of-use assets (Note 16)	12,910,310	12,227,167	52,557,872	50,253,656	12,437,143	11,755,148	50,631,609	48,313,658
Seniority indemnity (Note 25(a))	10,191,690	9,610,624	41,490,370	39,499,665	10,010,306	9,448,722	40,751,956	38,834,247
Utilities	6,452,597	5,972,169	26,268,522	24,545,615	6,002,609	5,576,713	24,436,621	22,920,290
Office supplies	5,905,809	5,453,734	24,042,548	22,414,847	5,460,069	5,058,720	22,227,941	20,791,339
Communication	5,193,113	5,145,658	21,141,163	21,148,654	3,893,106	4,098,745	15,848,835	16,845,842
Amortisation charges (Note 15)	4,565,938	2,821,055	18,587,934	11,594,536	4,313,776	2,622,695	17,561,382	10,779,276
Travelling expenses	2,636,928	2,820,791	10,734,934	11,593,451	2,250,992	2,457,538	9,163,788	10,100,481
Career development expense (Note 25(b))	1,761,433	1,672,985	7,170,794	6,875,968	1,712,055	1,593,047	6,969,776	6,547,423
License fees	1,215,207	1,180,482	4,947,108	4,851,781	1,187,056	1,150,152	4,832,505	4,727,125
Others (*)	22,842,277	20,262,684	92,990,910	83,279,632	19,894,515	18,681,614	80,990,570	76,781,434
	<u>286,669,819</u>	<u>269,126,054</u>	<u>1,167,032,833</u>	<u>1,106,108,082</u>	<u>269,341,998</u>	<u>256,080,366</u>	<u>1,096,491,274</u>	<u>1,052,490,304</u>

For the year ended 31 December 2024, the salaries and wages of the Bank's staff, who are responsible for the operations of cash settlement agents, amounted to US\$51,944 (31 December 2023: US\$48,099). The above expenses include costs incurred for the operations of cash settlement agents, which consist office supplies amounting to US\$625, furniture and fixtures amounting to US\$1,611, and membership fees amounting to US\$12,691 (KHR51,666,667) (31 December 2023: office supplies amounting to US\$521, expendable costs amounting to US\$94, furniture and fixtures amounting to US\$1,470, and membership fees amounting to US\$12,571 (KHR51,666,667)).

For the year ended 31 December 2024, the salaries and wages of the Bank's staff, who are responsible for the custodian service, amounted to US\$34,458 (31 December 2023: US\$41,756). The above expenses include costs incurred for the operations of custodian service, which consist office supplies amounting to US\$239, expendable costs amounting to US\$165, furniture and fixtures amounting to US\$6,891, membership fees amounting to US\$10,593 (KHR43,123,556), custodian services agent amounting to US\$753 (KHR2,168,000), annual maintenance and support custodian services system amounting to US\$7,700 and snack for CSX, onsite visit amounting to US\$76 (31 December 2023: office supplies amounting to US\$71, expendable costs amounting to US\$96, furniture and fixtures amounting to US\$6,014, membership fees amounting to US\$11,389 (KHR45,000,000), custodian services agent amounting to US\$511 (KHR2,100,000), hired expert consultant amounting to US\$33,200 and annual maintenance and support custodian system amounting to US\$7,700).



**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**31. OTHER OPERATING EXPENSES** (continued)

(\*) 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:

	The Group		The Bank	
	2024 US\$	2024 KHR'000 (Note 5)	2024 US\$	2024 KHR'000 (Note 5)
Statutory audit	388,900	1,583,212	320,000	1,302,720
Assurance engagements	-	-	-	-
Tax services	-	-	-	-
Other services	-	-	-	-
<b>Total</b>	<b>388,900</b>	<b>1,583,212</b>	<b>320,000</b>	<b>1,302,720</b>

**32. TAXATION**

**(a) Current income tax liabilities**

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current income tax liabilities	16,395,760	3,791,516	65,992,934	15,488,343	14,893,706	2,319,080	59,947,167	9,473,442

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	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	24,599,157	12,032,491	100,143,168	49,453,538	22,524,388	9,538,879	91,696,784	39,204,793
Income tax paid	(11,994,913)	(42,669,437)	(48,831,291)	(175,371,386)	(9,949,762)	(41,131,732)	(40,505,481)	(169,051,419)
Exchange differences	-	-	(807,286)	(335,787)	-	-	(717,578)	(295,360)
At the end of the year	16,395,760	3,791,516	65,992,934	15,488,343	14,893,706	2,319,080	59,947,167	9,473,442

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

32. TAXATION (continued)

(b) Income tax expense

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current income tax	24,599,157	12,032,491	100,143,168	49,453,538	22,524,388	9,538,879	91,696,784	39,204,793
Deferred tax	7,844,754	24,186,614	31,935,994	99,406,984	7,114,217	24,523,692	28,961,977	100,792,374
	<u>32,443,911</u>	<u>36,219,105</u>	<u>132,079,162</u>	<u>148,860,522</u>	<u>29,638,605</u>	<u>34,062,571</u>	<u>120,658,761</u>	<u>139,997,167</u>

(c) Reconciliation between income tax expense and accounting profit

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Profit before income tax	153,745,369	184,237,530	625,897,397	757,216,247	145,571,967	172,201,848	592,623,478	707,749,595
Tax calculated at domestic tax rates applicable to taxable profits in the respective countries	30,767,969	36,890,437	125,256,402	151,619,696	29,114,393	34,440,370	118,524,694	141,549,921
Tax effect of non-deductible expenses	1,528,268	116,305	6,221,579	478,014	326,168	249,622	1,327,830	1,025,946
Recognition of previously unrecognised deferred tax	(152,286)	(1,065,629)	(619,956)	(4,379,735)	(205,450)	(1,024,877)	(836,387)	(4,212,244)
Adjustments for current tax of prior year	299,960	273,945	1,221,137	1,125,914	403,494	397,456	1,642,624	1,633,544
Unrecognised tax losses	-	4,047	-	16,633	-	-	-	-
	<u>32,443,911</u>	<u>36,219,105</u>	<u>132,079,162</u>	<u>148,860,522</u>	<u>29,638,605</u>	<u>34,062,571</u>	<u>120,658,761</u>	<u>139,997,167</u>

(d) Assumptions and estimation uncertainties taxes

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

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**33. EARNINGS PER SHARE**

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

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>	<b>KHR'000</b>	<b>KHR'000</b>
			<b>(Note 5)</b>	<b>(Note 5)</b>
Profit attributable to the shareholders of the Bank	121,194,596	148,054,791	493,383,200	608,505,189
Weighted average numbers of shares	433,163,019	433,163,019	433,163,019	433,163,019
Basic EPS	0.28	0.34	1.14	1.40
Diluted EPS	0.28	0.34	1.14	1.40

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

**34. CASH AND CASH EQUIVALENTS**

	<b>The Group</b>				<b>The Bank</b>			
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>	<b>KHR'000</b>	<b>KHR'000</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR'000</b>	<b>KHR'000</b>
			<b>(Note 5)</b>	<b>(Note 5)</b>			<b>(Note 5)</b>	<b>(Note 5)</b>
Cash on hand	513,942,123	495,793,568	2,068,617,045	2,025,316,725	503,459,073	486,584,317	2,026,422,769	1,987,696,935
Deposits and placements with other banks:								
<i>Balances with the National Bank of Cambodia:</i>								
Current accounts	1,247,773,047	1,389,931,664	5,022,286,514	5,677,870,847	1,247,773,047	1,389,931,664	5,022,286,514	5,677,870,847
Negotiable certificate of deposits, term of three months or less	271,438,788	275,270,451	1,092,541,122	1,124,479,792	271,438,788	275,270,451	1,092,541,122	1,124,479,792
<i>Balances with other banks:</i>								
Current accounts	685,118,173	118,722,890	2,757,600,646	484,983,007	660,722,622	88,962,782	2,659,408,554	363,412,965
Fixed deposits, term of three months or less	40,056,405	-	161,227,030	-	40,056,406	-	161,227,033	-
	<u>2,758,328,536</u>	<u>2,279,718,573</u>	<u>11,102,272,357</u>	<u>9,312,650,371</u>	<u>2,723,449,936</u>	<u>2,240,749,214</u>	<u>10,961,885,992</u>	<u>9,153,460,539</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

35. NET DEBT RECONCILIATION

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

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Cash and cash equivalents	2,758,328,536	2,279,718,573	11,102,272,357	9,312,650,371	2,723,449,936	2,240,749,214	10,961,885,992	9,153,460,539
Borrowing	(606,857,875)	(859,813,550)	(2,442,602,947)	(3,512,338,352)	(598,522,015)	(843,418,591)	(2,409,051,110)	(3,445,364,944)
Subordinate debts	(178,762,108)	(117,053,882)	(719,517,485)	(478,165,108)	(178,762,108)	(117,053,882)	(719,517,485)	(478,165,108)
Lease liabilities	(35,021,748)	(32,527,687)	(140,962,536)	(132,875,601)	(32,783,552)	(30,547,348)	(131,953,797)	(124,785,917)
Net debt	<u>1,937,686,805</u>	<u>1,270,323,454</u>	<u>7,799,189,389</u>	<u>5,189,271,310</u>	<u>1,913,382,261</u>	<u>1,249,729,393</u>	<u>7,701,363,600</u>	<u>5,105,144,570</u>

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Cash and cash equivalents	2,758,328,536	2,279,718,573	11,102,272,357	9,312,650,371	2,723,449,936	2,240,749,214	10,961,885,992	9,153,460,539
Gross debt-fixed interest rates	(297,564,900)	(279,141,243)	(1,197,698,723)	(1,140,291,977)	(286,990,844)	(260,765,946)	(1,155,138,147)	(1,065,228,890)
Gross debt-floating interest rates	(523,076,831)	(730,253,876)	(2,105,384,245)	(2,983,087,084)	(523,076,831)	(730,253,875)	(2,105,384,245)	(2,983,087,079)
Net debt	<u>1,937,686,805</u>	<u>1,270,323,454</u>	<u>7,799,189,389</u>	<u>5,189,271,310</u>	<u>1,913,382,261</u>	<u>1,249,729,393</u>	<u>7,701,363,600</u>	<u>5,105,144,570</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

35. NET DEBT RECONCILIATION (continued)

	The Group						The Bank					
	Liabilities from financing activities				Other assets	Total	Liabilities from financing activities				Other assets	Total
	Borrowing US\$	Subordinate debts US\$	Lease liabilities US\$	Sub-total US\$	Cash and cash equivalents US\$	US\$	Borrowing US\$	Subordinate debts US\$	Lease liabilities US\$	Sub-total US\$	Cash and cash equivalents 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	1,270,323,454	(843,418,591)	(117,053,882)	(30,547,348)	(991,019,821)	2,240,749,214	1,249,729,393
Cash flows	254,599,168	-	13,074,037	267,673,205	478,609,963	746,283,168	247,123,440	-	12,375,111	259,498,551	482,700,722	742,199,273
New leases	-	-	(17,355,884)	(17,355,884)	-	(17,355,884)	-	-	(16,365,861)	(16,365,861)	-	(16,365,861)
Foreign exchange adjustments	(105,602)	(272,035)	15,975	(361,662)	-	(361,662)	(753,931)	(272,035)	(1,380)	(1,027,346)	-	(1,027,346)
Other change (i)	(1,537,891)	(61,436,191)	1,771,811	(61,202,271)	-	(61,202,271)	(1,472,933)	(61,436,191)	1,755,926	(61,153,198)	-	(61,153,198)
Net debt as at 31 December 2024	(606,857,875)	(178,762,108)	(35,021,748)	(820,641,731)	2,758,328,536	1,937,686,805	(598,522,015)	(178,762,108)	(32,783,552)	(810,067,675)	2,723,449,936	1,913,382,261
<i>In KHR'000 equivalent</i>	<i>(2,442,602,947)</i>	<i>(719,517,485)</i>	<i>(140,962,536)</i>	<i>(3,303,082,968)</i>	<i>11,102,272,357</i>	<i>7,799,189,389</i>	<i>(2,409,051,110)</i>	<i>(719,517,485)</i>	<i>(131,953,797)</i>	<i>(3,260,522,392)</i>	<i>10,961,885,992</i>	<i>7,701,363,600</i>
Net debt at 1 January 2023	(957,335,868)	(127,762,328)	(28,448,770)	(1,113,546,966)	1,748,443,669	634,896,703	(944,275,857)	(127,762,328)	(26,457,635)	(1,098,495,820)	1,719,370,446	620,874,626
Cash flows	101,761,813	11,037,500	14,205,707	127,005,020	531,274,904	658,279,924	105,705,529	11,037,500	13,521,708	130,264,737	521,378,768	651,643,505
New leases	-	-	(17,709,094)	(17,709,094)	-	(17,709,094)	-	-	(17,181,102)	(17,181,102)	-	(17,181,102)
Foreign exchange adjustments	109,229	2,924	13,264	125,417	-	125,417	(579,860)	2,924	-	(576,936)	-	(576,936)
Other change (i)	(4,348,724)	(331,978)	(588,794)	(5,269,496)	-	(5,269,496)	(4,268,403)	(331,978)	(430,319)	(5,030,700)	-	(5,030,700)
Net debt as at 31 December 2023	(859,813,550)	(117,053,882)	(32,527,687)	(1,009,395,119)	2,279,718,573	1,270,323,454	(843,418,591)	(117,053,882)	(30,547,348)	(991,019,821)	2,240,749,214	1,249,729,393
<i>In KHR'000 equivalent</i>	<i>(3,512,338,352)</i>	<i>(478,165,108)</i>	<i>(132,875,601)</i>	<i>(4,123,379,061)</i>	<i>9,312,650,371</i>	<i>5,189,271,310</i>	<i>(3,445,364,944)</i>	<i>(478,165,108)</i>	<i>(124,785,917)</i>	<i>(4,048,315,969)</i>	<i>9,153,460,539</i>	<i>5,105,144,570</i>

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

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Unused portion of overdrafts	301,771,170	209,854,669	1,214,628,959	857,256,323	300,734,637	209,405,052	1,210,456,914	855,419,637
Bank guarantees	67,095,997	67,014,005	270,061,388	273,752,210	66,896,493	66,880,923	269,258,384	273,208,570
Letters of credit	9,241,756	2,303,062	37,198,068	9,408,008	9,241,756	2,303,062	37,198,068	9,408,008
	<u>378,108,923</u>	<u>279,171,736</u>	<u>1,521,888,415</u>	<u>1,140,416,541</u>	<u>376,872,886</u>	<u>278,589,037</u>	<u>1,516,913,366</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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Not later than 1 year	5,417,242	8,609,249	21,804,399	35,168,782	5,415,194	4,439,957	21,796,156	18,137,224
Later than 1 but not later than 5 years	7,827	115,744	31,504	472,814	-	-	-	-
	<u>5,425,069</u>	<u>8,724,993</u>	<u>21,835,903</u>	<u>35,641,596</u>	<u>5,415,194</u>	<u>4,439,957</u>	<u>21,796,156</u>	<u>18,137,224</u>

