

អេស៊ីលីដា
ACLEDA BANK



THE THIRD
QUARTERLY REPORT

AS OF 30 SEPTEMBER 2024

Financial Highlight

Financial Position (in KHR million)	Quarter 3 – 2024	2023	2022
Total assets	42,851,918	39,804,405	37,181,299
Total liabilities	37,021,363	34,158,850	31,760,660
Total equity	5,830,555	5,645,555	5,420,639
Profit/(Loss) (in KHR million)	Quarter 3 – 2024	Quarter 3 – 2023	Quarter 3 - 2022
Total revenue	887,663	857,787	776,536
Profit/ (Loss) before Tax	93,825	206,249	254,025
Profit/ (Loss) after Tax	75,994	164,718	203,016
Total Comprehensive Income	6,025	146,253	268,761
Financial Ratios (%)	Quarter 3 – 2024	2023	2022
Solvency ratio	18.31%	18.45%	19.25%
Debt to equity ratio	634.95%	605.06%	585.92%
Liquidity Coverage ratio	273.50%	180.13%	154.96%
Nonperforming loans ratio ^(*)	5.91%	5.77%	2.90%
Loan to deposit ratio	84.73%	92.11%	100.51%
Book value per share (KHR)	13,404	12,977	12,456
	Quarter 3 – 2024	Quarter 3 – 2023	Quarter 3 - 2022
Return on average assets (ROAA) ^(**)	0.18%	0.42%	0.59%
Return on average equity (ROAE) ^(**)	1.31%	3.02%	4.01%
Interest Coverage ratio (Times)	1.26	1.60	2.09
Earnings per share (KHR)	175.02	380.96	468.87
Dividend per share	N/A	N/A	N/A
Other Important Ratios	N/A	N/A	N/A

