

**THE FIRST
QUARTERLY REPORT**
AS OF 31 MARCH 2024



Financial Highlight

Financial Position (in KHR million)	Quarter 1 – 2024	2023	2022
Total assets	40,690,006	39,804,405	37,181,299
Total liabilities	35,004,332	34,158,850	31,760,660
Total equity	5,685,674	5,645,555	5,420,639
Profit/(Loss) (in KHR million)	Quarter 1 – 2024	Quarter 1 – 2023	Quarter 1 - 2022
Total revenue	863,220	826,770	709,696
Profit/ (Loss) before Tax	134,900	191,345	179,682
Profit/ (Loss) after Tax	108,116	157,424	143,610
Total Comprehensive Income	40,119	67,906	109,005
Financial Ratios (%)	Quarter 1 – 2024	2023	2022
Solvency ratio	18.17%	18.45%	19.25%
Debt to equity ratio	615.66%	605.06%	585.92%
Liquidity Coverage Ratio	217.79%	180.13%	154.96%
Nonperforming loans ratio ^(*)	5.66%	5.77%	2.90%
Loan to deposit ratio	88.12%	92.11%	100.51%
Book value per share (KHR)	13,070	12,977	12,456
	Quarter 1 – 2024	Quarter 1 – 2023	Quarter 1 - 2022
Return on average assets (ROAA) ^(**)	0.27%	0.42%	0.44%
Return on average equity (ROAE) ^(**)	1.92%	2.90%	2.91%
Interest Coverage ratio (Times)	1.38	1.62	1.92
Earnings per share (KHR)	249.47	363.03	331.29
Dividend per share	N/A	N/A	N/A
Other Important Ratios	N/A	N/A	N/A

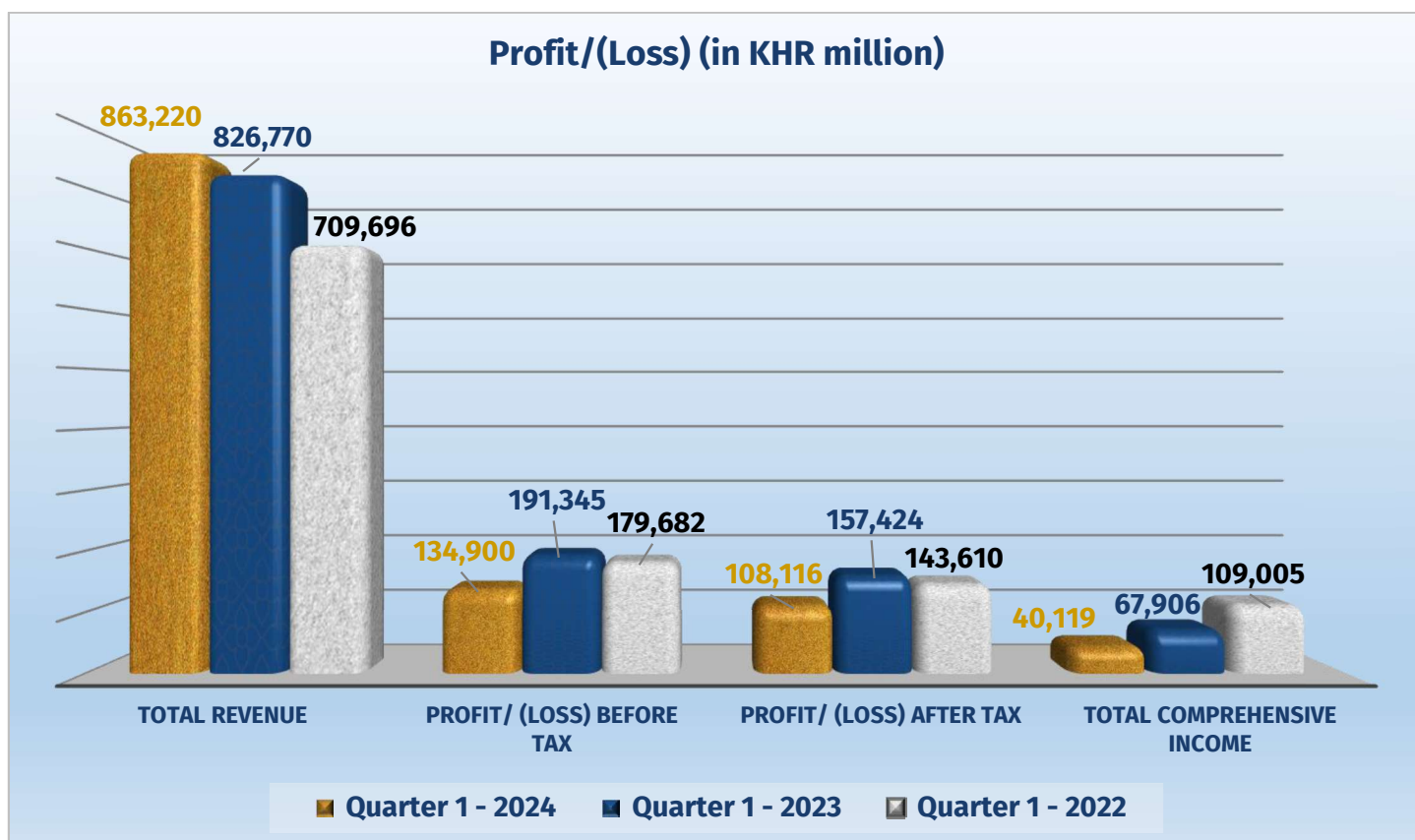
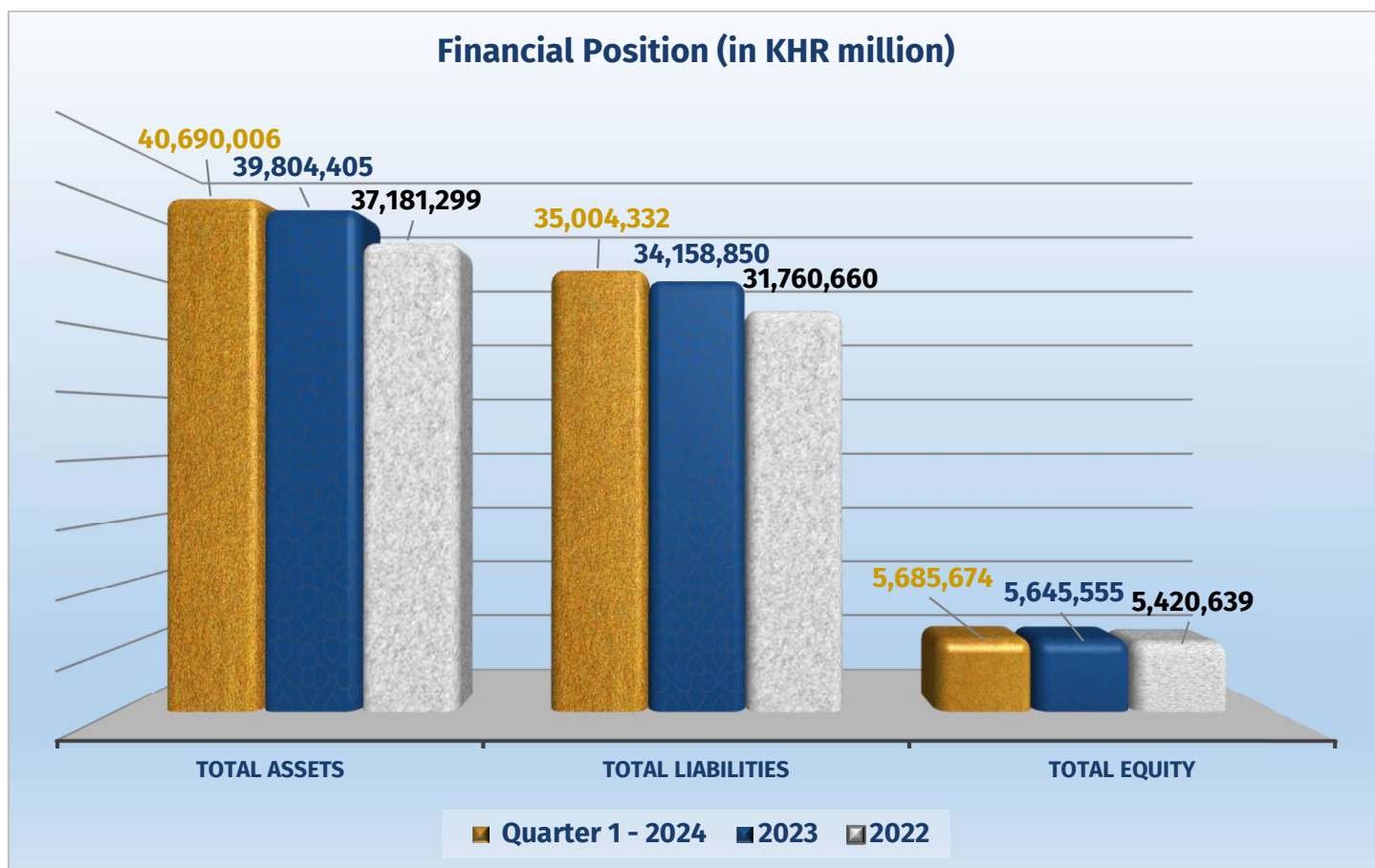
(*) Non-performing loan ratio = Contractual Principal Balance of Non-Performing Loan/Total Contractual Loan Principal Balance