As at 31 December 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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Commitment to be received from other banks	71,765,935	146,367,075	288,857,888	597,909,501	71,567,019	146,367,075	288,057,251	597,909,501
Other non-performing commitments	-	748,800	-	3,058,848	-	-	-	-
	<u>71,765,935</u>	<u>147,115,875</u>	<u>288,857,888</u>	<u>600,968,349</u>	<u>71,567,019</u>	<u>146,367,075</u>	<u>288,057,251</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 December 2024, the borrowing has been fully drawn and the outstanding balance of the borrowing is US\$2,820,773 (31 December 2023: US\$4,694,475). The Bank has made allowance for impairment losses of US\$32,955 (31 December 2023: US\$47,542) with respect to this guarantee.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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
<b>Other comprehensive income:</b>													
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(3,496,441)	(14,234,011)	-	-	-	-	-	-	-	(3,496,441)	(14,234,011)
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	5,471,975	22,276,410	-	-	-	5,471,975	22,276,410
<b>Total other comprehensive (loss)/income for the year</b>	-	-	(3,496,441)	(14,234,011)	-	-	5,471,975	22,276,410	-	-	-	1,975,534	8,042,399
<b>Transactions with owners:</b>													
Transfer from retained earnings to regulatory reserves	-	-	-	-	88,644,692	360,872,541	-	-	-	-	-	88,644,692	360,872,541
Exchange differences	-	(31,458,695)	-	(183,965)	-	(19,029,076)	-	3,327,244	-	(181,699)	(39,425,963)	-	(86,952,154)
<b>Total transactions with owners</b>	-	(31,458,695)	-	(183,965)	88,644,692	341,843,465	-	3,327,244	-	(181,699)	(39,425,963)	88,644,692	273,920,387
<b>As at 31 December 2024</b>	<b>524,311,587</b>	<b>2,110,354,138</b>	<b>2,250,245</b>	<b>9,057,236</b>	<b>337,835,038</b>	<b>1,359,786,028</b>	<b>(54,177,325)</b>	<b>(218,063,736)</b>	<b>3,028,319</b>	<b>12,188,984</b>	<b>14,222,120</b>	<b>813,247,864</b>	<b>3,287,544,770</b>

	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	39,649,149	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
<b>Comprehensive income:</b>													
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(3,883,907)	(15,962,858)	-	-	-	-	-	-	-	(3,883,907)	(15,962,858)
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	(5,834,214)	(23,978,620)	-	-	-	(5,834,214)	(23,978,620)
<b>Total other comprehensive loss for the year</b>	-	-	(3,883,907)	(15,962,858)	-	-	(5,834,214)	(23,978,620)	-	-	-	(9,718,121)	(39,941,478)
<b>Transactions with owners:</b>													
Transfer from retained earnings to regulatory reserves	-	-	-	-	93,483,511	384,217,230	-	-	-	-	-	93,483,511	384,217,230
Exchange differences	-	(16,777,971)	-	(211,079)	-	(7,319,708)	-	1,867,939	-	(96,906)	(22,708,363)	-	(45,246,088)
<b>Total transactions with owners</b>	-	(16,777,971)	-	(211,079)	93,483,511	376,897,522	-	1,867,939	-	(96,906)	(22,708,363)	93,483,511	338,971,142
<b>As at 31 December 2023</b>	<b>524,311,587</b>	<b>2,141,812,833</b>	<b>5,746,686</b>	<b>23,475,212</b>	<b>249,190,346</b>	<b>1,017,942,563</b>	<b>(59,649,300)</b>	<b>(243,667,390)</b>	<b>3,028,319</b>	<b>12,370,683</b>	<b>53,648,083</b>	<b>722,627,638</b>	<b>3,005,581,984</b>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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)
<b>Balance at 1 January 2024</b>	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
<b>Other comprehensive income:</b>									
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(3,496,441)	(14,234,011)	-	-	-	(3,496,441)	(14,234,011)
<b>Total other comprehensive loss for the year</b>	-	-	(3,496,441)	(14,234,011)	-	-	-	(3,496,441)	(14,234,011)
<b>Transactions with owners:</b>									
Transfer from retained earnings to regulatory reserves	-	-	-	-	79,584,710	323,989,354	-	79,584,710	323,989,354
Exchange differences	-	(30,644,493)	-	(183,965)	-	(18,578,518)	(38,065,436)	-	(87,472,412)
<b>Total transactions with owners</b>	-	(30,644,493)	-	(183,965)	79,584,710	305,410,836	(38,065,436)	79,584,710	236,516,942
<b>As at 31 December 2024</b>	<u>510,741,556</u>	<u>2,055,734,763</u>	<u>2,250,245</u>	<u>9,057,236</u>	<u>328,211,716</u>	<u>1,321,052,157</u>	<u>15,391,338</u>	<u>841,203,517</u>	<u>3,401,235,494</u>

	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)
<b>Balance at 1 January 2023</b>	510,741,556	2,102,722,986	9,630,593	39,649,156	155,706,835	641,045,040	75,402,095	676,078,984	2,858,819,277
<b>Other comprehensive income:</b>									
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(3,883,907)	(15,962,858)	-	-	-	(3,883,907)	(15,962,858)
<b>Total other comprehensive loss for the year</b>	-	-	(3,883,907)	(15,962,858)	-	-	-	(3,883,907)	(15,962,858)
<b>Transactions with owners:</b>									
Transfer from retained earnings to regulatory reserves	-	-	-	-	92,920,171	381,901,903	-	92,920,171	381,901,903
Exchange differences	-	(16,343,730)	-	(211,086)	-	(7,305,622)	(21,945,321)	-	(45,805,759)
<b>Total transactions with owners</b>	-	(16,343,730)	-	(211,086)	92,920,171	374,596,281	(21,945,321)	92,920,171	336,096,144
<b>As at 31 December 2023</b>	<u>510,741,556</u>	<u>2,086,379,256</u>	<u>5,746,686</u>	<u>23,475,212</u>	<u>248,627,006</u>	<u>1,015,641,321</u>	<u>53,456,774</u>	<u>765,115,248</u>	<u>3,178,952,563</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

37. RESERVES (continued)

REGULATORY RESERVES

As in Note 2 (m), the accumulated regulatory provision based on NBC's guidelines is higher than the accumulated impairment based on CIFRS 9, the 'topping up' is transferred from retained earnings to regulatory reserves presented under equity.

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Regulatory provision based on NBC's guidelines	434,541,718	291,158,629	1,749,030,415	1,189,382,999	408,477,687	288,944,321	1,644,122,690	1,180,337,551
Allowance for expected credit loss based on CIFRS 9	(96,706,680)	(41,968,283)	(389,244,387)	(171,440,436)	(80,265,971)	(40,317,315)	(323,070,533)	(164,696,230)
Regulatory reserves transferred from retained earnings	<u>337,835,038</u>	<u>249,190,346</u>	<u>1,359,786,028</u>	<u>1,017,942,563</u>	<u>328,211,716</u>	<u>248,627,006</u>	<u>1,321,052,157</u>	<u>1,015,641,321</u>

The movement on regulatory reserves are as follows:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	249,190,346	155,706,835	1,017,942,563	641,045,040	248,627,006	155,706,835	1,015,641,321	641,045,040
Transfer from retained earnings	88,644,692	93,483,511	360,872,541	384,217,230	79,584,710	92,920,171	323,989,354	381,901,904
Exchange differences	-	-	(19,029,076)	(7,319,707)	-	-	(18,578,518)	(7,305,623)
At the end of the year	<u>337,835,038</u>	<u>249,190,346</u>	<u>1,359,786,028</u>	<u>1,017,942,563</u>	<u>328,211,716</u>	<u>248,627,006</u>	<u>1,321,052,157</u>	<u>1,015,641,321</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>i) Loans and advances</b>								
Key management personnel	14,272,155	13,539,928	57,445,424	55,310,606	13,761,344	13,074,333	55,389,410	53,408,650
Subsidiaries	-	-	-	-	801,084	-	3,224,363	-
	<u>14,272,155</u>	<u>13,539,928</u>	<u>57,445,424</u>	<u>55,310,606</u>	<u>14,562,428</u>	<u>13,074,333</u>	<u>58,613,773</u>	<u>53,408,650</u>

Loans and advances to key management personnel are both secured and unsecured and earned annual interest at rates ranging from 6.50% to 18.50% for the Group and from 6.50% to 18.00% for the Bank (2023: 6.50% to 18.00% for the Group and the Bank). Allowances for expected credit losses for loans to key management personnel were US\$63,737 and US\$73,546 for the Group and the Bank respectively (2023: US\$28,722 and US\$26,727 for the Group and the Bank respectively).

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>ii) Balances with related parties</b>								
Shareholders	799,357	655,991	3,217,412	2,679,723	799,357	655,991	3,217,412	2,679,723
Subsidiaries	-	-	-	-	39,306	15,871	158,207	64,833
	<u>799,357</u>	<u>655,991</u>	<u>3,217,412</u>	<u>2,679,723</u>	<u>838,663</u>	<u>671,862</u>	<u>3,375,619</u>	<u>2,744,556</u>

Allowances for expected credit losses for deposits and placements with related parties were US\$2,433 for the Group and the Bank (2023: US\$890 for the Group and the Bank). Those balance are bear no interest.

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>iii) Receivables from/(payables to) related parties</b>								
Subsidiaries								
Other receivables	-	-	-	-	258,093	449,377	1,038,825	1,835,705
Other payables	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,093</u>	<u>449,377</u>	<u>1,038,825</u>	<u>1,835,705</u>

The receivables from related parties are from payment on behalf of related parties amount US\$258,093 (2023: US\$ 449,377). The receivables have no fixed terms of repayment, are unsecured in nature, bear no interest and they are short term.

The payables to related parties are relating to accrued training provided by subsidiary is nil. The payables have no fixed terms of repayment, are unsecured in nature, and bear no interest.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>iv) Deposits from related parties</b>								
Key management personnel								
Current accounts	11,289	12,643	45,438	51,647	88	781	354	3,190
Savings deposits	930,852	749,928	3,746,679	3,063,456	862,911	591,604	3,473,217	2,416,702
Fixed deposits	8,912,171	7,683,028	35,871,488	31,385,169	8,562,626	7,377,115	34,464,570	30,135,516
Shareholders								
Current accounts	3,552,126	3,328,035	14,297,308	13,595,023	2,737,358	2,688,728	11,017,866	10,983,454
Savings deposits	68,031	68,031	273,825	277,907	68,031	68,031	273,825	277,907
Fixed deposits	2,745,129	1,501,423	11,049,144	6,133,313	2,745,129	1,501,423	11,049,144	6,133,313
Subsidiaries								
Current accounts	-	-	-	-	3,506,474	3,841,059	14,113,558	15,690,726
Savings deposits	-	-	-	-	8,493	251,289	34,184	1,026,516
Fixed deposits	-	-	-	-	2,087,900	2,118,177	8,403,798	8,652,754
	<u>16,219,598</u>	<u>13,343,088</u>	<u>65,283,882</u>	<u>54,506,515</u>	<u>20,579,010</u>	<u>18,438,207</u>	<u>82,830,516</u>	<u>75,320,078</u>

Annual interest rate during the year are as follows:

	The Group		The Bank	
	2024	2023	2024	2023
Key management personnel (current accounts)	Nil	Nil	Nil	Nil
Key management personnel (savings deposits)	0.01% - 15.00%	0.05% - 14.00%	0.01% - 2.00%	0.05% - 4.00%
Key management personnel (fixed deposits)	1.45% - 9.50%	1.65% - 9.50%	1.45% - 9.50%	1.65% - 9.50%
Shareholders (fixed deposits)	3.25% - 5.20%	5.25% - 6.35%	3.25% - 5.20%	5.25% - 6.35%
Subsidiaries (savings deposits)			0.00% - 0.75%	0.00% - 0.75%
Subsidiaries (fixed deposits)			5.40% - 7.50%	2.30% - 7.50%

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>v) Borrowings from related parties</b>								
Shareholder	34,282,111	49,491,659	137,985,497	202,173,427	34,282,111	49,491,659	137,985,497	202,173,427

Borrowings from related parties are not collateralised and have annual interest at rates 9.60% for the Group and the Bank (2023: 9.56% for the Group and the Bank).

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	49,491,659	48,847,528	202,173,427	201,105,273	49,491,659	48,847,528	202,173,427	201,105,273
Charge during the year	4,812,722	5,297,137	19,592,591	21,771,233	4,812,722	5,297,137	19,592,591	21,771,233
Repayments	(19,797,388)	(3,981,567)	(80,595,167)	(16,364,240)	(19,797,388)	(3,981,567)	(80,595,167)	(16,364,240)
Withholding tax accrued	(224,882)	(671,439)	(915,495)	(2,759,614)	(224,882)	(671,439)	(915,495)	(2,759,614)
Exchange differences	-	-	(2,269,859)	(1,579,225)	-	-	(2,269,859)	(1,579,225)
<b>At the end of the year</b>	<b>34,282,111</b>	<b>49,491,659</b>	<b>137,985,497</b>	<b>202,173,427</b>	<b>34,282,111</b>	<b>49,491,659</b>	<b>137,985,497</b>	<b>202,173,427</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>vi) Subordinated debts from related parties</b>								
Shareholder	15,105,000	15,094,208	60,797,625	61,659,840	15,105,000	15,094,208	60,797,625	61,659,840

Subordinated debts from related parties are not collateralised and have annual interest at rates 7.00% for the Group and the Bank (2023: 7.00% for the Group and for the Bank).