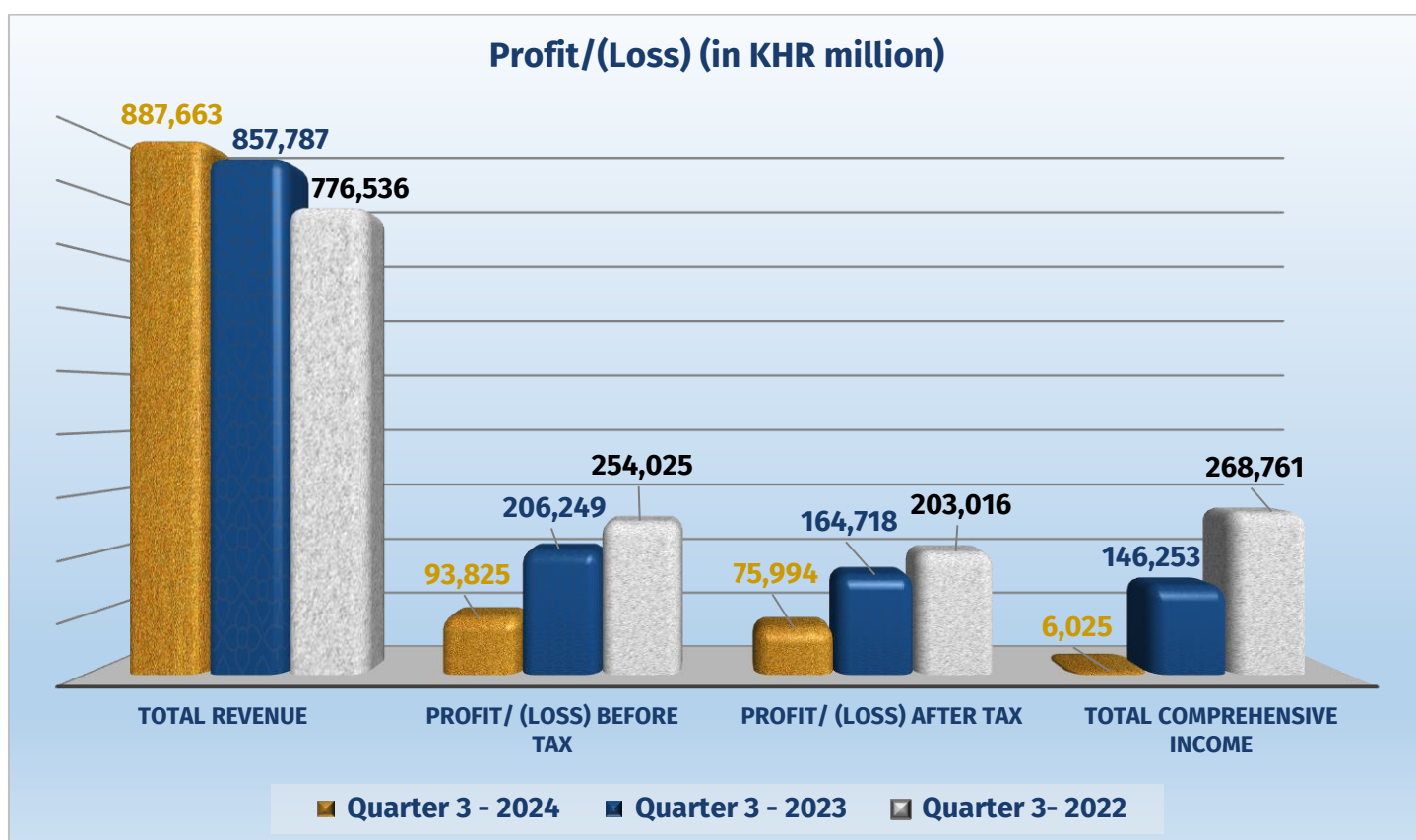
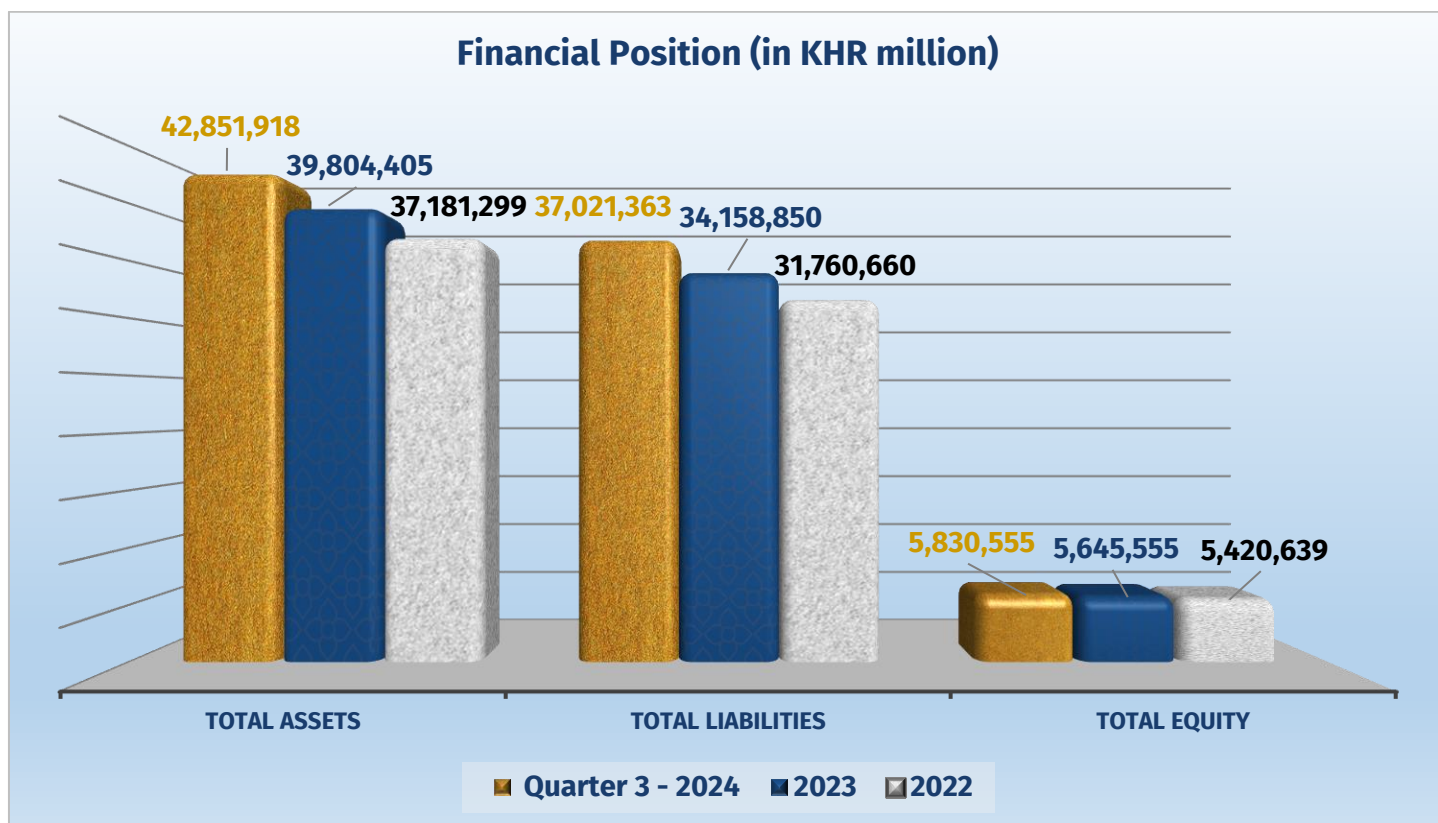
(*) Non-performing loan ratio = Contractual Principal Balance of Non-Performing Loan/Total Contractual Loan Principal Balance