(**) . These ratios are not annualized and were calculated using the three-month period of profit attributable to owners of the Bank figures from 01 January to 31 March 2024.

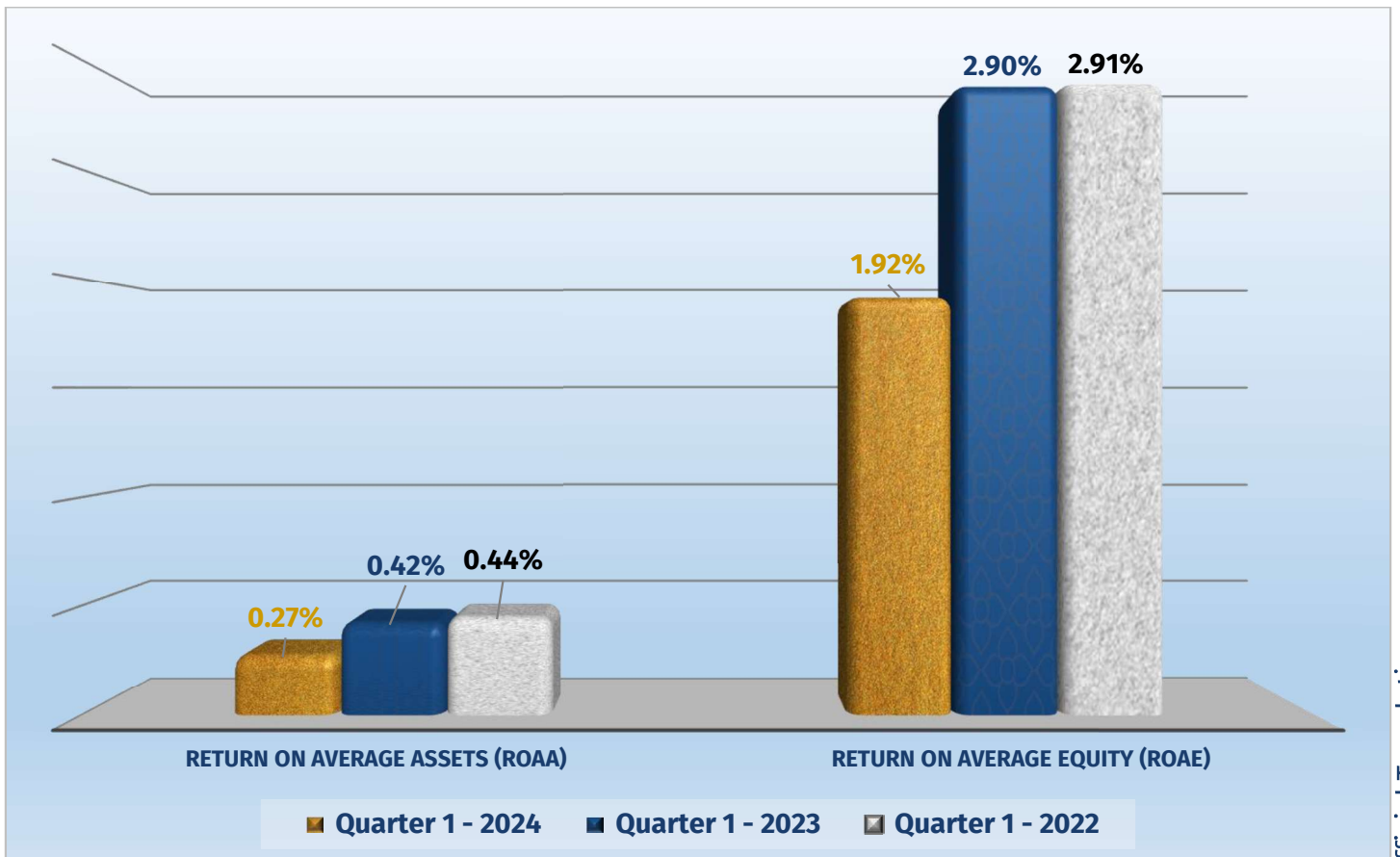
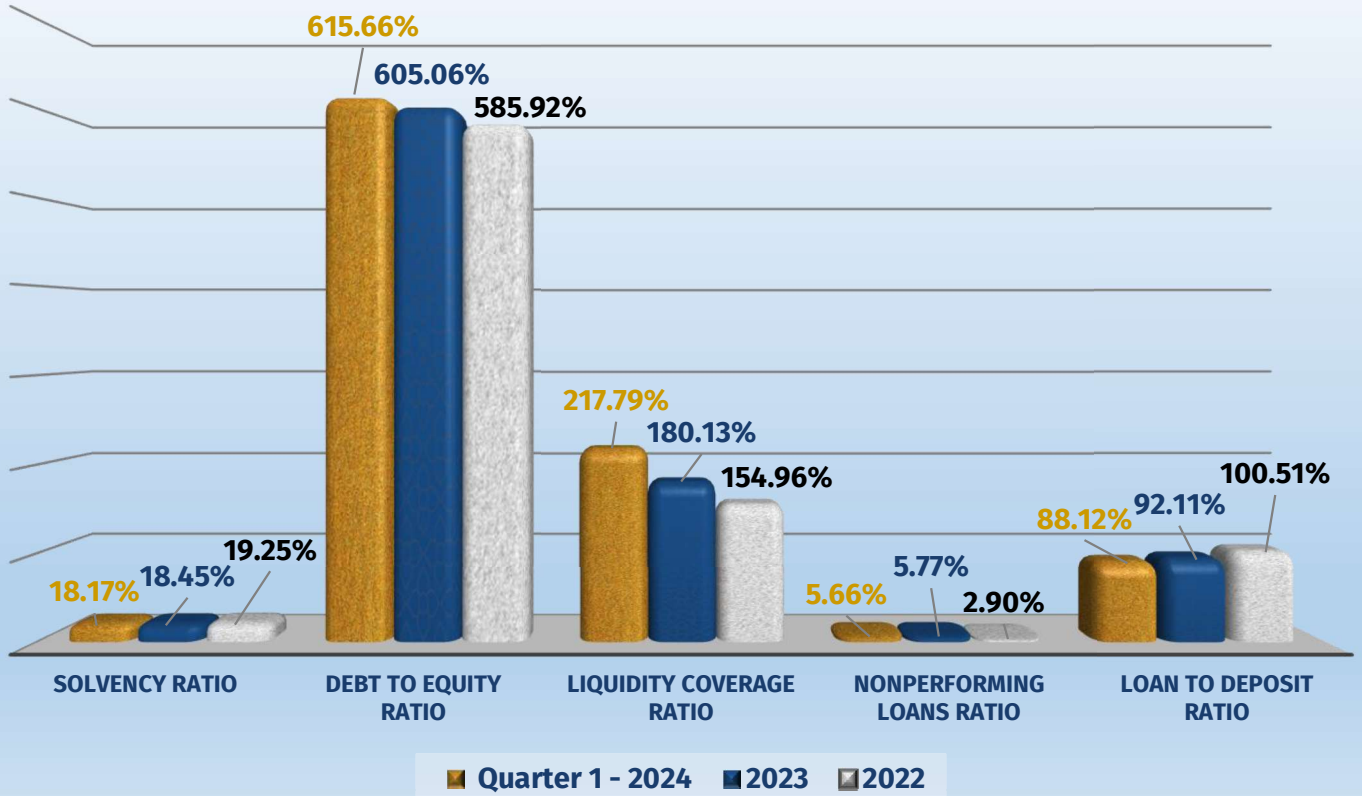
. ROAA = profit for the period attributable to owners of the Bank / average total assets.