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>At the beginning of the year</b>	15,094,208	-	61,659,840	-	15,094,208	-	61,659,840	-
Additions	-	15,000,000	-	61,650,000	-	15,000,000	-	61,650,000
Charge during the year	1,067,500	641,667	4,345,793	2,637,251	1,067,500	641,667	4,345,793	2,637,251
Repayments	(993,708)	(451,208)	(4,045,385)	(1,854,465)	(993,708)	(451,208)	(4,045,385)	(1,854,465)
Withholding tax accrued	(63,000)	(96,251)	(256,473)	(395,592)	(63,000)	(96,251)	(256,473)	(395,592)
Exchange differences	-	-	(906,150)	(377,354)	-	-	(906,150)	(377,354)
<b>At the end of the year</b>	<b>15,105,000</b>	<b>15,094,208</b>	<b>60,797,625</b>	<b>61,659,840</b>	<b>15,105,000</b>	<b>15,094,208</b>	<b>60,797,625</b>	<b>61,659,840</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Related parties transactions

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>i) Interest income from related parties</b>								
Loans and advances to key management personnel	937,074	896,111	3,814,828	3,683,016	935,678	896,019	3,809,145	3,682,638
Deposits with a subsidiary	-	-	-	-	-	18,247	-	74,995
Loans and advances to subsidiaries	-	-	-	-	2,121	-	8,635	-
	<u>937,074</u>	<u>896,111</u>	<u>3,814,828</u>	<u>3,683,016</u>	<u>937,799</u>	<u>914,266</u>	<u>3,817,780</u>	<u>3,757,633</u>
<b>ii) Fee and commission income from related parties</b>								
Shareholders	403	115	1,640	472	403	115	1,640	472
Subsidiaries	-	-	-	-	40,709	26,974	165,726	110,862
	<u>403</u>	<u>115</u>	<u>1,640</u>	<u>472</u>	<u>41,112</u>	<u>27,089</u>	<u>167,366</u>	<u>111,334</u>
<b>iii) Interest expenses to related parties</b>								
Deposits of key management personnel	137,788	143,107	560,935	588,170	123,009	118,301	500,770	486,217
Borrowings from shareholders	5,880,222	5,938,804	23,938,384	24,408,484	5,880,222	5,938,804	23,938,384	24,408,484
Deposits of shareholders	135,257	153,896	550,631	632,513	135,257	153,896	550,631	632,513
Deposits of subsidiaries	-	-	-	-	153,046	208,101	623,050	855,295
	<u>6,153,267</u>	<u>6,235,807</u>	<u>25,049,950</u>	<u>25,629,167</u>	<u>6,291,534</u>	<u>6,419,102</u>	<u>25,612,835</u>	<u>26,382,509</u>
<b>iv) Fee and remuneration expenses to related parties</b>								
Board of Directors								
Directors' fees	665,948	824,986	2,711,074	3,390,692	530,061	589,578	2,157,878	2,423,166
Key management personnel								
Short-term employee benefits	8,229,919	11,350,084	33,504,000	46,648,845	6,850,297	10,045,220	27,887,559	41,285,854
Long-term benefits	361,205	858,529	1,470,466	3,528,554	201,105	708,560	818,698	2,912,182
Subsidiaries								
Training fees	-	-	-	-	1,273,385	1,942,880	5,183,950	7,985,237
Others	-	-	-	-	19,820	20,246	80,687	83,211
	<u>9,257,072</u>	<u>13,033,599</u>	<u>37,685,540</u>	<u>53,568,091</u>	<u>8,874,668</u>	<u>13,306,484</u>	<u>36,128,772</u>	<u>54,689,650</u>
<b>v) Other commitments</b>								
ECL on financial guarantee on AUB's debt from IFC (Note 36 (d))	-	-	-	-	(14,587)	(17,675)	(59,384)	(72,644)



**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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Financial assets</b>								
Cash on hand	513,942,123	495,793,568	2,068,617,045	2,025,316,725	503,459,073	486,584,317	2,026,422,769	1,987,696,935
Deposits and placements with other banks, net	1,982,391,662	1,509,543,178	7,979,126,440	6,166,483,882	1,958,058,129	1,478,882,021	7,881,183,969	6,041,233,056
Financial investments	471,615,208	357,354,714	1,898,251,212	1,459,794,007	471,615,208	357,354,714	1,898,251,212	1,459,794,007
Loans and advances, net	7,023,164,104	6,601,665,231	28,268,235,519	26,967,802,469	6,861,826,011	6,457,043,288	27,618,849,694	26,377,021,831
Other financial assets	11,490,911	8,550,649	46,250,917	34,929,401	9,549,296	8,160,591	38,435,916	33,336,014
<b>Total financial assets</b>	<b>10,002,604,008</b>	<b>8,972,907,340</b>	<b>40,260,481,133</b>	<b>36,654,326,484</b>	<b>9,804,507,717</b>	<b>8,788,024,931</b>	<b>39,463,143,560</b>	<b>35,899,081,843</b>
<b>Financial liabilities</b>								
Deposits and placements of other banks and financial institutions	396,514,351	419,792,620	1,595,970,263	1,714,852,853	372,727,604	386,405,927	1,500,228,606	1,578,468,212
Deposits from customers	7,962,541,434	6,808,020,419	32,049,229,272	27,810,763,412	7,845,298,389	6,715,289,025	31,577,326,016	27,431,955,667
Lease liabilities	35,021,748	32,527,687	140,962,536	132,875,601	32,783,552	30,547,348	131,953,797	124,785,917
Borrowings	606,857,875	859,813,550	2,442,602,947	3,512,338,352	598,522,015	843,418,591	2,409,051,110	3,445,364,944
Subordinated debts	178,762,108	117,053,882	719,517,485	478,165,108	178,762,108	117,053,882	719,517,485	478,165,108
Other financial liabilities	59,870,248	43,591,008	240,977,748	178,069,268	57,827,433	42,489,918	232,755,418	173,571,315
<b>Total financial liabilities</b>	<b>9,239,567,764</b>	<b>8,280,799,166</b>	<b>37,189,260,251</b>	<b>33,827,064,594</b>	<b>9,085,921,101</b>	<b>8,135,204,691</b>	<b>36,570,832,432</b>	<b>33,232,311,163</b>
<b>Net financial instruments</b>	<b>763,036,244</b>	<b>692,108,174</b>	<b>3,071,220,882</b>	<b>2,827,261,890</b>	<b>718,586,616</b>	<b>652,820,240</b>	<b>2,892,311,128</b>	<b>2,666,770,680</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

(b) Objectives and principles (continued)

b. Financial assets and financial liabilities measured at fair value

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Financial assets</b>								
Financial investments	189,670	189,670	763,422	774,802	189,670	189,670	763,422	774,802
Derivative financial instruments	2,250,246	5,746,686	9,057,240	23,475,212	2,250,246	5,746,686	9,057,240	23,475,212
<b>Total financial assets</b>	<b>2,439,916</b>	<b>5,936,356</b>	<b>9,820,662</b>	<b>24,250,014</b>	<b>2,439,916</b>	<b>5,936,356</b>	<b>9,820,662</b>	<b>24,250,014</b>
<b>Net financial instruments</b>	<b>2,439,916</b>	<b>5,936,356</b>	<b>9,820,662</b>	<b>24,250,014</b>	<b>2,439,916</b>	<b>5,936,356</b>	<b>9,820,662</b>	<b>24,250,014</b>

### 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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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 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			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Credit exposure for on-balance sheet financial assets:</b>								
Deposits and placements with other banks, net	1,982,391,662	1,509,543,178	7,979,126,440	6,166,483,882	1,958,058,129	1,478,882,021	7,881,183,969	6,041,233,056
Financial investments	471,804,878	357,544,384	1,899,014,634	1,460,568,809	471,804,878	357,544,384	1,899,014,634	1,460,568,809
Loans and advances, net	7,023,164,104	6,601,665,231	28,268,235,519	26,967,802,469	6,861,826,011	6,457,043,288	27,618,849,694	26,377,021,831
Derivative financial instruments	2,250,246	5,746,686	9,057,240	23,475,212	2,250,246	5,746,686	9,057,240	23,475,212
Other financial assets	11,490,911	8,550,649	46,250,917	34,929,401	9,549,296	8,160,591	38,435,916	33,336,014
	<u>9,491,101,801</u>	<u>8,483,050,128</u>	<u>38,201,684,750</u>	<u>34,653,259,773</u>	<u>9,303,488,560</u>	<u>8,307,376,970</u>	<u>37,446,541,453</u>	<u>33,935,634,922</u>
<b>Credit exposure for off-balance sheet items:</b>								
Unused portion of loan commitments	301,771,170	209,854,669	1,214,628,959	857,256,323	300,734,637	209,405,052	1,210,456,914	855,419,637
Bank guarantees	24,430,197	31,910,289	98,331,543	130,353,531	24,254,480	31,777,207	97,624,282	129,809,891
Letters of credit	9,241,756	2,303,062	37,198,068	9,408,008	9,241,756	2,303,062	37,198,068	9,408,008
	<u>335,443,123</u>	<u>244,068,020</u>	<u>1,350,158,570</u>	<u>997,017,862</u>	<u>334,230,873</u>	<u>243,485,321</u>	<u>1,345,279,264</u>	<u>994,637,536</u>
<b>Total maximum credit risk exposure</b>	<u>9,826,544,924</u>	<u>8,727,118,148</u>	<u>39,551,843,320</u>	<u>35,650,277,635</u>	<u>9,637,719,433</u>	<u>8,550,862,291</u>	<u>38,791,820,717</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 December 2024 and 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 December 2024, 71.47% for the Group and 71.20% for the Bank of total maximum exposure is derived from loans and advances (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 December 2024, approximately 90.68% for the Group and 90.53% for the Bank of these loans and advances are collateralised (2023: 94.22% for the Group and 94.16% for the Bank) respectively.

(d) Concentration of risks 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.



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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 December 2024 and 2023 are as follows:

	The Group								
	Cambodia US\$	France US\$	Germany US\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$	Total US\$
<b>As at 31 December 2024</b>									
<b>Credit exposure for on-balance sheet financial assets:</b>									
Deposits and placements with other banks, net	1,297,862,678	548,305	241,173	23,585,071	126,261,232	397,538,905	89,688	136,264,610	1,982,391,662
Financial investments	471,804,878	-	-	-	-	-	-	-	471,804,878
Loans and advances, net	6,861,035,410	-	-	140,526,804	-	-	21,601,890	-	7,023,164,104
Derivative financial instruments	(583,607)	-	-	-	-	-	-	2,833,853	2,250,246
Other financial assets	9,645,613	-	-	1,845,298	-	-	-	-	11,490,911
	<u>8,639,764,972</u>	<u>548,305</u>	<u>241,173</u>	<u>165,957,173</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>21,691,578</u>	<u>139,098,463</u>	<u>9,491,101,801</u>
<b>Credit exposure for off-balance sheet items:</b>									
Unused portion of loan commitments	300,734,637	-	-	1,036,533	-	-	-	-	301,771,170
Bank guarantees	24,254,480	-	-	175,717	-	-	-	-	24,430,197
Letters of credit	9,241,756	-	-	-	-	-	-	-	9,241,756
	<u>334,230,873</u>	<u>-</u>	<u>-</u>	<u>1,212,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,443,123</u>
<b>Total maximum credit risk exposure</b>	<u>8,973,995,845</u>	<u>548,305</u>	<u>241,173</u>	<u>167,169,423</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>21,691,578</u>	<u>139,098,463</u>	<u>9,826,544,924</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>36,120,333,276</u>	<u>2,206,927</u>	<u>970,721</u>	<u>672,856,928</u>	<u>508,201,459</u>	<u>1,600,094,093</u>	<u>87,308,601</u>	<u>559,871,314</u>	<u>39,551,843,319</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$
<b>As at 31 December 2023</b>									
<b>Credit exposure for on-balance sheet financial assets:</b>									
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	1,101,000	-	-	-	-	52,811	-	4,592,875	5,746,686
Other financial assets	7,761,342	-	-	789,307	-	-	-	-	8,550,649
	<u>8,213,675,099</u>	<u>1,886,342</u>	<u>142,614</u>	<u>156,206,310</u>	<u>661,541</u>	<u>79,207,181</u>	<u>18,271,053</u>	<u>12,999,988</u>	<u>8,483,050,128</u>
<b>Credit exposure for off-balance sheet items:</b>									
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>
<b>Total maximum credit risk exposure</b>	<u>8,457,160,420</u>	<u>1,886,342</u>	<u>142,614</u>	<u>156,789,009</u>	<u>661,541</u>	<u>79,207,181</u>	<u>18,271,053</u>	<u>12,999,988</u>	<u>8,727,118,148</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>34,547,500,315</u>	<u>7,705,707</u>	<u>582,578</u>	<u>640,483,102</u>	<u>2,702,395</u>	<u>323,561,334</u>	<u>74,637,252</u>	<u>53,104,951</u>	<u>35,650,277,634</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2024</b>									
<b>Credit exposure for on-balance sheet financial assets:</b>									
Deposits and placements with other banks, net	1,297,810,439	548,305	241,173	39,295	126,261,232	397,538,905	46,716	135,572,064	1,958,058,129
Financial investments	471,804,878	-	-	-	-	-	-	-	471,804,878
Loans and advances, net	6,861,826,011	-	-	-	-	-	-	-	6,861,826,011
Derivative financial instruments	(583,607)	-	-	-	-	-	-	2,833,853	2,250,246
Other financial assets	9,291,269	-	-	-	-	-	258,027	-	9,549,296
	<u>8,640,148,990</u>	<u>548,305</u>	<u>241,173</u>	<u>39,295</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>304,743</u>	<u>138,405,917</u>	<u>9,303,488,560</u>
<b>Credit exposure for off-balance sheet items:</b>									
Unused portion of loan commitments	300,734,637	-	-	-	-	-	-	-	300,734,637
Bank guarantees	24,254,480	-	-	-	-	-	-	-	24,254,480
Letters of credit	9,241,756	-	-	-	-	-	-	-	9,241,756
	<u>334,230,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,230,873</u>
<b>Total maximum credit risk exposure</b>	<u>8,974,379,863</u>	<u>548,305</u>	<u>241,173</u>	<u>39,295</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>304,743</u>	<u>138,405,917</u>	<u>9,637,719,433</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>36,121,878,948</u>	<u>2,206,928</u>	<u>970,721</u>	<u>158,162</u>	<u>508,201,459</u>	<u>1,600,094,093</u>	<u>1,226,591</u>	<u>557,083,816</u>	<u>38,791,820,718</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2023</b>									
<b>Credit exposure for on-balance sheet financial assets:</b>									
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	1,101,000	-	-	-	-	52,811	-	4,592,875	5,746,686
Other financial assets	7,914,050	-	-	-	-	-	246,541	-	8,160,591
	<u>8,213,771,431</u>	<u>1,886,342</u>	<u>142,614</u>	<u>15,871</u>	<u>661,541</u>	<u>79,207,181</u>	<u>293,477</u>	<u>11,398,513</u>	<u>8,307,376,970</u>
<b>Credit exposure for off-balance sheet items:</b>									
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>
<b>Total maximum credit risk exposure</b>	<u>8,457,256,752</u>	<u>1,886,342</u>	<u>142,614</u>	<u>15,871</u>	<u>661,541</u>	<u>79,207,181</u>	<u>293,477</u>	<u>11,398,513</u>	<u>8,550,862,291</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>34,547,893,832</u>	<u>7,705,707</u>	<u>582,578</u>	<u>64,833</u>	<u>2,702,395</u>	<u>323,561,334</u>	<u>1,198,854</u>	<u>46,562,926</u>	<u>34,930,272,459</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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 December 2024 and 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\$	
<b>As at 31 December 2024</b>								
<b>Credit exposure for on-balance sheet financial assets:</b>								
Deposits and placements with other banks, net	1,982,391,662	-	-	-	-	-	-	1,982,391,662
Financial investments	-	-	-	-	-	-	471,804,878	471,804,878
Loans and advances, net	1,145,342	2,344,532,249	1,692,785,879	175,947,149	235,557,852	1,450,518,559	1,122,677,074	7,023,164,104
Derivative financial instruments	2,250,246	-	-	-	-	-	-	2,250,246
Other financial assets	5,489,442	-	-	-	-	-	6,001,469	11,490,911
	<u>1,991,276,692</u>	<u>2,344,532,249</u>	<u>1,692,785,879</u>	<u>175,947,149</u>	<u>235,557,852</u>	<u>1,450,518,559</u>	<u>1,600,483,421</u>	<u>9,491,101,801</u>
<b>Credit exposure for off-balance sheet items:</b>								
Unused portion of loan commitments	-	-	-	-	-	-	301,771,170	301,771,170
Bank guarantees	-	-	-	-	-	-	24,430,197	24,430,197
Letters of credit	-	-	-	-	-	-	9,241,756	9,241,756
	-	-	-	-	-	-	335,443,123	335,443,123
<b>Total maximum credit risk exposure</b>	<u>1,991,276,692</u>	<u>2,344,532,249</u>	<u>1,692,785,879</u>	<u>175,947,149</u>	<u>235,557,852</u>	<u>1,450,518,559</u>	<u>1,935,926,544</u>	<u>9,826,544,924</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>8,014,888,685</u>	<u>9,436,742,302</u>	<u>6,813,463,163</u>	<u>708,187,275</u>	<u>948,120,354</u>	<u>5,838,337,200</u>	<u>7,792,104,340</u>	<u>39,551,843,319</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2023</b>								
<b>Credit exposure for on-balance sheet financial assets:</b>								
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>
<b>Credit exposure for off-balance sheet items:</b>								
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
	-	-	-	-	-	-	244,068,020	244,068,020
<b>Total maximum credit risk exposure</b>	<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>
<b>In KHR'000 equivalent (Note 5)</b>	<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>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2024</b>								
<b>Credit exposure for on-balance sheet financial assets:</b>								
Deposits and placements with other banks, net	1,958,058,129	-	-	-	-	-	-	1,958,058,129
Financial investments	-	-	-	-	-	-	471,804,878	471,804,878
Loans and advances, net	1,145,342	2,281,901,545	1,657,564,883	166,238,525	230,398,146	1,410,570,434	1,114,007,136	6,861,826,011
Derivative financial instruments	2,250,246	-	-	-	-	-	-	2,250,246
Other financial assets	5,722,092	-	-	-	-	-	3,827,204	9,549,296
	<u>1,967,175,809</u>	<u>2,281,901,545</u>	<u>1,657,564,883</u>	<u>166,238,525</u>	<u>230,398,146</u>	<u>1,410,570,434</u>	<u>1,589,639,218</u>	<u>9,303,488,560</u>
<b>Credit exposure for off-balance sheet items:</b>								
Unused portion of loan commitments	-	-	-	-	-	-	300,734,637	300,734,637
Bank guarantees	-	-	-	-	-	-	24,254,480	24,254,480
Letters of credit	-	-	-	-	-	-	9,241,756	9,241,756
	-	-	-	-	-	-	334,230,873	334,230,873
<b>Total maximum credit risk exposure</b>	<u>1,967,175,809</u>	<u>2,281,901,545</u>	<u>1,657,564,883</u>	<u>166,238,525</u>	<u>230,398,146</u>	<u>1,410,570,434</u>	<u>1,923,870,091</u>	<u>9,637,719,433</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>7,917,882,631</u>	<u>9,184,653,719</u>	<u>6,671,698,654</u>	<u>669,110,063</u>	<u>927,352,538</u>	<u>5,677,545,997</u>	<u>7,743,577,116</u>	<u>38,791,820,718</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2023</b>								
<b>Credit exposure for on-balance sheet financial assets:</b>								
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>
<b>Credit exposure for off-balance sheet items:</b>								
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>
<b>Total maximum credit risk exposure</b>	<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>
<b>In KHR'000 equivalent (Note 5)</b>	<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>