(**) . These ratios are not annualized and were calculated using the three-month period of profit attributable to owners of the Bank figures from 01 July to 30 September 2024.

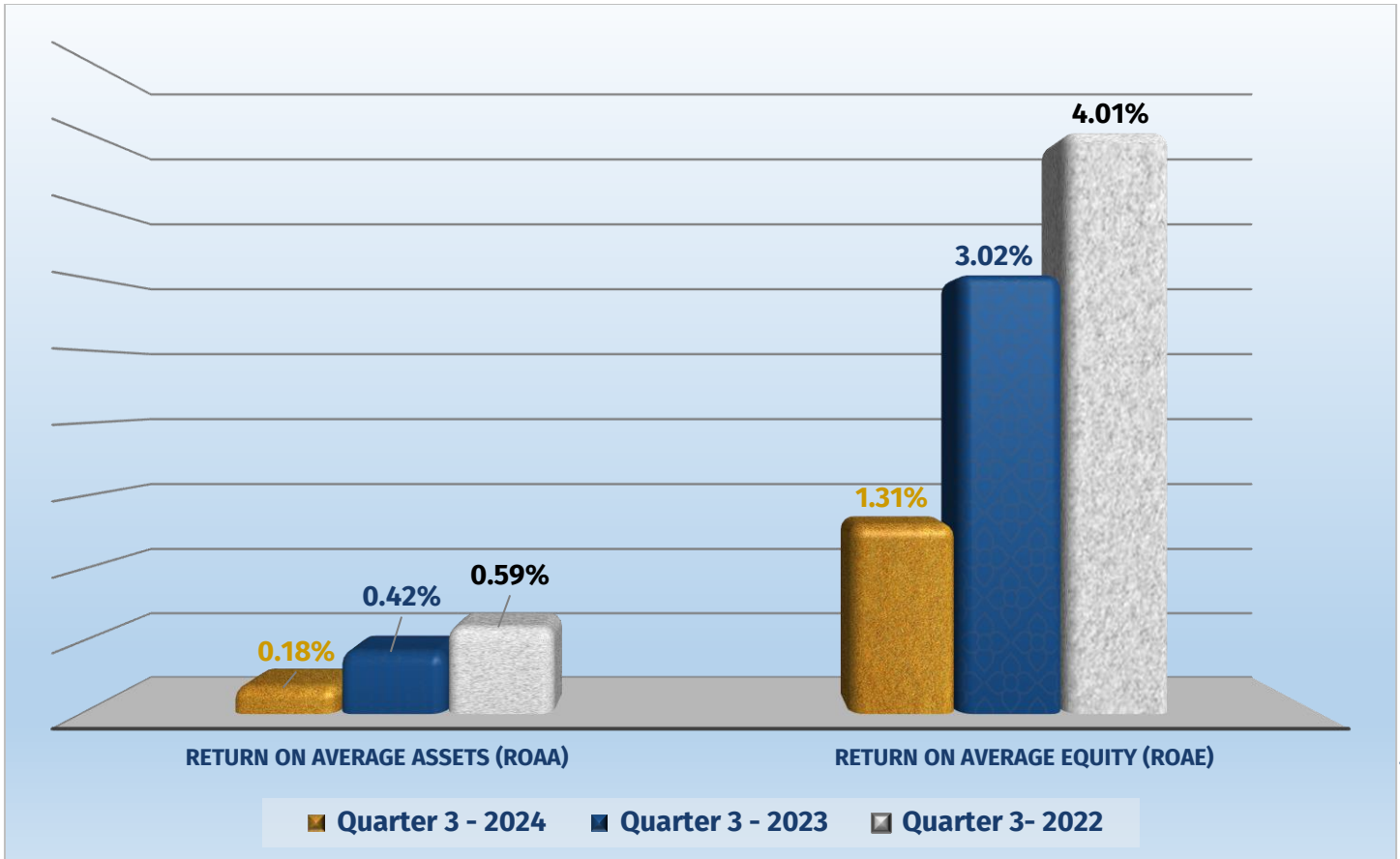
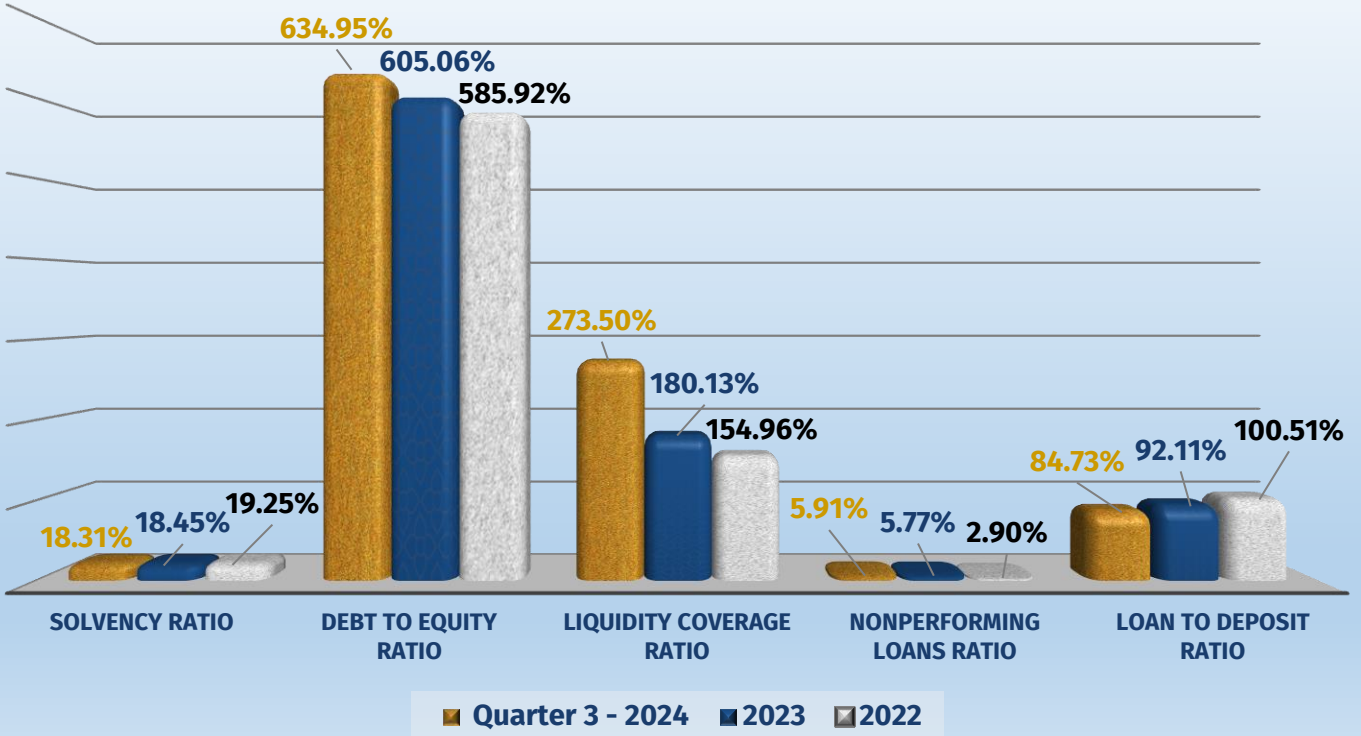
. ROAA = profit for the period attributable to owners of the Bank / average total assets.