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

Financial Summary Charts



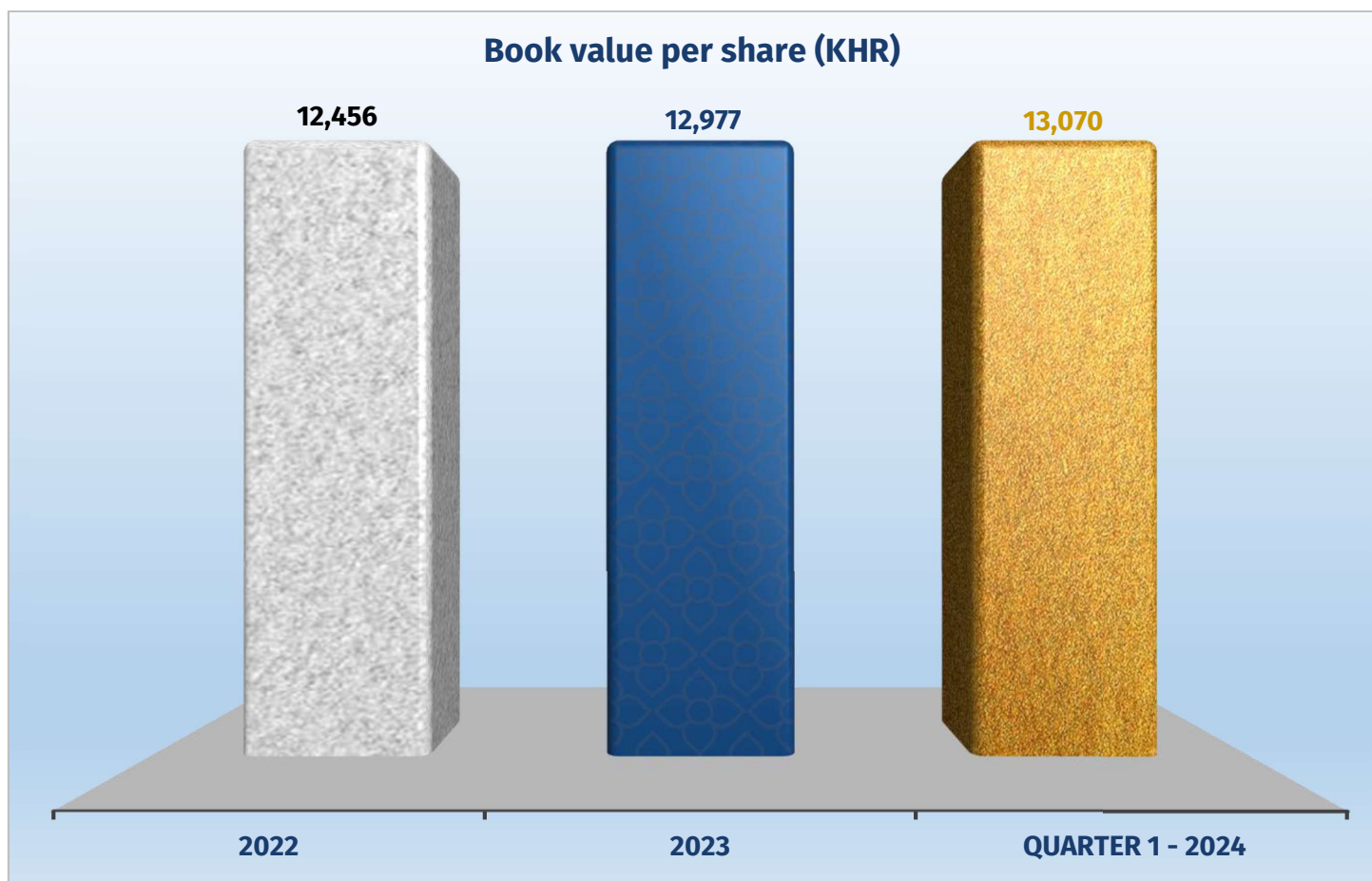
Financial Ratios (%)



Earnings per share (KHR)



Book value per share (KHR)



Board of Directors



Mr. Chhay Soeun
Chairman



Dr. In Channy
Executive Director



Mr. Stéphane Mangiavacca
Non-Executive Director



Mr. Kyosuke Hattori
Non-Executive Director



Dr. Albertus Bruggink
Non-Executive Director



Mr. Kay Lot
Non-Executive Director



Drs. Pieter Kooi
Independent Director



Ms. Phurik Ratana
Independent Director



Dr. Heng Dyna
Independent Director

Message from Chairman

On behalf of ACLEDA BANK PLC. ("ACLEDA BANK") and the Board of Directors, I am pleased to present the first-quarter report for 2024 of ACLEDA BANK and its subsidiaries ("the Group") for the period starting from 1 January 2024 to 31 March 2024, to all stakeholders.

In the first quarter of 2024, the global economy had continued to exhibit signs of slowing growth, with the manufacturing sector persisting in weakness despite an uptick in services activities. High inflation, the ongoing Russia-Ukraine war, the Israel-Hamas conflict in the Middle East, and persistent geopolitical tension had contributed to this sense of caution. Meanwhile, ASEAN economies were projected to grow at 4.6% in 2024, marking an improvement from the experienced slow growth of 4.2% last year. This growth had occurred amid the backdrop of a global economic slowdown, persistent high inflation, and tighter financial conditions.