**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:

<b>3-Stage approach</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
	<b>Performing</b>	<b>Underperforming</b>	<b>Nonperforming</b>
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

**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, a simplified approach will be adopted where 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	Status	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	SICR			
	7						
3	8	LT*: $90 \leq \text{DPD} \leq 179$ ST**: $31 \leq \text{DPD} \leq 60$	Substandard	NPL	Default / Non-Performing		
	9					LT*: $180 \leq \text{DPD} \leq 359$ ST**: $61 \leq \text{DPD} \leq 90$	Doubtful
	10						

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

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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	Status	Default Indicator
1	$0 \leq \text{DPD} \leq 29$	Normal	-	Not in Default / Performing
2	$30 \leq \text{DPD} \leq 89$	Special Mention	SICR	
3	$90 \leq \text{DPD} \leq 179$	Substandard	NPL	Default / Non-performing
	$180 \leq \text{DPD} \leq 359$	Doubtful		
	$\text{DPD} \geq 360$	Loss		

ACLEDA MFI Myanmar Co., Ltd.

Staging	Days Past Due	Financial Regulatory Department's Classification	Status	Default Indicator
1	On time	Normal	-	Not in Default / Performing
2	$0 \leq \text{DPD} \leq 29$	Substandard	SICR	
3	$30 \leq \text{DPD} \leq 60$	Watch	NPL	Default / Non-performing
	$61 \leq \text{DPD} \leq 90$	Doubtful		
	$\text{DPD} \geq 91$	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
<b>1 - NORMAL</b> 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 FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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><b>2 - SPECIAL MENTION</b></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"> <li>- When any facility is past due from 30 days to 89 days.</li> <li>- When interest payments for 30 to 89 days have been capitalised, refinanced, or rolled over into a new facility.</li> </ul>	<ul style="list-style-type: none"> <li>- When any facility is past due for a maximum of 30 days.</li> <li>- When interest payments for a maximum of 30 days have been capitalised, refinanced, or rolled over into a new facility.</li> <li>- 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.</li> </ul>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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><b>3 - SUBSTANDARD</b></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"> <li>▪ Inability of the counterparty to meet the contractual repayments' terms.</li> <li>▪ Unfavourable economic and market conditions that would affect the business and profitability of the counterparty in the future.</li> <li>▪ Weakened financial condition and/or inability of the counterparty to generate enough cash flow to service the payments.</li> <li>▪ Difficulties experienced by the counterparty in repaying other facilities granted by the Bank or by other institutions when the information is available.</li> <li>▪ Breach of financial covenants by the counterparty.</li> </ul>	<ul style="list-style-type: none"> <li>- When any facility is past due from 90 days to 179 days.</li> <li>- When interest payments for 90 to 179 days have been capitalised, refinanced, or rolled over into a new facility.</li> </ul>	<ul style="list-style-type: none"> <li>- When any facility is past due for a maximum of 60 days.</li> <li>- When interest payments for a maximum of 60 days have been capitalised, refinanced, or rolled over into a new facility.</li> <li>- 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.</li> <li>- The overdraft that had no net inflow for 60 days must be modified into a term loan.</li> </ul>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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><b>4 - DOUBTFUL</b> 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"> <li>- When any facility is past due from 180 days to 359 days.</li> <li>- When interest payment for 180 to 359 days has been capitalised or rolled over into a new facility.</li> </ul>	<ul style="list-style-type: none"> <li>- When any facility is past due for a maximum of 90 days.</li> <li>- When interest payment for a maximum of 90 days have been capitalised or rolled over into a new facility.</li> <li>- 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.</li> </ul>
<p><b>5 - LOSS</b> 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"> <li>- When any facility is past due from 360 days.</li> <li>- When interest payment for 360 days or more have been capitalised or rolled over into a new facility.</li> </ul>	<ul style="list-style-type: none"> <li>- When any facility is past due for a maximum of 180 days.</li> <li>- When interest payment for a maximum of 180 days have been capitalised or rolled over into a new facility.</li> <li>- 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.</li> </ul>

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

**ACLEDA BANK PLC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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". In addition to the classification according to days past due information and risk level, 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 loans under "Normal" and "Special Mention" classification into Stage3 when there are other credit impaired indicator.

The credit quality of financial instruments other than loans, and advance and financing are determined based on the ratings of counterparties as defined equivalent ratings of other international rating agencies as defined below.

<b>Credit Quality</b>	<b>Description</b>
Sovereign	Refer to financial assets issued by central banks or guarantees by central bank.
Investment grade	Refer to the credit quality of the financial asset that the issuer is able to meet payment obligation and exposure bondholder to low credit risk of default.
Non-investment grade	Refer to low credit quality of the financial asset that is highly exposed to default risk.
No rating	Refer to financial assets which are currently not assigned with ratings due to unavailability of ratings models.
Credit impaired	Refers to the asset that is being impaired.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

*Credit classification for financial assets (continued)*

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	2024				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\$
<b>The Group</b>								
Normal	6,618,098,173	15,010	1,859,301	6,619,972,484	6,171,625,804	11,147,342	-	6,182,773,146
Special mention	63,897	50,811,047	-	50,874,944	803,987	48,054,541	-	48,858,528
Substandard	-	-	60,316,024	60,316,024	-	-	101,891,769	101,891,769
Doubtful	-	-	87,712,473	87,712,473	-	-	143,881,455	143,881,455
Loss	-	-	300,147,265	300,147,265	-	-	179,907,111	179,907,111
Total gross carrying amount	6,618,162,070	50,826,057	450,035,063	7,119,023,190	6,172,429,791	59,201,883	425,680,335	6,657,312,009
ECL allowance	(23,390,855)	(6,948,824)	(65,519,407)	(95,859,086)	(8,966,649)	(5,322,333)	(41,357,796)	(55,646,778)
Carrying amount	6,594,771,215	43,877,233	384,515,656	7,023,164,104	6,163,463,142	53,879,550	384,322,539	6,601,665,231
<b>In KHR'000 equivalent (Note 5)</b>	<b>26,543,954,141</b>	<b>176,605,863</b>	<b>1,547,675,515</b>	<b>28,268,235,519</b>	<b>25,177,746,935</b>	<b>220,097,962</b>	<b>1,569,957,572</b>	<b>26,967,802,469</b>
<b>The Bank</b>								
Normal	6,466,581,612	15,010	1,859,301	6,468,455,923	6,047,155,346	4,187	-	6,047,159,533
Special mention	-	50,528,095	-	50,528,095	799,286	46,778,284	-	47,577,570
Substandard	-	-	59,566,937	59,566,937	-	-	100,870,267	100,870,267
Doubtful	-	-	86,494,463	86,494,463	-	-	142,676,471	142,676,471
Loss	-	-	276,340,361	276,340,361	-	-	158,358,985	158,358,985
Total gross carrying amount	6,466,581,612	50,543,105	424,261,062	6,941,385,779	6,047,954,632	46,782,471	401,905,723	6,496,642,826
ECL allowance	(21,079,267)	(6,919,295)	(51,561,206)	(79,559,768)	(7,828,861)	(3,268,573)	(28,502,104)	(39,599,538)
Carrying amount	6,445,502,345	43,623,810	372,699,856	6,861,826,011	6,040,125,771	43,513,898	373,403,619	6,457,043,288
<b>In KHR'000 equivalent (Note 5)</b>	<b>25,943,146,939</b>	<b>175,585,835</b>	<b>1,500,116,920</b>	<b>27,618,849,694</b>	<b>24,673,913,774</b>	<b>177,754,273</b>	<b>1,525,353,784</b>	<b>26,377,021,831</b>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024				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\$
<b>The Group</b>								
No Rating	31,609,315	-	-	31,609,315	31,604,794	-	-	31,604,794
Sovereign	440,057,928	-	-	440,057,928	326,379,180	-	-	326,379,180
Total gross carrying amount	471,667,243	-	-	471,667,243	357,983,974	-	-	357,983,974
ECL allowance	(52,035)	-	-	(52,035)	(629,260)	-	-	(629,260)
Carrying amount	471,615,208	-	-	471,615,208	357,354,714	-	-	357,354,714
<i>In KHR'000 equivalent (Note 5)</i>	<u>1,898,251,212</u>	<u>-</u>	<u>-</u>	<u>1,898,251,212</u>	<u>1,459,794,007</u>	<u>-</u>	<u>-</u>	<u>1,459,794,007</u>
<b>The Bank</b>								
No Rating	31,609,315	-	-	31,609,315	31,604,794	-	-	31,604,794
Sovereign	440,057,928	-	-	440,057,928	326,379,180	-	-	326,379,180
Total gross carrying amount	471,667,243	-	-	471,667,243	357,983,974	-	-	357,983,974
ECL allowance	(52,035)	-	-	(52,035)	(629,260)	-	-	(629,260)
Carrying amount	471,615,208	-	-	471,615,208	357,354,714	-	-	357,354,714
<i>In KHR'000 equivalent (Note 5)</i>	<u>1,898,251,212</u>	<u>-</u>	<u>-</u>	<u>1,898,251,212</u>	<u>1,459,794,007</u>	<u>-</u>	<u>-</u>	<u>1,459,794,007</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

	2024				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\$
<b>The Group</b>								
Investment Grade	690,524,205	-	-	690,524,205	89,693,482	-	-	89,693,482
Non-Investment Grade	1,291,344,452	-	-	1,291,344,452	1,418,099,065	-	-	1,418,099,065
No Rating	1,145,913	-	-	1,145,913	1,866,825	-	-	1,866,825
Total gross carrying amount	1,983,014,570	-	-	1,983,014,570	1,509,659,372	-	-	1,509,659,372
ECL allowance	(622,908)	-	-	(622,908)	(116,194)	-	-	(116,194)
Carrying amount	1,982,391,662	-	-	1,982,391,662	1,509,543,178	-	-	1,509,543,178
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>7,979,126,440</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,979,126,440</u></b>	<b><u>6,166,483,882</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,166,483,882</u></b>
<b>The Bank</b>								
Investment Grade	689,828,449	-	-	689,828,449	88,083,684	-	-	88,083,684
Non-Investment Grade	1,268,751,264	-	-	1,268,751,264	1,390,794,891	-	-	1,390,794,891
No Rating	39,306	-	-	39,306	15,871	-	-	15,871
Total gross carrying amount	1,958,619,019	-	-	1,958,619,019	1,478,894,446	-	-	1,478,894,446
ECL allowance	(560,890)	-	-	(560,890)	(12,425)	-	-	(12,425)
Carrying amount	1,958,058,129	-	-	1,958,058,129	1,478,882,021	-	-	1,478,882,021
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>7,881,183,969</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,881,183,969</u></b>	<b><u>6,041,233,056</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,041,233,056</u></b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024				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\$
<b>The Group</b>								
Investment Grade	758,000	-	-	758,000	758,000	-	-	758,000
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	10,765,069	-	-	10,765,069	7,809,345	-	-	7,809,345
Total gross carrying amount	11,523,069	-	-	11,523,069	8,567,345	-	-	8,567,345
ECL allowance	(32,158)	-	-	(32,158)	(16,696)	-	-	(16,696)
Carrying amount	11,490,911	-	-	11,490,911	8,550,649	-	-	8,550,649
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><i>46,250,917</i></b>	<b><i>-</i></b>	<b><i>-</i></b>	<b><i>46,250,917</i></b>	<b><i>34,929,401</i></b>	<b><i>-</i></b>	<b><i>-</i></b>	<b><i>34,929,401</i></b>
<b>The Bank</b>								
Investment Grade	758,000	-	-	758,000	758,000	-	-	758,000
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	8,799,171	-	-	8,799,171	7,416,377	-	-	7,416,377
Total gross carrying amount	9,557,171	-	-	9,557,171	8,174,377	-	-	8,174,377
ECL allowance	(7,875)	-	-	(7,875)	(13,786)	-	-	(13,786)
Carrying amount	9,549,296	-	-	9,549,296	8,160,591	-	-	8,160,591
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><i>38,435,916</i></b>	<b><i>-</i></b>	<b><i>-</i></b>	<b><i>38,435,916</i></b>	<b><i>33,336,014</i></b>	<b><i>-</i></b>	<b><i>-</i></b>	<b><i>33,336,014</i></b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024				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\$
<b>The Group</b>								
Investment Grade	-	-	-	-	-	-	-	-
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	67,095,997	-	-	67,095,997	67,014,005	-	-	67,014,005
Total gross carrying amount	67,095,997	-	-	67,095,997	67,014,005	-	-	67,014,005
ELC allowance	(52,540)	-	-	(52,540)	(14,782)	-	-	(14,782)
Carrying amount	67,043,457	-	-	67,043,457	66,999,223	-	-	66,999,223
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>269,849,914</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>269,849,914</u></b>	<b><u>273,691,826</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>273,691,826</u></b>
<b>The Bank</b>								
Investment Grade	-	-	-	-	-	-	-	-
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	79,896,493	-	-	79,896,493	79,880,923	-	-	79,880,923
Total gross carrying amount	79,896,493	-	-	79,896,493	79,880,923	-	-	79,880,923
ECL allowance	(85,404)	-	-	(85,404)	(62,307)	-	-	(62,307)
Carrying amount	79,811,089	-	-	79,811,089	79,818,616	-	-	79,818,616
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>321,239,633</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>321,239,633</u></b>	<b><u>326,059,046</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>326,059,046</u></b>

**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 as disclosed in table 39.1(f).

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 FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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.

Staging	Risk Level / Rating Grade	Days Past Due	Classification	Default Indicator
3	8	LT*: $90 \leq \text{DPD} < 180$ ST**: $31 \leq \text{DPD} \leq 60$	Substandard	Default / Non-performing
	9	LT*: $180 \leq \text{DPD} < 360$ ST**: $61 \leq \text{DPD} \leq 90$	Doubtful	
	10	LT*: $\text{DPD} \geq 360$ ST**: $\text{DPD} \geq 91$	Loss	

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

ACLEDA Bank Lao Ltd.

Staging	Days Past Due	Classification	Default Indicator
3	$90 \leq \text{DPD} < 180$	Substandard	Default / Non-performing
	$180 \leq \text{DPD} < 360$	Doubtful	
	$\text{DPD} \geq 360$	Loss	

ACLEDA MFI Myanmar Co., Ltd.

Staging	Days Past Due	Classification	Default Indicator
3	$30 \leq \text{DPD} \leq 60$	Watch	Default / Non-performing
	$61 \leq \text{DPD} \leq 90$	Doubtful	
	$\text{DPD} \geq 91$	Loss	

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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 year ended 31 December 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. Forward-looking information is incorporated to sectors for which there are statistical relationship between the Bank's observed default rates and macroeconomic variables (MEVs).

The Group and the Bank formulate three economic scenarios to reflect macro-economic conditions and the business environment starting with baseline, upside, and downside. According to the decision of the Group's and the Bank's senior management in December 2024, 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		
		As at 31 December 2024		
		Baseline	Upside	Downside
<b>Agriculture</b>				
1	Agriculture, forestry and fishing	60%	20%	20%
<b>Industry</b>				
2	Mining and quarrying	60%	20%	20%
3	Manufacturing	60%	20%	20%
4	Construction	60%	15%	25%
<b>Service</b>				
5	Utilities	60%	20%	20%
6	Wholesale trade	60%	25%	15%
7	Retail trade	60%	25%	15%
8	Accommodation and food service activities	60%	20%	20%
9	Arts, entertainment and recreation	60%	20%	20%
10	Financial and insurance activities	60%	25%	15%
11	Transport and storage	60%	25%	15%
12	Information and communications	60%	20%	20%
13	Rental and operational leasing activities	60%	20%	20%
14	Real estate activities	60%	15%	25%
15	Education	60%	20%	20%
16	Human health and social work activities	60%	20%	20%
17	Activities of households	60%	20%	20%
18	Other lending	60%	20%	20%

**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, 25% for upside, and 15% 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 60% for baseline, 20% for upside, and 20% for down side based on the anticipation that these sub-sectors will continue to grow, albeit at a slower pace.

For sub-sectors which were determined to have a probability 60% for baseline, 15% for upside, and 25% for down side based on the anticipation that these sub-sectors will have a stagnation due to economic challenges.

As at 31 December 2023 the Group and the Bank formulate three economic scenarios: a base case, the median scenario which assigned a 60% probability of occurring, and two less likely scenarios, 20% for upside and 20% for downside. The base case is aligned with information used by the Group and the Bank for other purposes, such as strategic planning and budgeting.

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 macroeconomic variables ("MEVs") of Cambodia is the key driver of the ECL of the Group. The Bank's ECL is covered over 83% and 71% of the Group's ECL as at 31 December 2024 and 31 December 2023, respectively.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**39. FINANCIAL RISK MANAGEMENT (continued)**

**39.1 Credit risk (continued)**

(g) Amounts arising from ECL (continued)

*Incorporation of forward-looking information (continued)*

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

Sectors	2024	2025	2026	2027	2028
<b>1- Agriculture, Forestry and Fishing</b>					
- Cambodia Foreign Reserves (millions USD)					
Base	-3.50%	-2.24%	-1.64%	14.54%	14.54%
Upside	24.37%	25.63%	26.23%	42.42%	42.42%
Downside	-31.37%	-30.12%	-29.52%	-13.33%	-13.33%
- US 1 Year Treasury Yield Curve Rates					
Base	1.9000	1.2348	1.2264	4.6168	4.6168
Upside	-22.6460	-23.3111	-23.3196	-19.9292	-19.9292
Downside	26.4459	25.7808	25.7724	29.1627	29.1627
<b>2- Manufacturing</b>					
- Nominal GDP (in KHR billions)					
Base	5.49%	5.56%	6.21%	6.99%	6.99%
Upside	17.72%	17.79%	18.44%	19.23%	19.23%
Downside	-6.74%	-6.67%	-6.02%	-5.24%	-5.24%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%
<b>3- Retail Trade</b>					
- Cambodia GDP at Constant 2014 Price (in KHR billions)					
Base	3.05%	3.01%	3.45%	4.45%	4.45%
Upside	12.02%	11.98%	12.42%	13.42%	13.42%
Downside	-5.92%	-5.95%	-5.52%	-4.52%	-4.52%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%
- Cambodia Foreign Reserves (millions USD)					
Base	-3.50%	-2.24%	-1.64%	14.54%	14.54%
Upside	24.37%	25.63%	26.23%	42.42%	42.42%
Downside	-31.37%	-30.12%	-29.52%	-13.33%	-13.33%
- US 1 Year Treasury Yield Curve Rates					
Base	1.9000	1.2348	1.2264	4.6168	4.6168
Upside	-22.6460	-23.3111	-23.3196	-19.9292	-19.9292
Downside	26.4459	25.7808	25.7724	29.1627	29.1627
- USDKHR					
Base	-0.44%	-0.46%	-0.45%	0.22%	0.22%
Upside	-1.83%	-1.85%	-1.84%	-1.17%	-1.17%
Downside	0.95%	0.93%	0.95%	1.61%	1.61%
<b>4- Transport and Storage</b>					
- Nominal GDP (in KHR billions)					
Base	5.49%	5.56%	6.21%	6.99%	6.99%
Upside	17.72%	17.79%	18.44%	19.23%	19.23%
Downside	-6.74%	-6.67%	-6.02%	-5.24%	-5.24%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**39. FINANCIAL RISK MANAGEMENT (continued)**

**39.1 Credit risk (continued)**

(g) Amounts arising from ECL (continued)

*Incorporation of forward-looking information (continued)*

<b>Sectors</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>5- Real Estate Activities</b>					
- Domestic credit to private sector (% of GDP)					
Base	126.64%	128.44%	128.68%	94.03%	94.03%
Upside	76.75%	78.55%	78.78%	44.14%	44.14%
Downside	176.53%	178.34%	178.57%	143.92%	143.92%
- FDI (% of GDP)					
Base	9.36%	9.29%	9.29%	9.68%	9.68%
Upside	10.25%	10.18%	10.18%	10.57%	10.57%
Downside	8.47%	8.40%	8.40%	8.79%	8.79%
- USDKHR					
Base	-0.44%	-0.46%	-0.45%	0.22%	0.22%
Upside	-1.83%	-1.85%	-1.84%	-1.17%	-1.17%
Downside	0.95%	0.93%	0.95%	1.61%	1.61%
<b>6- Other Lending</b>					
- Cambodia GDP at Constant 2014 Price (in KHR billions)					
Base	3.05%	3.01%	3.45%	4.45%	4.45%
Upside	12.02%	11.98%	12.42%	13.42%	13.42%
Downside	-5.92%	-5.95%	-5.52%	-4.52%	-4.52%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**39. FINANCIAL RISK MANAGEMENT** (continued)

**39.1 Credit risk** (continued)

(g) Amounts arising from ECL (continued)

*Incorporation of forward-looking information (continued)*

For 2023, the economic scenarios of the Bank's portfolio used included the following key indicators for Cambodia from years 2023 to 2027:

Exposure	2023	2024	2025	2026	2027
<b>1 - Small Loan</b>					
- Domestic credit to private sector (% of GDP)					
Base	161.23%	165.72%	167.29%	85.27%	85.27%
Upside	84.04%	88.53%	90.10%	8.08%	8.08%
Downside	238.42%	242.90%	244.48%	162.46%	162.46%
- US 1-year Treasury Yield Curve Rates					
Base	1.90	1.23	1.23	1.79	1.79
Upside	(11.78)	(12.44)	(12.45)	(11.89)	(11.89)
Downside	15.58	14.91	14.90	15.47	15.47
<b>2 - Public Housing Loan</b>					
- GDP at Current Price, Industry (Year-on-Year, %)					
Base	9.00%	9.00%	10.00%	13.00%	13.00%
Upside	21.00%	21.00%	21.00%	25.00%	25.00%
Downside	-3.00%	-3.00%	-2.00%	2.00%	2.00%
- US 1-year Treasury Yield Curve Rates					
Base	20.00%	22.00%	24.00%	71.00%	71.00%
Upside	-144.00%	-142.00%	-140.00%	-93.00%	-93.00%
Downside	184.00%	186.00%	188.00%	235.00%	235.00%

**39. FINANCIAL RISK MANAGEMENT** (continued)

**39.1 Credit risk** (continued)

(g) Amounts arising from ECL (continued)

*Incorporation of forward-looking information (continued)*

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing available historical data over the past 7 years.

*Modified financial assets*

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention, and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 2(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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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 year, the allowance for/(reversal of) impairment losses recognised in the statement of profit or loss and other comprehensive income are as follows:

Financial Instruments	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Deposits and placements with other banks	518,846	(177,657)	2,112,221	(730,170)	546,749	(199,422)	2,225,815	(819,624)
Loans and advances	84,974,496	41,824,525	345,931,173	171,898,798	82,782,840	38,676,227	337,008,942	158,959,293
Investments in debt securities	(577,225)	13,054	(2,349,883)	53,652	(577,225)	13,054	(2,349,883)	53,652
Other assets	36,223	23,768	147,464	97,686	(5,634)	(23,252)	(22,936)	(95,566)
	<u>84,952,340</u>	<u>41,683,690</u>	<u>345,840,975</u>	<u>171,319,966</u>	<u>82,746,730</u>	<u>38,466,607</u>	<u>336,861,938</u>	<u>158,097,755</u>
Financial guarantee contracts	37,752	2,180	153,688	8,960	23,078	(15,518)	93,951	(63,779)
<b>Total</b>	<u>84,990,092</u>	<u>41,685,870</u>	<u>345,994,663</u>	<u>171,328,926</u>	<u>82,769,808</u>	<u>38,451,089</u>	<u>336,955,889</u>	<u>158,033,976</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

*Loss allowance (continued)*

The following tables show the change of of loss allowance between the beginning and the end of the year by class of financial instrument:

Loans and advances at amortised cost	2024				2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
<b>The Group</b>								
Beginning of the year	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	(357,842)	29,583	328,259	-	(11,557,652)	445,085	11,112,567	-
Stage 2	1,110,912	(2,752,819)	1,641,907	-	1,166,834	(3,067,670)	1,900,836	-
Stage 3	295,546	32,042	(327,588)	-	182,374	102,361	(284,735)	-
Net remeasurement of loss allowance	1,992,819	1,162,867	63,792,920	66,948,606	(2,911,872)	1,642,348	37,723,566	36,454,042
New financial assets originated	14,801,072	5,690,714	11,055,502	31,547,288	4,708,102	2,993,374	4,135,212	11,836,688
Derecognition of financial assets	(3,403,642)	(2,534,675)	(7,583,081)	(13,521,398)	(2,934,355)	(760,682)	(2,771,168)	(6,466,205)
Write-offs	(17,630)	(934)	(44,669,512)	(44,688,076)	(3,366)	-	(28,096,441)	(28,099,807)
Currency translation differences	2,972	(287)	(76,797)	(74,112)	(156,182)	(13,194)	(151,226)	(320,602)
As at the end of the year	<u>23,390,856</u>	<u>6,948,824</u>	<u>65,519,406</u>	<u>95,859,086</u>	<u>8,966,649</u>	<u>5,322,333</u>	<u>41,357,796</u>	<u>55,646,778</u>
<b>In KHR'000 equivalent (Note 5)</b>	<u>94,148,195</u>	<u>27,969,017</u>	<u>263,715,609</u>	<u>385,832,821</u>	<u>36,628,761</u>	<u>21,741,730</u>	<u>168,946,597</u>	<u>227,317,088</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024				2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
<b>The Bank</b>								
Beginning of the year	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	(333,729)	27,865	305,864	-	(637,491)	53,885	583,606	-
Stage 2	282,512	(1,848,875)	1,566,363	-	1,132,422	(2,935,359)	1,802,937	-
Stage 3	269,379	28,203	(297,582)	-	131,590	95,403	(226,993)	-
Net remeasurement of loss allowance	3,139,480	1,159,828	60,352,677	64,651,985	(2,422,717)	1,838,094	34,754,976	34,170,353
New financial assets originated	12,886,620	5,677,540	10,990,393	29,554,553	4,179,508	1,049,752	4,029,335	9,258,595
Derecognition of financial assets	(3,038,465)	(1,394,283)	(6,990,950)	(11,423,698)	(1,428,577)	(661,807)	(2,662,337)	(4,752,721)
Write-offs	(17,630)	(934)	(42,929,349)	(42,947,913)	(3,366)	-	(27,162,039)	(27,165,405)
Currency translation differences	62,239	1,378	61,686	125,303	16,129	(3,669)	(80,712)	(68,252)
As at the end of the year	<u>21,079,267</u>	<u>6,919,295</u>	<u>51,561,206</u>	<u>79,559,768</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>84,844,050</u>	<u>27,850,162</u>	<u>207,533,854</u>	<u>320,228,066</u>	<u>31,980,897</u>	<u>13,352,121</u>	<u>116,431,095</u>	<u>161,764,113</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

*Loss allowance (continued)*

Deposits and placements with other banks, net	2024				2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
<b>The Group</b>								
Beginning of the year	116,195	-	-	116,195	308,269	-	-	308,269
Allowance for/(reversal of) impairment losses during the year	518,846	-	-	518,846	(177,657)	-	-	(177,657)
Currency translation differences	(12,133)	-	-	(12,133)	(14,418)	-	-	(14,418)
As at the end of the year	622,908	-	-	622,908	116,194	-	-	116,194
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b>2,507,205</b>	<b>-</b>	<b>-</b>	<b>2,507,205</b>	<b>474,653</b>	<b>-</b>	<b>-</b>	<b>474,653</b>
<b>The Bank</b>								
Beginning of the year	12,425	-	-	12,425	223,245	-	-	223,245
Allowance for/(reversal of) impairment losses during the year	546,749	-	-	546,749	(199,422)	-	-	(199,422)
Currency translation differences	1,716	-	-	1,716	(11,398)	-	-	(11,398)
As at the end of the year	560,890	-	-	560,890	12,425	-	-	12,425
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b>2,257,582</b>	<b>-</b>	<b>-</b>	<b>2,257,582</b>	<b>50,756</b>	<b>-</b>	<b>-</b>	<b>50,756</b>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