At the same time, Cambodia's economic recovery has demonstrated commendable progress. The positive trajectory has been chiefly fueled by notable trade performance, with significant export growth observed in the garment and agricultural sectors. Private investment has also exhibited positive growth. In addition, increased government expenditure, coupled with a resurgence in domestic consumption, has played a crucial role in supporting the overall economy. Particularly noteworthy is the substantial recovery observed in the tourism sector, further buoyed by an upswing in both domestic and foreign tourist numbers. These factors have played a pivotal role in fortifying the ongoing economic revival.

Meanwhile, According to the National Bank of Cambodia Annual Report 2023, Cambodia's banking system continued to expand in terms of assets, deposits, and loans, with increases of 8.6%, 13.1%, and 4.8% respectively. It underwent development and modernization, aiming to become more effective, secure, and affordable. This progress facilitated the increased usage of digital payments, including debt and credits, remittances, e-payments, and more.

During the first quarter of 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, as well as receiving certificates of appreciation and other awards from national and international institutions. Additionally, ACLEDA BANK is progressively introducing QR code payment in order to provide a convenient payment service to overseas tourists. 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 has adopted "WeChat" since February 2024, "WeChat" provided by Tenpay Payment Technology Co. Ltd., will facilitate payment via dedicated POS terminals at member stores of ACLEDA mobile, ACLEDA BANK's mobile payment service.

ACLEDA BANK has continuously improved many functions of self-service operations on **ACLEDA mobile**, QR codes, ATMs, and POSs in line with the customers' needs and the evolution of digital technology. In the meantime, ACLEDA BANK expanded its **196 self-service banking (62 locations in Phnom Penh and 134 locations in the provinces)** adding to its existing **264** branches across the country. ACLEDA BANK has equipped **1,420** ATMs, **5,041** 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 areas throughout the country. By the end of the first quarter of 2024, ACLEDA BANK had more than **0.37** million business partners and **3.5** million **ACLEDA mobile** subscribers.

At the end of the first quarter of 2024, the Group's total assets and total loan assets increased by **US\$325.25** million or **3.34%** and **US\$72.46** million or **1.09%** respectively compared to the year ended 2023.

The Group (for January, February, and March 2024) reaped a profit of **US\$26.54** million whilst Return on Average Assets (ROAA) was **0.27%** and Return on Average Equity (ROAE) was **1.92%**.

Finally, I would like to express my heartfelt appreciation to all stakeholders for their ongoing cooperation and support for ACLEDA BANK.



Phnom Penh, 10 May 2024
Signature and seal

A handwritten signature in blue ink, appearing to read "Chhay Soeun", is written over a horizontal line.

Mr. Chhay Soeun

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PART 1. General Information of the Listed Entity

A. Identity of the Listed Entity

Entity Name in Khmer	ធនាគារ អេស៊ីលីដា ភីអិលស៊ី
In Latin	ACLEDA BANK PLC.
Standard Code	KH1000100003
Address	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 Regulator of Cambodia "SERC" (Previously known as the Securities and Exchange Commission of Cambodia "SECC")
Representative of the listed entity:	Dr. In Channy

B. Nature of Business

ACLEDA BANK is a commercial bank with the largest branch and office network in the Kingdom of Cambodia. It is the first commercial bank listed on the CSX on 25 May 2020. 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.

C. Quarter's Key Events

- 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.

PART 2. Information on Business Operation Performance

A. Business Operation Performance including business segments information

▪ Banking Sector's Performance:

As of March 2024, there were 59 commercial banks (28 local incorporated banks, 20 subsidiary banks, and 11 foreign branch banks), 09 specialized banks (04 locally Incorporated and 05 foreign Banks), 87 microfinance institutions (04 MDIs and 83 MFIs), 16 leasing companies, 5 Representative Offices of Foreign Banks in Cambodia, 33 payment service institutions, 114 rural credit operator, and 2,928 Money Exchanger. (Source: NBC Report, CMA Report, Actually Updated)

▪ ACLEDA BANK's Business Operation Performance and Market Share in Banking Sector:

As of February 2024, ACLEDA BANK maintained market share on deposit and loan of 14.67% and 12.10% respectively.

As of March 2024, the main keys performances of the Bank and its subsidiaries are as follows:

Key Performance	Actual Data		
	Quarter 1 – 2024	2023	2022
Loan			
Number of Loans	670,720	661,941	591,494
Total Loan Outstanding (Million KHR)	27,194,993	27,195,120	26,437,928
Deposit			
Number of Accounts	4,761,637	4,550,582	3,865,749
Deposit Balances (Million KHR)	30,861,755	29,525,616	26,303,475

Key Performance	Actual Data		
	Quarter 1 – 2024	2023	2022
E-Banking Product/Channel			
ATM Card			
Number of Cards	1,915,495	1,939,098	1,799,909
Number of Txns	4,643,814	19,851,801	21,058,609
Value of Txns (Million KHR)	4,611,642	17,145,411	18,683,335
ACLEDA mobile			
Number of Registers	3,693,275	3,451,606	2,845,886
Number of Txns	161,145,868	373,036,336	148,799,661
Value of Txns (Million KHR)	150,265,520	383,043,596	206,660,262
ACLEDA INTERNET BANKING			
Number of Users	25,446	24,825	22,164
Number of Txns	1,143,065	3,529,209	2,318,789
Value of Txns (Million KHR)	8,823,774	26,529,381	26,158,705
ACLEDA E-CMMERCE			
Number of Partners	106	88	73
Number of Txns	906,438	3,983,167	3,619,936
Value of Txns (Million KHR)	659,627	2,019,001	1,804,136
ACLEDA ATM & CRM			
Number of Terminals	1,341	1,314	1,114
Number of Txns	16,780,255	41,554,993	35,298,214
Value of Txns (Million KHR)	21,621,514	46,801,982	39,160,976
Term Deposit Machine			
Number of Terminals	26	26	26
Number of Txns	54	304	1,487
Value of Txns (Million KHR)	1,981	16,143	111,134
Virtual Teller Machine			
Number of Terminals	96	96	43
Number of Txns	39,336	130,987	43,089
Value of Txns (Million KHR)	0.53	5	16
Cash Bag Deposit Machine			
Number of Terminals	17	17	17
Number of Txns	21,774	88,908	75,020