*Loss allowance (continued)*

Other financial assets	2024				2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
<b>The Group</b>								
Beginning of the year	16,696	-	-	16,696	51,597	-	-	51,597
Allowance for impairment losses during the year	36,223	-	-	36,223	23,768	-	-	23,768
Currency translation differences	(20,761)	-	-	(20,761)	(58,669)	-	-	(58,669)
As at the end of the year	<u>32,158</u>	-	-	<u>32,158</u>	<u>16,696</u>	-	-	<u>16,696</u>
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>129,436</u></b>	<b>-</b>	<b>-</b>	<b><u>129,436</u></b>	<b><u>68,203</u></b>	<b>-</b>	<b>-</b>	<b><u>68,203</u></b>
<b>The Bank</b>								
Beginning of the year	13,786	-	-	13,786	36,902	-	-	36,902
Reversal of impairment losses during the year	(5,634)	-	-	(5,634)	(23,252)	-	-	(23,252)
Currency translation differences	(277)	-	-	(277)	136	-	-	136
As at the end of the year	<u>7,875</u>	-	-	<u>7,875</u>	<u>13,786</u>	-	-	<u>13,786</u>
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>31,697</u></b>	<b>-</b>	<b>-</b>	<b><u>31,697</u></b>	<b><u>56,316</u></b>	<b>-</b>	<b>-</b>	<b><u>56,316</u></b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

*Loss allowance (continued)*

Investments in debt securities	2024				2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
<b>The Group</b>								
Beginning of the year	629,260	-	-	629,260	616,205	-	-	616,205
(Reversal of)/allowance for impairment losses during the year	(577,225)	-	-	(577,225)	13,054	-	-	13,054
Currency translation differences	-	-	-	-	1	-	-	1
As at the end of the year	<u>52,035</u>	-	-	<u>52,035</u>	<u>629,260</u>	-	-	<u>629,260</u>
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<u>209,441</u>	-	-	<u>209,441</u>	<u>2,570,527</u>	-	-	<u>2,570,527</u>
<b>The Bank</b>								
Beginning of the year	629,260	-	-	629,260	616,205	-	-	616,205
(Reversal of)/allowance for impairment losses during the year	(577,225)	-	-	(577,225)	13,054	-	-	13,054
Currency translation differences	-	-	-	-	1	-	-	1
As at the end of the year	<u>52,035</u>	-	-	<u>52,035</u>	<u>629,260</u>	-	-	<u>629,260</u>
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<u>209,441</u>	-	-	<u>209,441</u>	<u>2,570,527</u>	-	-	<u>2,570,527</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

*Loss allowance (continued)*

Financial guarantee contracts	2024				2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
<b>The Group</b>								
Beginning of the year	14,782	-	-	14,782	12,629	-	-	12,629
Allowance for impairment losses during the year	37,752	-	-	37,752	2,180	-	-	2,180
Currency translation differences	6	-	-	6	(27)	-	-	(27)
As at the end of the year	<u>52,540</u>	-	-	<u>52,540</u>	<u>14,782</u>	-	-	<u>14,782</u>
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>211,474</u></b>	-	-	<b><u>211,474</u></b>	<b><u>60,384</u></b>	-	-	<b><u>60,384</u></b>
<b>The Bank</b>								
Beginning of the year	62,307	-	-	62,307	77,815	-	-	77,815
Allowance for/(reversal of) impairment losses during the year	23,078	-	-	23,078	(15,518)	-	-	(15,518)
Currency translation differences	19	-	-	19	10	-	-	10
As at the end of the year	<u>85,404</u>	-	-	<u>85,404</u>	<u>62,307</u>	-	-	<u>62,307</u>
<b><i>In KHR'000 equivalent (Note 5)</i></b>	<b><u>343,751</u></b>	-	-	<b><u>343,751</u></b>	<b><u>254,524</u></b>	-	-	<b><u>254,524</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**39. FINANCIAL RISK MANAGEMENT (continued)**

**39.1 Credit risk (continued)**

(h) Sensitivity Analysis on ECL Measurement

Set out below is the Bank's ECL measurement as at 31 December 2024 and 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\$	Upside Scenario KHR'000	Downside Scenario KHR'000
<b>31 December 2024</b>						
<b>1- Agriculture, Forestry and Fishing</b>						
- Cambodia Foreign Reserves (millions USD)	27.87%	-27.87%	(412,500)	308,738	(1,660,313)	1,242,669
- US 1 Year Treasury Yield Curve Rates	-24.55	24.55				
<b>2- Manufacturing</b>			(966,357)	1,604,497	(3,889,586)	6,458,100
- Nominal GDP (in KHR billions)	12.23%	-12.23%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				
<b>3- Retail Trade</b>			(6,473,825)	11,458,227	(26,057,145)	46,119,364
- Cambodia GDP at Constant 2014 Price (in KHR billions)	8.97%	-8.97%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				
- Cambodia Foreign Reserves (millions USD).	27.87%	-27.87%				
- US 1 Year Treasury Yield Curve Rates	-24.55	24.55				
- USDKHR	-1.39%	1.39%				
<b>4- Transport and Storage</b>			(1,023,638)	2,071,236	(4,120,144)	8,336,723
- Nominal GDP (in KHR billions)	12.23%	-12.23%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				
<b>5- Real Estate Activities</b>			(62,528)	26,060	(251,677)	104,890
- Domestic credit to private sector (% of GDP)	-49.89%	49.89%				
- FDI (% of GDP)	0.89%	-0.89%				
- USDKHR	-1.39%	1.39%				
<b>6- Other Lending</b>			(1,861,615)	4,013,811	(7,492,999)	16,155,591
- Cambodia GDP at Constant 2014 Price (in KHR billions)	8.97%	-8.97%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				

	Change in MEVs		Impact on ECL			
	Upside Scenario	Downside Scenario	Upside Scenario US\$	Downside Scenario US\$	Upside Scenario KHR'000	Downside Scenario KHR'000
<b>31 December 2023</b>						
<b>1- Small Loan</b>			(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				
<b>2 - Public Housing Loan</b>			(202,675)	392,928	(827,927)	1,605,112
- GDP at Current Price, Industry (YOY, %)	12.00%	-12.00%				
- US 1 year Treasury Yield Curve Rates	-1.64	1.64				

**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 Board Risk Management and IT Committee 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.

**39. FINANCIAL RISK MANAGEMENT** (continued)

**39.2 Market risk** (continued)

(i) *Interest rate risk*

As at 31 December 2024 and 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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2024</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	513,942,123	513,942,123
Deposits and placements with other banks, net	269,880,105	39,734,617	9,986,747	-	-	1,662,790,193	1,982,391,662
Financial investments	121,762,168	222,042,864	91,759,404	36,050,772	-	189,670	471,804,878
Loans and advances, net	285,993,842	283,490,237	1,074,008,054	4,484,976,989	894,694,982	-	7,023,164,104
Derivative financial instruments	-	-	-	-	-	2,250,246	2,250,246
Other financial assets	-	-	-	-	-	11,490,911	11,490,911
<b>Total financial assets</b>	<b>677,636,115</b>	<b>545,267,718</b>	<b>1,175,754,205</b>	<b>4,521,027,761</b>	<b>894,694,982</b>	<b>2,190,663,143</b>	<b>10,005,043,924</b>
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	78,792,658	47,715,044	66,459,658	31,490,442	84,950,000	87,106,549	396,514,351
Deposits from customers	3,708,534,414	668,970,196	1,828,565,079	791,849,431	46,546,760	918,075,554	7,962,541,434
Lease liabilities	1,251,812	1,943,831	9,349,834	20,071,729	2,404,542	-	35,021,748
Borrowings	85,104,169	208,450,298	278,099,429	34,737,644	466,335	-	606,857,875
Subordinated debts	-	207,709	80,144,418	53,607,544	44,802,437	-	178,762,108
Other financial liabilities	-	-	-	-	-	59,870,248	59,870,248
<b>Total financial liabilities</b>	<b>3,873,683,053</b>	<b>927,287,078</b>	<b>2,262,618,418</b>	<b>931,756,790</b>	<b>179,170,074</b>	<b>1,065,052,351</b>	<b>9,239,567,764</b>
Net interest sensitivity gap	(3,196,046,938)	(382,019,360)	(1,086,864,213)	3,589,270,971	715,524,908	1,125,610,792	765,476,160
<b>In KHR'000 equivalent (Note 5)</b>	<b>(12,864,088,925)</b>	<b>(1,537,627,924)</b>	<b>(4,374,628,457)</b>	<b>14,446,815,658</b>	<b>2,879,987,755</b>	<b>4,530,583,437</b>	<b>3,081,041,544</b>
Unused portion of overdrafts	-	-	-	-	-	301,771,170	301,771,170
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	76,337,753	76,337,753
Spot foreign exchange	-	-	-	-	-	-	-
<b>Net interest sensitivity gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378,108,923</b>	<b>378,108,923</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,521,888,415</b>	<b>1,521,888,415</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2023</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	495,793,568	495,793,568
Deposits and placements with other banks, net	72,437,235	502,909	501,910	-	-	1,436,101,124	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	234,512,353	289,655,828	1,136,605,958	3,944,645,125	996,245,967	-	6,601,665,231
Derivative financial instruments	-	-	-	-	-	5,746,686	5,746,686
Other financial assets	-	-	-	-	-	8,550,649	8,550,649
<b>Total financial assets</b>	<b>547,145,949</b>	<b>338,343,559</b>	<b>1,148,044,364</b>	<b>4,000,938,961</b>	<b>996,245,967</b>	<b>1,948,124,896</b>	<b>8,978,843,696</b>
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	80,320,726	64,527,997	70,848,076	42,905,522	81,450,000	79,740,299	419,792,620
Deposits from customers	2,911,871,904	613,651,394	1,619,594,478	955,055,879	55,152,891	652,693,873	6,808,020,419
Lease liabilities	1,259,020	1,793,196	9,047,822	19,465,950	961,699	-	32,527,687
Borrowings	104,368,176	324,790,361	207,733,011	218,326,470	4,595,532	-	859,813,550
Subordinated debts	-	-	26,160,421	56,194,474	34,698,987	-	117,053,882
Other financial liabilities	-	-	-	-	-	43,591,008	43,591,008
<b>Total financial liabilities</b>	<b>3,097,819,826</b>	<b>1,004,762,948</b>	<b>1,933,383,808</b>	<b>1,291,948,295</b>	<b>176,859,109</b>	<b>776,025,180</b>	<b>8,280,799,166</b>
<b>Net interest sensitivity gap</b>	<b>(2,550,673,877)</b>	<b>(666,419,389)</b>	<b>(785,339,444)</b>	<b>2,708,990,666</b>	<b>819,386,858</b>	<b>1,172,099,716</b>	<b>698,044,530</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>(10,419,502,789)</b>	<b>(2,722,323,204)</b>	<b>(3,208,111,629)</b>	<b>11,066,226,871</b>	<b>3,347,195,315</b>	<b>4,788,027,340</b>	<b>2,851,511,904</b>
Unused portion of overdrafts	-	-	-	-	-	209,854,669	209,854,669
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	69,317,067	69,317,067
<b>Net interest sensitivity gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279,171,736</b>	<b>279,171,736</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,140,416,541</b>	<b>1,140,416,541</b>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2024</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	503,459,073	503,459,073
Deposits and placements with other banks, net	269,811,306	39,734,617	9,986,747	-	-	1,638,525,459	1,958,058,129
Financial investments	121,762,168	222,042,864	91,759,404	36,050,772	-	189,670	471,804,878
Loans and advances, net	268,668,607	273,589,149	1,040,224,943	4,390,840,080	888,503,232	-	6,861,826,011
Derivative financial instruments	-	-	-	-	-	2,250,246	2,250,246
Other financial assets	-	-	-	-	-	9,549,296	9,549,296
<b>Total financial assets</b>	<b>660,242,081</b>	<b>535,366,630</b>	<b>1,141,971,094</b>	<b>4,426,890,852</b>	<b>888,503,232</b>	<b>2,153,973,744</b>	<b>9,806,947,633</b>
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	70,141,726	43,107,413	52,899,088	31,205,000	84,950,000	90,424,377	372,727,604
Deposits from customers	3,675,824,782	659,612,510	1,790,317,304	773,548,615	44,008,276	901,986,902	7,845,298,389
Lease liabilities	1,229,811	1,921,389	9,086,126	19,097,738	1,448,488	-	32,783,552
Borrowings	85,082,759	208,205,771	273,050,435	31,716,715	466,335	-	598,522,015
Subordinated debts	-	207,709	80,144,418	53,607,544	44,802,437	-	178,762,108
Other financial liabilities	-	-	-	-	-	57,827,433	57,827,433
<b>Total financial liabilities</b>	<b>3,832,279,078</b>	<b>913,054,792</b>	<b>2,205,497,371</b>	<b>909,175,612</b>	<b>175,675,536</b>	<b>1,050,238,712</b>	<b>9,085,921,101</b>
<b>Net interest sensitivity gap</b>	<b>(3,172,036,997)</b>	<b>(377,688,162)</b>	<b>(1,063,526,277)</b>	<b>3,517,715,240</b>	<b>712,827,696</b>	<b>1,103,735,032</b>	<b>721,026,532</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>(12,767,448,914)</b>	<b>(1,520,194,852)</b>	<b>(4,280,693,265)</b>	<b>14,158,803,841</b>	<b>2,869,131,476</b>	<b>4,442,533,504</b>	<b>2,902,131,790</b>
Unused portion of overdrafts	-	-	-	-	-	300,734,637	300,734,637
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	76,138,249	76,138,249
Spot foreign exchange	-	-	-	-	-	-	-
<b>Net interest sensitivity gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>376,872,886</b>	<b>376,872,886</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,516,913,366</b>	<b>1,516,913,366</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2023</b>							
<b>Financial assets</b>							
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	224,145,748	281,030,750	1,106,204,470	3,856,064,676	989,597,644	-	6,457,043,288
Derivative financial instruments	-	-	-	-	-	5,746,686	5,746,686
Other financial assets	-	-	-	-	-	8,160,591	8,160,591
<b>Total financial assets</b>	<b>536,779,344</b>	<b>329,215,572</b>	<b>1,117,140,966</b>	<b>3,912,358,512</b>	<b>989,597,644</b>	<b>1,908,869,249</b>	<b>8,793,961,287</b>
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	74,783,920	58,688,495	46,358,416	41,634,787	81,450,000	83,490,309	386,405,927
Deposits from customers	2,885,457,817	606,805,061	1,595,131,493	935,972,333	51,522,192	640,400,129	6,715,289,025
Lease liabilities	1,212,506	1,752,559	8,723,500	18,705,240	153,543	-	30,547,348
Borrowings	104,368,176	321,117,073	200,908,577	212,938,995	4,085,770	-	843,418,591
Subordinated debts	-	-	26,160,421	56,194,474	34,698,987	-	117,053,882
Other financial liabilities	-	-	-	-	-	42,489,918	42,489,918
<b>Total financial liabilities</b>	<b>3,065,822,419</b>	<b>988,363,188</b>	<b>1,877,282,407</b>	<b>1,265,445,829</b>	<b>171,910,492</b>	<b>766,380,356</b>	<b>8,135,204,691</b>
<b>Net interest sensitivity gap</b>	<b>(2,529,043,075)</b>	<b>(659,147,616)</b>	<b>(760,141,441)</b>	<b>2,646,912,683</b>	<b>817,687,152</b>	<b>1,142,488,893</b>	<b>658,756,596</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>(10,331,140,961)</b>	<b>(2,692,618,011)</b>	<b>(3,105,177,786)</b>	<b>10,812,638,310</b>	<b>3,340,252,016</b>	<b>4,667,067,126</b>	<b>2,691,020,694</b>
Unused portion of overdrafts	-	-	-	-	-	209,405,052	209,405,052
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	69,183,985	69,183,985
<b>Net interest sensitivity gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278,589,037</b>	<b>278,589,037</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,138,036,215</b>	<b>1,138,036,215</b>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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 statement of profit or loss and other comprehensive income.