Key Performance	Actual Data		
	Quarter 1 – 2024	2023	2022
Value of Txns (Million KHR)	102,541	506,550	571,098
ACLEDA POS			
Number of Terminals	5,041	4,728	4,358
Number of Txns	566,466	1,900,400	2,159,175
Value of Txns (Million KHR)	195,632	614,403	591,603
QR Merchant			
Number of Merchants	420,804	382,217	239,751
Number of Txns	60,809,259	110,148,848	16,459,377
Value of Txns (Million KHR)	24,604,889	63,175,720	7,777,491
ACLEDA Virtual Card			
Number of Virtual Cards	30,938	27,106	8,898
Number of Txns	138,098	182,376	34,907
Value of Txns (Million KHR)	13,931	18,818	3,018
i-bank PayBand			
Number of PayBands	10,590	10,603	4,960
Number of Txns	1,435	12,710	18,742
Value of Txns (Million KHR)	2,788	14,511	31,762
Network Operations and Staffs			
ACLEDA BANK PLC.			
Number of Branch Operations	264	264	264
Number of Self-Services Banking	196	177	125
Number of Staffs	12,069	12,045	12,083
Subsidiaries (Local & Overseas)			
Number of Branch Offices	56	56	56
Number of Staffs	1,450	1,458	1,499

B. Revenue Structure

№	Source of Revenue (in KHR million)	Quarter 1 – 2024		Quarter 1 – 2023		Quarter 1 – 2022	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	795,701	92.18%	750,752	90.81%	638,041	89.90%
2	Fee and commission Income	44,196	5.12%	47,335	5.73%	47,506	6.69%
3	Other Income, net	23,323	2.70%	28,683	3.47%	24,149	3.40%
Total revenue		863,220	100%	826,770	100%	709,696	100%

PART 3. Financial Statements Audited by the External Auditor

Please refer to the Annex

For Financial Statements Audited by the Independent Auditor

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

The discussion and analysis focused on the operational and financial results based on the Interim Financial Statements as at 31 March 2024 audited by the Independent Auditor. The Interim Financial Statements have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”). Only the key components of the Interim Financial Statements and key factors that affect the profitability of ACLEDA BANK PLC. and its subsidiaries (“the Group”) were discussed and analysed.

A. Overview of Operations

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 includes commission fees, Commission fee collected for assurance agency, ATM fee, early loan redemption fees, Deposit fee charged, Fee income from guarantee and training income.
- Other Income, net, includes foreign exchange gain, net, gain on disposals of property and equipment, dividend on financial investments and other income.

2- Revenue by segment analysis

No	Source of Revenue (in KHR million)	Quarter 1 – 2024		Quarter 1 – 2023		Quarter 1 – 2022	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	795,701	92.18%	750,752	90.81%	638,041	89.90%
2	Fee and commission Income	44,196	5.12%	47,335	5.73%	47,506	6.69%
3	Other Income, net	23,323	2.70%	28,683	3.47%	24,149	3.40%
Total revenue		863,220	100%	826,770	100%	709,696	100%

In Q1 2024, Total Revenue increased by KHR36.45 billion or 4.41% compared to Q1 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)	Quarter 1 2024	Quarter 1 2023	Variance	
			Amount	Percentage
Interest Income	795,701	750,752	44,949	5.99%
Interest expense	(358,400)	(307,887)	(50,513)	16.41%
Net interest income	437,301	442,865	(5,564)	(1.26%)
Fee and commission income	44,196	47,335	(3,139)	(6.63%)
Fee and commission expense	(5,579)	(2,601)	(2,978)	114.49%
Net fee and commission income	38,617	44,733	(6,116)	(13.67%)
Allowances for impairment losses on loans and advances, deposits and placements with other banks, other receivables and investment securities	(74,957)	(41,635)	(33,322)	80.03%
Allowances for impairment losses on off-balance sheet commitments	(166)	(7)	(159)	2,271.43%
Net impairment losses	(75,123)	(41,642)	(33,481)	80.40%
Income after impairment losses	400,795	445,956	(45,161)	(10.13%)
Other income, net	23,323	28,683	(5,360)	(18.69%)
Other operating expenses	(289,219)	(283,294)	(5,925)	2.09%
Profit before income tax	134,900	191,345	(56,445)	(29.50%)

The Increase in customer confidence in the Group, the deposit as of March 2024 grew to KHR30.86 trillion which increased by KHR1.34 trillion or 4.53% 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 Group increased the allowance for impairment losses by KHR33.32 billion comparing to the Q1 2023.