**Cash flow sensitivity analysis for variable-rate instruments**

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 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 statement of financial position or protecting interest expense through different interest rate cycles.

**Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates. The table below outlines the impact on post tax profit on the changes in interest rates of subordinated debts:

	<b>The Group</b>		<b>The Bank</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
		<b>(Note 5)</b>		<b>(Note 5)</b>
<b>31 December 2024</b>				
Interest rate increased by 25 bp	(971,404)	(3,909,901)	(971,404)	(3,909,901)
Interest rate decreased by 25 bp	971,404	3,909,901	971,404	3,909,901
<b>31 December 2023</b>				
Interest rate increased by 25 bp	(995,019)	(4,064,653)	(995,019)	(4,064,653)
Interest rate decreased by 25 bp	995,019	4,064,653	995,019	4,064,653

**39. FINANCIAL RISK MANAGEMENT** (continued)

**39.2 Market risk** (continued)

(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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group							Total
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	
<b>As at 31 December 2024</b>								
<b>Financial assets</b>								
Cash on hand	161,242,543	315,695,503	28,184,652	1,048,048	139,949	5,884,128	1,747,300	513,942,123
Deposits and placements with other banks, net	310,710,033	1,648,182,838	10,887,635	789,467	1,054,217	8,866,730	1,900,742	1,982,391,662
Financial investments	217,367,162	254,437,716	-	-	-	-	-	471,804,878
Loans and advances, net	1,285,094,450	5,548,252,134	27,688,825	-	-	140,526,804	21,601,891	7,023,164,104
Derivative financial instruments	-	2,250,246	-	-	-	-	-	2,250,246
Other financial assets	337,587	9,312,176	400	-	-	1,840,748	-	11,490,911
<b>Total financial assets</b>	<b>1,974,751,775</b>	<b>7,778,130,613</b>	<b>66,761,512</b>	<b>1,837,515</b>	<b>1,194,166</b>	<b>157,118,410</b>	<b>25,249,933</b>	<b>10,005,043,924</b>
<b>Financial liabilities</b>								
Deposits and placements of other banks and financial institutions	39,065,798	334,472,432	222,379	-	-	22,753,742	-	396,514,351
Deposits from customers	1,847,544,837	5,950,139,711	64,768,266	1,271,128	3,050	95,463,307	3,351,135	7,962,541,434
Lease liabilities	105,288	34,369,229	190,070	-	-	259,863	97,298	35,021,748
Borrowings	56,301,442	545,028,665	-	-	-	4,819,685	708,083	606,857,875
Subordinated debts	23,270,080	155,492,028	-	-	-	-	-	178,762,108
Other financial liabilities	5,469,196	51,863,911	92,138	56,267	398,532	1,817,789	172,415	59,870,248
<b>Total financial liabilities</b>	<b>1,971,756,641</b>	<b>7,071,365,976</b>	<b>65,272,853</b>	<b>1,327,395</b>	<b>401,582</b>	<b>125,114,386</b>	<b>4,328,931</b>	<b>9,239,567,764</b>
<b>Net on-balance sheet position</b>	<b>2,995,134</b>	<b>706,764,637</b>	<b>1,488,659</b>	<b>510,120</b>	<b>792,584</b>	<b>32,004,024</b>	<b>20,921,002</b>	<b>765,476,160</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>12,055,414</b>	<b>2,844,727,664</b>	<b>5,991,852</b>	<b>2,053,233</b>	<b>3,190,151</b>	<b>128,816,197</b>	<b>84,207,033</b>	<b>3,081,041,544</b>
Unused portion of overdrafts	34,243,404	264,745,512	1,745,721	-	-	1,036,533	-	301,771,170
Guarantees, acceptances, and other financial facilities	10,816,276	65,226,513	-	-	-	199,504	95,460	76,337,753
Spot foreign exchange	-	-	-	-	-	-	-	-
<b>Credit commitment</b>	<b>45,059,680</b>	<b>329,972,025</b>	<b>1,745,721</b>	<b>-</b>	<b>-</b>	<b>1,236,037</b>	<b>95,460</b>	<b>378,108,923</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>181,365,211</b>	<b>1,328,137,401</b>	<b>7,026,527</b>	<b>-</b>	<b>-</b>	<b>4,975,049</b>	<b>384,227</b>	<b>1,521,888,415</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group							Total
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	
<b>As at 31 December 2023</b>								
<b>Financial assets</b>								
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
<b>Total financial assets</b>	<b>1,713,013,378</b>	<b>7,020,942,494</b>	<b>66,825,412</b>	<b>2,605,654</b>	<b>1,293,780</b>	<b>152,228,590</b>	<b>21,934,388</b>	<b>8,978,843,696</b>
<b>Financial liabilities</b>								
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
<b>Total financial liabilities</b>	<b>1,771,649,042</b>	<b>6,315,680,882</b>	<b>67,411,824</b>	<b>1,678,788</b>	<b>9,320</b>	<b>120,557,141</b>	<b>3,812,169</b>	<b>8,280,799,166</b>
<b>Net on-balance sheet position</b>	<b>(58,635,664)</b>	<b>705,261,612</b>	<b>(586,412)</b>	<b>926,866</b>	<b>1,284,460</b>	<b>31,671,449</b>	<b>18,122,219</b>	<b>698,044,530</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>(239,526,689)</b>	<b>2,880,993,685</b>	<b>(2,395,493)</b>	<b>3,786,248</b>	<b>5,247,019</b>	<b>129,377,869</b>	<b>74,029,265</b>	<b>2,851,511,904</b>
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
<b>Credit commitment</b>	<b>17,698,735</b>	<b>260,010,378</b>	<b>879,924</b>	<b>-</b>	<b>-</b>	<b>582,699</b>	<b>-</b>	<b>279,171,736</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>72,299,332</b>	<b>1,062,142,394</b>	<b>3,594,490</b>	<b>-</b>	<b>-</b>	<b>2,380,325</b>	<b>-</b>	<b>1,140,416,541</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Bank							Total
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	
<b>As at 31 December 2024</b>								
<b>Financial assets</b>								
Cash on hand	161,226,576	313,983,437	26,667,667	1,041,344	138,382	37,265	364,402	503,459,073
Deposits and placements with other banks, net	310,710,032	1,642,066,535	1,542,500	789,467	1,054,217	37,113	1,858,265	1,958,058,129
Financial investments	217,367,162	254,437,716	-	-	-	-	-	471,804,878
Loans and advances, net	1,285,094,450	5,549,042,736	27,688,825	-	-	-	-	6,861,826,011
Derivative financial instruments	-	2,250,246	-	-	-	-	-	2,250,246
Other financial assets	335,214	9,213,682	400	-	-	-	-	9,549,296
<b>Total financial assets</b>	<b>1,974,733,434</b>	<b>7,770,994,352</b>	<b>55,899,392</b>	<b>1,830,811</b>	<b>1,192,599</b>	<b>74,378</b>	<b>2,222,667</b>	<b>9,806,947,633</b>
<b>Financial liabilities</b>								
Deposits and placements of other banks and financial institutions	39,069,082	332,904,118	754,404	-	-	-	-	372,727,604
Deposits from customers	1,848,268,100	5,943,998,638	51,757,473	1,271,128	3,050	-	-	7,845,298,389
Lease liabilities	105,288	32,678,264	-	-	-	-	-	32,783,552
Borrowings	56,301,441	542,220,574	-	-	-	-	-	598,522,015
Subordinated debts	23,270,080	155,492,028	-	-	-	-	-	178,762,108
Other financial liabilities	5,465,307	51,707,759	36,752	56,267	398,532	1,499	161,317	57,827,433
<b>Total financial liabilities</b>	<b>1,972,479,298</b>	<b>7,059,001,381</b>	<b>52,548,629</b>	<b>1,327,395</b>	<b>401,582</b>	<b>1,499</b>	<b>161,317</b>	<b>9,085,921,101</b>
<b>Net on-balance sheet position</b>	<b>2,254,136</b>	<b>711,992,971</b>	<b>3,350,763</b>	<b>503,416</b>	<b>791,017</b>	<b>72,879</b>	<b>2,061,350</b>	<b>721,026,532</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>9,072,897</b>	<b>2,865,771,708</b>	<b>13,486,821</b>	<b>2,026,249</b>	<b>3,183,843</b>	<b>293,338</b>	<b>8,296,934</b>	<b>2,902,131,790</b>
Unused portion of overdrafts	34,243,404	264,745,512	1,745,721	-	-	-	-	300,734,637
Guarantees, acceptances, and other financial facilities	10,816,276	65,226,513	-	-	-	-	95,460	76,138,249
Spot Exchange contracts	-	-	-	-	-	-	-	-
<b>Credit commitment</b>	<b>45,059,680</b>	<b>329,972,025</b>	<b>1,745,721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,460</b>	<b>376,872,886</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>181,365,211</b>	<b>1,328,137,401</b>	<b>7,026,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384,227</b>	<b>1,516,913,366</b>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Bank							Total
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	
<b>As at 31 December 2023</b>								
<b>Financial assets</b>								
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
<b>Total financial assets</b>	<b>1,713,006,178</b>	<b>7,013,727,289</b>	<b>60,307,837</b>	<b>2,601,494</b>	<b>1,293,325</b>	<b>18,891</b>	<b>3,006,273</b>	<b>8,793,961,287</b>
<b>Financial liabilities</b>								
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
<b>Total financial liabilities</b>	<b>1,772,414,810</b>	<b>6,301,028,959</b>	<b>59,856,537</b>	<b>1,678,788</b>	<b>9,320</b>	<b>76</b>	<b>216,201</b>	<b>8,135,204,691</b>
<b>Net on-balance sheet position</b>	<b>(59,408,632)</b>	<b>712,698,330</b>	<b>451,300</b>	<b>922,706</b>	<b>1,284,005</b>	<b>18,815</b>	<b>2,790,072</b>	<b>658,756,596</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>(242,684,262)</b>	<b>2,911,372,678</b>	<b>1,843,561</b>	<b>3,769,254</b>	<b>5,245,160</b>	<b>76,859</b>	<b>11,397,444</b>	<b>2,691,020,694</b>
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
<b>Credit commitment</b>	<b>17,698,735</b>	<b>260,010,378</b>	<b>879,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278,589,037</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>72,299,331</b>	<b>1,062,142,394</b>	<b>3,594,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,138,036,215</b>



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

Sensitivity analysis

The Group and the Bank take on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows. The table below sets out the principal structure of foreign exchange exposures of the Group and the Bank:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Assets/(Liabilities)</b>								
Khmer Riel (KHR)	2,995,134	(58,635,664)	12,055,414	(239,526,689)	2,254,136	(59,408,632)	9,072,897	(242,684,262)
Thai Baht (THB)	1,488,659	(586,412)	5,991,852	(2,395,493)	3,350,763	451,300	13,486,821	1,843,561
Euro (EUR)	510,120	926,866	2,053,233	3,786,248	503,416	922,706	2,026,249	3,769,254
Australian Dollar (AUD)	792,584	1,284,460	3,190,151	5,247,019	791,017	1,284,005	3,183,843	5,245,160
Lao Kip (LAK)	32,004,024	31,671,449	128,816,197	129,377,869	72,879	18,815	293,338	76,859
Others	20,921,002	18,122,219	84,207,033	74,029,265	2,061,350	2,790,072	8,296,934	11,397,444
	<u>58,711,523</u>	<u>(7,217,082)</u>	<u>236,313,880</u>	<u>(29,481,781)</u>	<u>9,033,561</u>	<u>(53,941,734)</u>	<u>36,360,082</u>	<u>(220,351,984)</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

Sensitivity analysis (continued)

As shown in the table above, the Group and the Bank are primarily exposed to changes in US\$/KHR, US\$/THB, US\$/EUR, US\$/AUD, and US\$/LAK exchange rates. The sensitivity of profit or loss to changes in exchange rates arises mainly from KHR, THB, EUR, AUD, and LAK denominated financial instruments.

The analysis below is based on the assumption that the exchange rate had increased or decreased which is set based on the 3-year moving average of exchange rate from 2022 to 2024.