5- Profit/ (Loss) after tax analysis

Statement of Profit or loss (in KHR million)	Quarter 1 2024	Quarter 1 2023	Variance	
			Amount	Percentage
Profit before income tax	134,900	191,345	(56,445)	(29.50%)
Income tax expense	(26,784)	(33,920)	7,136	(21.04%)
Profit for the period	108,116	157,424	(49,308)	(31.32%)

6- Total comprehensive income (loss) analysis

Total comprehensive income (in KHR million)	Quarter 1 2024	Quarter 1 2023	Variance	
			Amount	Percentage
Profit for the period	108,116	157,424	(49,308)	(31.32%)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Exchange differences	(61,558)	(84,065)	22,507	26.77%
Items that are or may be reclassified subsequently to profit or loss:				
Currency translation differences-foreign subsidiaries	(6,943)	(2,263)	(4,680)	(206.81%)

Total comprehensive income (in KHR million)	Quarter 1 2024	Quarter 1 2023	Variance	
			Amount	Percentage
Remeasurement of the effective portion of derivatives arising from cash flow hedge	505	(3,190)	3,695	115.83%
Other comprehensive loss for the period	(67,997)	(89,518)	21,521	24.04%
Total comprehensive income for the period	40,119	67,906	(27,787)	(40.92%)

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 half a million 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. The Cambodia's growth outlook is expected to continue to recover as COVID-19 related restrictions are lifted.

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 320 offices, gradually transforming them to self-service centres with 196 banking self-service, 1,341 **ACLEDA ATM & CRM**, 26 **Term Deposit Machine**, 96 **Virtual Teller Machine**, 17 **Cash Bag Deposit Machine** and 5,041 **POS** terminals. It's interesting to note that the Group issued 1.92 million **ACLEDA ATM** cards to its customers. Meanwhile, the digitized **ACLEDA mobile** has proved very popular which number of

registered users has reached 3.69 million users as at the end of March 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 (current, saving 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 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 result the Group loan quality 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 the first quarter of 2024 increased by KHR514.65 billion or 1.93% compared to the end of the first quarter of 2023.

D. Impact of Foreign Exchange, Interest Rates and Commodity Prices

For the first quarter of 2024, the KHR exchange rate against the US dollar ranged between 4,050-4,107 per US dollar, appreciated slightly if compare to the same period last year (between 4,055-4,116 per US dollar). The KHR's appreciation can be attributed in part to increased economic activity, particularly in tourism and other services, which has resulted in higher demand for the KHR. Looking ahead, the KHR value is expected to remain stable in line with market demand and supply trends, economic activity recovery, public confidence in the use of the KHR, and the National Bank of Cambodia's continued

implementation of monetary policy and maintenance of the KHR exchange rate to stabilize the national currency's price and purchasing power parity.

Regarding to ACLEDA BANK, the Bank has measured, monitored and managed on a daily basis, operates within proper and enough open currency position, follows the regulatory requirements of the NBC and its internal risk policies, hence, there has been no material impact to the bank.

In terms of interest rates, both local and international markets have remained stable, even if at a somewhat elevated level. These were combined with five straight suspensions of rate hikes as of the US Federal Reserve's March 2024 policy meeting, which followed the decline in US inflation. Furthermore, Federal Reserve officials have predicted a rate drop in the third quarter of 2024. However, there has been no material impact on ACLEDA BANK because the bank has been operating almost entirely by matching both sides of asset and liability on a fixed interest rate basis, and the bank has been monitoring on a regular basis to ensure that appropriate and timely action is taken to avoid the impacts on its business.

For commodity prices, the Bank does not provide such services, so there is no impact on the Bank.

E. Impact of Inflation

The average annual inflation rate is predicted to remain around 2.5% in 2024 as fuel prices fall and food prices slow. However, uncertainties such as geopolitical, economic, and political conflicts may lead inflation to rise, as indicated by market demand and supply considerations. However, the bank's operations have not directly tied to inflation levels. As a result, the impact is both limited and manageable.

F. Economic / Fiscal / Monetary Policy of Royal Government

▪ Economic Policy:

The National Bank of Cambodia (NBC) has reported that for Cambodia 2023, the economy is expected to grow by 5.5%, supported by strong growth in tourism and growth in non-garment manufacturing:

- (1) Tourism grew at a good rate of 19.8%, with the number of international visitors reaching 5.5 million.
- (2) The manufacturing sector grew at a rate of 7.4%, with manufacturing products for export up 4.3%, especially non-garment products such as electronics increased 1.3 times and vehicles and vehicle accessories increased 3.2 times while manufacturing products for the domestic market decreased by 7%.
- (3) The agricultural sector grew by 1.1%, supported by growth in rice, rubber and fisheries sub-sectors.
- (4) The construction and real estate sectors continued to grow at a slower pace of 1.1% and 0.5%, respectively.
- (5) Cambodia's balance sheet is estimated to have a surplus of USD 226.1 million, supported by a net inflow of financial accounts, while current and capital balances have shifted from deficit to surplus. The surplus contributed to the increase in international reserves to 20 billion US dollars, equivalent to seven months of imports of goods and services for the next period, higher than the minimum for developing countries (3 months).

Meanwhile, ministry of economics and finance also forecasts that the Cambodian economy's growth is projected to reach 5.6%, as projected earlier this year, but some sub-sectors that support growth have changed. Consequences of the Russia-Ukraine War, the China-US Trade and Technology War, and the Continuation of Monetary Policy Tensions in Developed Countries are causing global economic outlook remains highly uncertain and puts pressure on the non-garment manufacturing sub-sector and the recovery of the hotel and restaurant sub-sector and other support sectors with including wholesale, retail and transportation to contribute to support economic growth for 2023. ^{(1), (2)}

Refer to the release news with some well-known institutions still predict the Cambodia's GDP 2023. The Asian Development Bank (ADB), Cambodia's economy is forecast to grow at 5.8% in 2024 and 6% in 2025, fueled by a further rebound in tourism and strong manufacturing prospects, according to the latest

edition of the Asian Development Bank's (ADB) flagship economic report. The International Monetary Fund (IMF), IMF forecasted GDP for Cambodia is 5% for 2023 and 6% for 2024 according to the post on their website (World Economic Outlook). (WB) In 2024, WB forecasted GDP for Cambodia is 5.8% for 2024 and 6.1% for 2025 according to the post on their website (Global Economic Prospect).^{(3), (4), (5)}