An analysis of the exposures to assess the impact of the percentages change in the foreign currency exchange rates to the profit after tax are as follows:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Increase/(Decrease)</b>								
Khmer Riel (KHR) - Increased by -1%	24,203	464,441	97,417	1,897,241	18,215	470,563	73,315	1,922,250
Thai Baht (THB) - Increased by 1%	(11,791)	22,340	(47,459)	91,259	(26,541)	(17,192)	(106,828)	(70,229)
Euro (EUR) - Increased by 3%	(11,886)	(28,519)	(47,841)	(116,500)	(11,730)	(28,391)	(47,213)	(115,977)
Australian Dollar (AUD) - Increased by 6%	(35,891)	(39,522)	(144,461)	(161,447)	(35,820)	(39,508)	(144,176)	(161,390)
Lao Kip (LAK) - Increased by 10%	(2,327,565)	(2,303,378)	(9,368,449)	(9,409,299)	(5,300)	(1,368)	(21,333)	(5,588)
Others - Increased by 4%	(643,723)	(143,542)	(2,590,985)	(586,369)	(63,426)	(22,100)	(255,290)	(90,279)
	<u>(3,006,653)</u>	<u>(2,028,180)</u>	<u>(12,101,778)</u>	<u>(8,285,115)</u>	<u>(124,602)</u>	<u>362,004</u>	<u>(501,525)</u>	<u>1,478,787</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

Sensitivity analysis (continued)

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Increase/(Decrease)</b>								
Khmer Riel (KHR) - Decreased by 1%	(23,724)	(473,824)	(95,489)	(1,935,571)	(17,855)	(480,070)	(71,866)	(1,961,086)
Thai Baht (THB) - Decreased by 1%	12,030	(24,691)	48,421	(100,863)	27,077	19,002	108,985	77,623
Euro (EUR) - Decreased by 3%	12,622	30,896	50,804	126,210	12,456	30,757	50,135	125,642
Australian Dollar (AUD) - Decreased by 6%	40,472	42,815	162,900	174,899	40,392	42,800	162,578	174,838
Lao Kip (LAK) - Decreased by 10%	2,844,802	2,815,240	11,450,328	11,500,255	6,478	1,672	26,074	6,830
Others - Decreased by 4%	697,367	146,442	2,806,902	598,216	68,712	22,546	276,566	92,100
	<u>3,583,569</u>	<u>2,536,878</u>	<u>14,423,866</u>	<u>10,363,146</u>	<u>137,260</u>	<u>(363,293)</u>	<u>552,472</u>	<u>(1,484,053)</u>

**39. FINANCIAL RISK MANAGEMENT** (continued)

**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.

**39. FINANCIAL RISK MANAGEMENT** (continued)

**39.3 Liquidity risk** (continued)

(a) Liquidity risk management process (continued)

*Internal targets on the liquidity risk:*

- 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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2024</b>							
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	166,218,034	48,924,570	25,255,211	48,915,196	55,784,470	105,725,176	450,822,657
Deposits from customers	4,610,103,301	690,467,991	678,198,542	1,237,369,822	887,427,440	64,289,997	8,167,857,093
Lease liabilities	1,252,311	1,938,868	3,189,274	6,578,100	23,061,296	5,125,208	41,145,057
Borrowings*	7,203,974	61,697,452	95,549,287	390,862,863	136,552,435	466,335	692,332,346
Subordinated debts*	-	207,709	19,685,858	68,876,558	102,233,455	59,703,444	250,707,024
Other financial liabilities	59,648,964	183,284	38,000	-	-	-	59,870,248
<b>Total financial liabilities</b> (contractual maturity dates)	<b>4,844,426,584</b>	<b>803,419,874</b>	<b>821,916,172</b>	<b>1,752,602,539</b>	<b>1,205,059,096</b>	<b>235,310,160</b>	<b>9,662,734,425</b>
<i>In KHR'000 equivalent (Note 5)</i>	<u>19,498,817,001</u>	<u>3,233,764,993</u>	<u>3,308,212,592</u>	<u>7,054,225,219</u>	<u>4,850,362,861</u>	<u>947,123,394</u>	<u>38,892,506,060</u>
<b>Assets held for managing liquidity risk</b> (contractual maturity dates)	<b>3,204,648,863</b>	<b>439,021,575</b>	<b>517,486,060</b>	<b>972,553,395</b>	<b>5,000,130,761</b>	<b>1,959,694,815</b>	<b>12,093,535,469</b>
<i>In KHR'000 equivalent (Note 5)</i>	<u>12,898,711,676</u>	<u>1,767,061,839</u>	<u>2,082,881,392</u>	<u>3,914,527,415</u>	<u>20,125,526,313</u>	<u>7,887,771,630</u>	<u>48,676,480,265</u>
<b>As at 31 December 2023</b>							
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	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
<b>Total financial liabilities</b> (contractual maturity dates)	<b>3,766,305,917</b>	<b>791,493,711</b>	<b>636,597,221</b>	<b>1,325,200,287</b>	<b>2,015,566,707</b>	<b>248,490,878</b>	<b>8,783,654,721</b>
<i>In KHR'000 equivalent (Note 5)</i>	<u>15,385,359,671</u>	<u>3,233,251,809</u>	<u>2,600,499,648</u>	<u>5,413,443,172</u>	<u>8,233,589,998</u>	<u>1,015,085,237</u>	<u>35,881,229,535</u>
<b>Assets held for managing liquidity risk</b> (contractual maturity dates)	<b>2,590,051,852</b>	<b>387,106,029</b>	<b>510,138,284</b>	<b>1,007,148,263</b>	<b>4,806,873,731</b>	<b>1,499,995,677</b>	<b>10,801,313,836</b>
<i>In KHR'000 equivalent (Note 5)</i>	<u>10,580,361,817</u>	<u>1,581,328,128</u>	<u>2,083,914,890</u>	<u>4,114,200,654</u>	<u>19,636,079,191</u>	<u>6,127,482,341</u>	<u>44,123,367,021</u>

\* 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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>As at 31 December 2024</b>							
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	160,842,052	44,246,870	14,795,638	45,193,299	55,490,641	105,725,176	426,293,676
Deposits from customers	4,561,241,507	680,758,304	666,908,137	1,207,153,234	865,359,907	60,694,877	8,042,115,966
Lease liabilities	1,230,287	1,916,161	3,175,824	6,308,935	21,882,315	2,131,401	36,644,923
Borrowings*	7,155,211	61,394,521	92,967,916	388,021,426	133,186,409	466,335	683,191,818
Subordinated debts*	-	207,709	19,685,858	68,876,558	102,233,455	59,703,444	250,707,024
Other financial liabilities	57,645,919	174,914	6,600	-	-	-	57,827,433
<b>Total financial liabilities</b> (contractual maturity dates)	<b>4,788,114,976</b>	<b>788,698,479</b>	<b>797,539,973</b>	<b>1,715,553,452</b>	<b>1,178,152,727</b>	<b>228,721,233</b>	<b>9,496,780,840</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>19,272,162,778</b>	<b>3,174,511,378</b>	<b>3,210,098,391</b>	<b>6,905,102,644</b>	<b>4,742,064,726</b>	<b>920,602,963</b>	<b>38,224,542,880</b>
<b>Assets held for managing liquidity risk</b> (contractual maturity dates)	<b>3,147,538,949</b>	<b>423,362,106</b>	<b>496,351,050</b>	<b>940,715,714</b>	<b>4,884,055,514</b>	<b>1,954,674,543</b>	<b>11,846,697,876</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>12,668,844,270</b>	<b>1,704,032,477</b>	<b>1,997,812,976</b>	<b>3,786,380,749</b>	<b>19,658,323,444</b>	<b>7,867,565,036</b>	<b>47,682,958,952</b>
<b>As at 31 December 2023</b>							
<b>Financial liabilities</b>							
Deposits and placements of other banks and financial institutions	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
<b>Total financial liabilities</b> (contractual maturity dates)	<b>3,724,986,335</b>	<b>774,588,953</b>	<b>615,806,684</b>	<b>1,286,064,539</b>	<b>1,984,282,143</b>	<b>240,224,881</b>	<b>8,625,953,535</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>15,216,569,178</b>	<b>3,164,195,873</b>	<b>2,515,570,304</b>	<b>5,253,573,642</b>	<b>8,105,792,554</b>	<b>981,318,639</b>	<b>35,237,020,190</b>
<b>Assets held for managing liquidity risk</b> (contractual maturity dates)	<b>2,533,749,275</b>	<b>373,217,124</b>	<b>491,500,359</b>	<b>979,111,143</b>	<b>4,699,212,093</b>	<b>1,493,460,967</b>	<b>10,570,250,961</b>
<b>In KHR'000 equivalent (Note 5)</b>	<b>10,350,365,788</b>	<b>1,524,591,952</b>	<b>2,007,778,967</b>	<b>3,999,669,019</b>	<b>19,196,281,400</b>	<b>6,100,788,050</b>	<b>43,179,475,176</b>

\* 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.



ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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					
	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\$
<b>At 31 December 2024</b>						
Interest rate swap - cash flow hedges						
- (inflow)	-	(248,750)	(2,335,952)	(934,933)	-	(3,519,635)
- outflow	-	30,000	242,351	96,420	-	368,771
<b>Net settlement</b>	-	(218,750)	(2,093,601)	(838,513)	-	(3,150,864)
<i>In KHR'000 equivalent (Note 5)</i>	-	(880,469)	(8,426,744)	(3,375,015)	-	(12,682,228)
	The Group					
	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\$
<b>At 31 December 2023</b>						
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
<b>Net settlement</b>	-	(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)

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>At 31 December 2024</b>						
Interest rate swap - cash flow hedges						
- (inflow)	-	(248,750)	(2,335,952)	(934,933)	-	(3,519,635)
- outflow	-	30,000	242,351	96,420	-	368,771
<b>Net settlement</b>	-	(218,750)	(2,093,601)	(838,513)	-	(3,150,864)
<i>In KHR'000 equivalent (Note 5)</i>	-	(880,469)	(8,426,744)	(3,375,015)	-	(12,682,228)

	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\$	
<b>At 31 December 2023</b>						
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
<b>Net settlement</b>	-	(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)

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>At 31 December 2024</b>						
Unused portion of overdrafts	301,771,170	-	-	-	-	301,771,170
Bank guarantees	12,161,554	11,045,417	30,782,131	13,102,867	4,028	67,095,997
Letters of credit	1,408,188	5,983,186	1,850,382	-	-	9,241,756
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
<b>Total</b>	<b>315,340,912</b>	<b>17,028,603</b>	<b>32,632,513</b>	<b>13,102,867</b>	<b>4,028</b>	<b>378,108,923</b>
<i>In KHR'000 equivalent (Note 5)</i>	<i>1,269,247,171</i>	<i>68,540,127</i>	<i>131,345,865</i>	<i>52,739,040</i>	<i>16,213</i>	<i>1,521,888,416</i>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>At 31 December 2023</b>						
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	-	-	-	-	-	-
<b>Total</b>	<b>220,644,372</b>	<b>11,701,495</b>	<b>31,467,243</b>	<b>15,358,626</b>	<b>-</b>	<b>279,171,736</b>
<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 FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>At 31 December 2024</b>						
Unused portion of overdrafts	300,734,637	-	-	-	-	300,734,637
Bank guarantees	12,161,554	10,921,667	30,706,377	13,102,867	4,028	66,896,493
Letters of credit	1,408,188	5,983,186	1,850,382	-	-	9,241,756
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
<b>Total</b>	<b>314,304,379</b>	<b>16,904,853</b>	<b>32,556,759</b>	<b>13,102,867</b>	<b>4,028</b>	<b>376,872,886</b>
<i>In KHR'000 equivalent (Note 5)</i>	<i>1,265,075,125</i>	<i>68,042,033</i>	<i>131,040,955</i>	<i>52,739,040</i>	<i>16,213</i>	<i>1,516,913,366</i>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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\$	
<b>At 31 December 2023</b>						
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	-	-	-	-	-	-
<b>Total</b>	<b>220,194,755</b>	<b>11,701,495</b>	<b>31,334,161</b>	<b>15,358,626</b>	<b>-</b>	<b>278,589,037</b>
<i>In KHR'000 equivalent (Note 5)</i>	<i>899,495,574</i>	<i>47,800,607</i>	<i>128,000,048</i>	<i>62,739,987</i>	<i>-</i>	<i>1,138,036,216</i>

(ii) *Other financial facilities*

Other financial facilities are also included above based on the earliest contractual date as disclosed in Note 36(d).

#### **40. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities as disclosed in Note 39. 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.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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 December 2024 and 2023:

(a) Financial instruments measured at fair value

	The Group				The Bank			
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>31 December 2024</b>								
<b>Financial assets</b>								
Financial investments	-	-	189,670	189,670	-	-	189,670	189,670
Derivative financial instruments	-	2,250,246	-	2,250,246	-	2,250,246	-	2,250,246
<b>Total financial assets</b>	-	2,250,246	189,670	2,439,916	-	2,250,246	189,670	2,439,916
<i>In KHR'000 equivalent (Note 5)</i>	-	9,057,240	763,422	9,820,662	-	9,057,240	763,422	9,820,662
<b>31 December 2023</b>								
<b>Financial assets</b>								
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
<b>Total financial assets</b>	-	5,746,686	189,670	5,936,356	-	5,746,686	189,670	5,936,356
<i>In KHR'000 equivalent (Note 5)</i>	-	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 twelve-month period ended 31 December 2024 (31 December 2023: Nil).



**40. FAIR VALUE OF FINANCIAL INSTRUMENTS** (continued)

**Determination of fair value** (continued)

(a) Financial instruments measured at fair value (continued)

(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 December 2024 (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.

**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 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 financial statements as at 31 December 2024 and 2023. The Group in the table below consists of three entities such as ABC, ABL and AMM as per the requirement of NBC.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

41. CAPITAL RISK MANAGEMENT (continued)

	The Group			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Tier 1 capital</b>				
Share capital	433,163,019	433,163,019	1,743,481,151	1,769,470,933
Share premium	11,706,215	11,706,215	47,117,515	47,819,888
Retained earnings	227,895,222	210,670,372	917,278,269	860,588,470
General reserves based on the NBC Prakas	524,576,552	524,576,552	2,111,420,622	2,142,895,215
Less: Intangible assets	(16,720,303)	(10,761,308)	(67,299,220)	(43,959,943)
Less: Loans to related parties	(15,073,239)	(13,539,928)	(60,669,787)	(55,310,606)
Less: Other losses	(39,008,657)	(59,649,230)	(157,009,844)	(243,667,105)
	<u>1,126,538,809</u>	<u>1,096,165,692</u>	<u>4,534,318,706</u>	<u>4,477,836,852</u>
<b>Tier 2 complementary capital</b>				
General provision based on the NBC Prakas(*)	105,731,597	62,841,294	425,569,678	256,706,686
Subordinated debts (**)	167,677,460	116,749,256	674,901,777	476,920,711
Less: Equity participation in banking or financial institutions	(2,010,000)	(2,010,000)	(8,090,250)	(8,210,850)
	<u>271,399,057</u>	<u>177,580,550</u>	<u>1,092,381,205</u>	<u>725,416,547</u>
	<u>1,397,937,866</u>	<u>1,273,746,242</u>	<u>5,626,699,911</u>	<u>5,203,253,399</u>
			The Bank	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<b>Tier 1 capital</b>				
Share capital	433,163,019	433,163,019	1,743,481,151	1,769,470,933
Share premium	11,706,215	11,706,215	47,117,515	47,819,888
Retained earnings	204,204,997	182,661,825	821,925,113	746,173,555
General reserves based on the NBC Prakas	510,741,556	510,741,556	2,055,734,763	2,086,379,256
Less: Intangible assets	(15,145,392)	(9,829,455)	(60,960,203)	(40,153,324)
Less: Loans to related parties	(14,562,428)	(13,074,333)	(58,613,773)	(53,408,650)
	<u>1,130,107,967</u>	<u>1,115,368,827</u>	<u>4,548,684,566</u>	<u>4,556,281,658</u>
<b>Tier 2 complementary capital</b>				
General provision based on the NBC Prakas(*)	103,023,993	61,416,504	414,671,572	250,886,419
Subordinated debts (**)	167,677,460	116,749,256	674,901,777	476,920,711
Less: Equity participation in banking or financial institutions	(71,312,716)	(71,312,716)	(287,033,682)	(291,312,445)
	<u>199,388,737</u>	<u>106,853,044</u>	<u>802,539,667</u>	<u>436,494,685</u>
	<u>1,329,496,704</u>	<u>1,222,221,871</u>	<u>5,351,224,233</u>	<u>4,992,776,343</u>

(\*) This includes the effect of regulatory reserve relating accrued interest receivable amounted to US\$32,332,054 for the Group and US\$31,196,573 for the Bank, which is permitted to be added back to Tier II capital for the year ended 31 December 2024.

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

42. EVENT OCCURRING AFTER THE REPORTING PERIOD

ACLEDA Bank Plc obtained approvals from the National Bank of Cambodia on 6 January 2025, and from the Securities and Exchange Regulator of Cambodia on 15 January 2025, to proceed with its subordinated bond issuance totaling KHR 400 billion, equivalent to US\$100 million. These bonds, which have a seven-year term and offer a coupon rate of 8.5% per annum, are for utilising as capital, the Bank's general banking activities and other corporate objectives. The issuance is structured into four tranches, with the first tranche successfully subscribed by qualified investors on 22 January 2025, raising KHR 343,350,000,000 (equivalent to US\$85,837,500).



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