■ **Fiscal Policy:**

For 2023, the General Department of Taxation has set out the following important measures and strategies such as:

- (1) Continue to pay attention and strengthen the implementation of work in accordance with the recommendations of **His Excellency the Deputy Prime Minister, Minister of Economy and Finance** as the implementation direction for 2023 of the General Department of Taxation at the meeting to summarize the results of tax collection in 2022 on 31 January 2023.
- (2) Implement the action plan to disseminate the new tax law to the public taxpayers and continue to update tax regulations in accordance with the new tax law.
- (3) Continue to strengthen the provision of consulting services and dissemination of tax laws and regulations in all forms, especially the provision of telephone consulting services (Call Center-1277) and organizing the "Cambodian Tax" program (GDT Facebook Live) to explain and solve the difficulties and questions of the people.
- (4) Organize a workshop with the Young Entrepreneurs Association under the chairmanship of **HE Dr. HUN Manet** on topics related to fiscal compliance during June or July 2023.
- (5) Request to cooperate with the Ministry of Commerce on strengthening the registration of new enterprises, as well as strengthening the efficiency and role of the business registration agency.
- (6) Continue to strengthen the management of tax collection, transparency and free competition in the production of beverages and tobacco products and tobacco to ensure the sustainability of tax revenue, which is the benefit of the national budget.
- (7) Establish a digital administration (E-Administration) operating system and support infrastructure to allow fiscal administration to perform hierarchical tasks using digital formats and ensure speed and efficiency in the performance of work.
- (8) Continue to implement measures to collect and tighten tax debts in accordance with the procedures in force for enterprises that owe tax debts and do not come to pay or settle properly.
- (9) Continue to strengthen tax registration and update enterprise information, and continue to work together to improve and promote the business registration of information technology (CamDX) to be more efficient and comprehensive.
- (10) Continue to disseminate and strengthen the implementation of billing rules among taxpayers and the GDT Lucky Draw program to increase public participation to ensure efficiency and transparency in the management of tax revenue collection.
- (11) Continue to strengthen the management of the enterprise, request for a temporary suspension or request for reopening and/suspend or activate the VAT certificate.
- (12) Continue to strengthen and pay attention to the request to close the enterprise permanently and strengthen the audit work for the enterprise requesting the closure.
- (13) Continue to participate in the anti-money laundering and terrorist financing and genocide financing framework with the National Coordinating Committee against anti-money laundering and terrorist financing and genocide financing and the Sub-Committee on the Implementation of the Joint Action Plan of the Asia-Pacific Joint Monitoring Group on International Cooperation.
- (14) Continue to modernize information technology systems and programs with a proactive spirit through the development and updating of new systems and programs to promote the level of tax compliance by making it easier to fulfill tax obligations but it is difficult to distinguish through the continuous development of some functions through the user received from all environments to be more comprehensive and easy to use.

- (15) Continue to implement additional measures of the Royal Government to continue to manage the impact and support the recovery of tourism in the Kingdom of Cambodia in order to continue to reduce the impact on the socio-economic situation, as well as continue to support and restore with recovery business.
- (16) Implement the Royal Government's measures to support the development of the construction and real estate sector to maintain the stability of the construction and real estate sector, which is considered a priority sector to support overall economic growth.
- (17) Continue to implement the necessary measures as set out in the Circular on the Implementation of the Law on Finance for Management 2023 and continue to implement carefully the revenue collection strategy 2019-2023. ⁽⁶⁾

As of 12 months of 2023, the tax revenue collected by the General Department of Taxation according to the online revenue management system of the General Department of Taxation was 14,629.10 billion riels (approximately 3,612.12 million US dollars), equivalent to 101.13% of the Financial Law Plan for Management 2023. The results of tax revenue management show that in December 2023, all types of tax revenue collected by the General Department of Taxation through the online revenue management system of the General Department of Taxation amounted to 1,072.31 billion riels (approximately 264.77 million US dollars), equivalent to 7.41% Of the Financial Law Plan for Management 2023. ⁽⁷⁾

■ **Monetary Policy:**

For year 2023, the National Bank of Cambodia has set 5 monetary policy implementations to support the royal government's policy for restoring economic growth such as:

- (1) Managing monetary supply at an appropriate level;
- (2) Maintaining a stable exchange rate to contribute to the price stability and public trust;
- (3) Pushing the use of the riel through market mechanisms;
- (4) Develop new monetary policy tools; and
- (5) Promoting the development of the interbank market in order to improve the effectiveness of monetary policy. ⁽⁸⁾

Reference:

- (1) https://www.nbc.gov.kh/download_files/publication/annual_rep_kh/Annual_Report_2023_KHM.pdf
- (2) <https://mef.gov.kh/documents/9273/> Release on 04-Aug-2023
- (3) <https://www.adb.org/news/cambodia-economic-growth-accelerate-2024-fueled-manufacturing-and-tourism>
- (4) <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>
- (5) <https://www.worldbank.org/en/publication/global-economic-prospects>
- (6) <https://www.tax.gov.kh/u6rhf7ogbi6/gdtstream/4a00be95-27f8-48cb-a476-f3b7dcdcf2a6>
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- (8) https://www.nbc.gov.kh/download_files/publication/annual_rep_kh/Semi%20Annual%20Report%202023%20Publish_KHM.pdf

Signature of Directors of Listed Entity
 Phnom Penh, 10 May 2024
 Read and Approved

Mr. Chhay Soeun
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