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

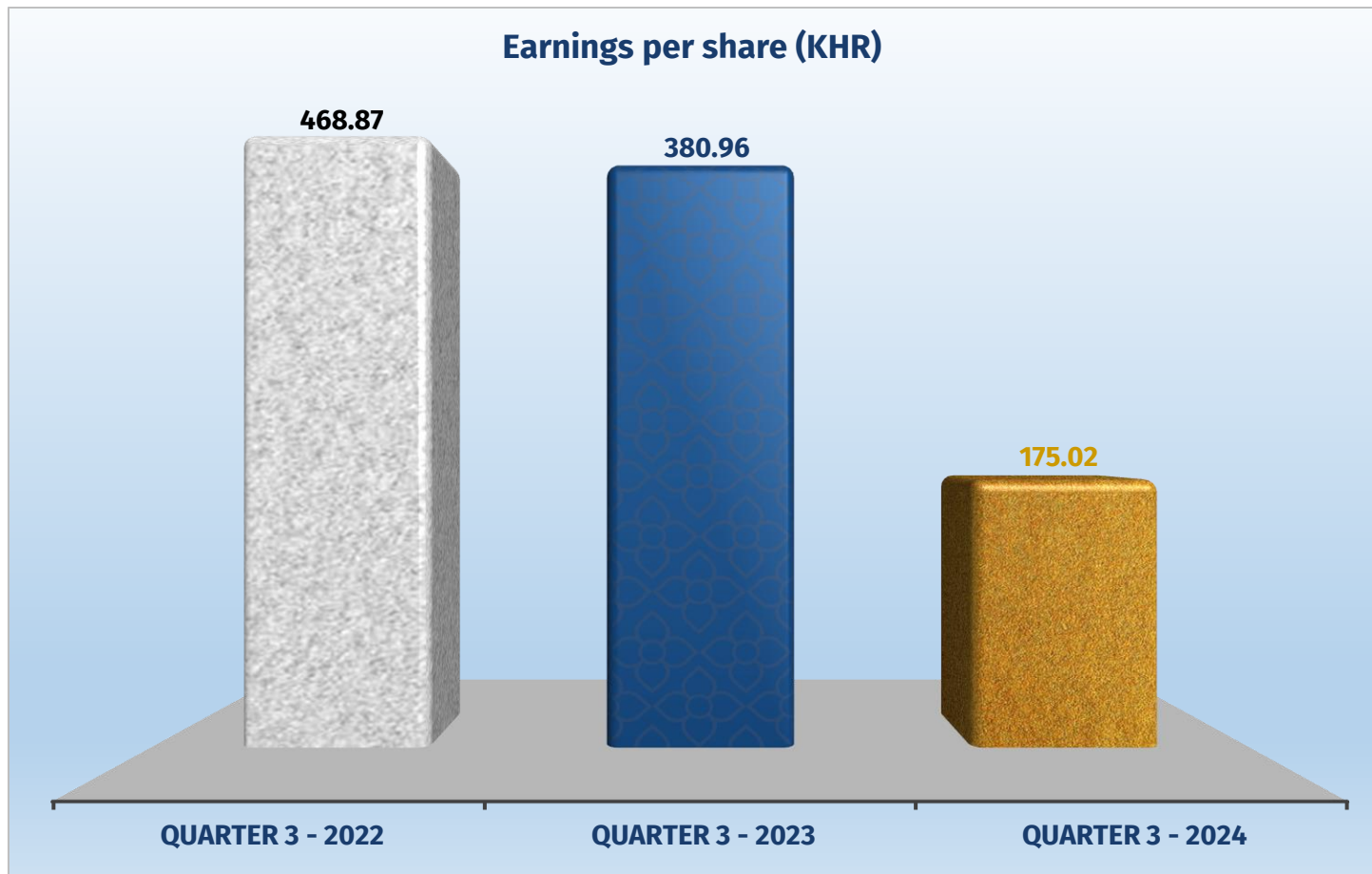
Financial Summary Charts



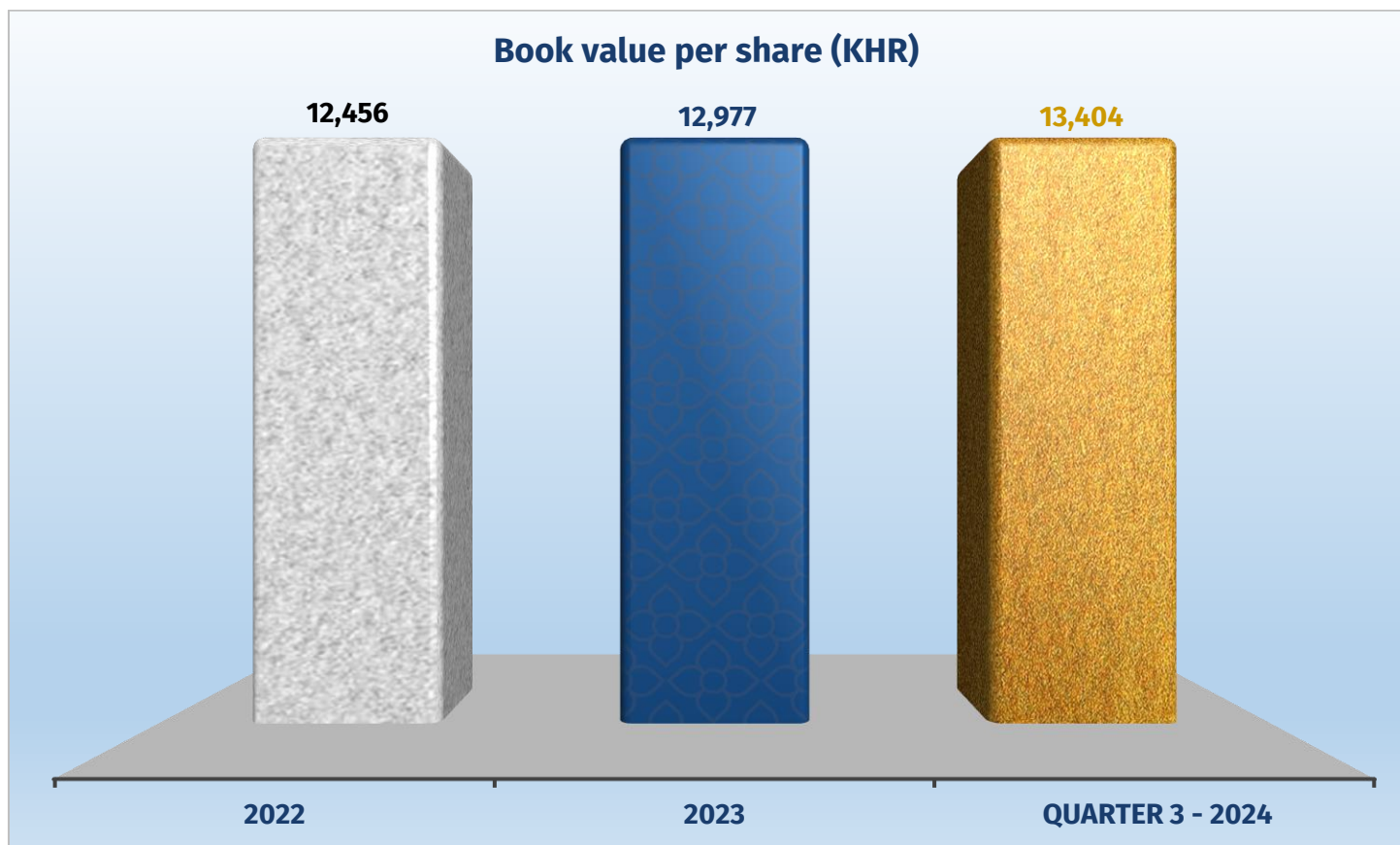
Financial Ratios (%)



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



Drs. Pieter Kooi
Independent Director



Ms. Phurik Ratana
Independent Director



Mr. Kay Lot
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 third quarterly report for 2024 of ACLEDA BANK and its subsidiaries ("the Group") for the period starting from 01 July 2024 to 30 September 2024, to all stakeholders.

Despite ongoing geopolitical concerns and high level of uncertainty, the global economy demonstrated resilience, with both the manufacturing and services sectors expanding in June. Growth in the third quarter was mixed but remained solid worldwide. In the United States, third-quarter growth reached 3.4%, up from 3% in the second quarter of 2024, largely driven by strong consumer spending, non-residential investment, and inventory accumulation. Japan's economy was undergoing a gradual recovery, primarily supported by the service sector, while its manufacturing and export sectors continue to struggle. China's economy slowed further in the third quarter of 2024, with a growth rate of 4.6%, down from 4.7% in the second quarter. This deceleration is attributed to weakened manufacturing and services activities, subdued domestic consumption and investment, a still-fragile labor market, and ongoing challenges in the real estate sector. The Eurozone, however, faced headwinds from a sharper contraction in manufacturing activity, reduced fiscal stimulus, sluggish credit growth, and persistently weak private consumption due to a slowing labor market and declining economic confidence. ASEAN economies are projected to grow by 4.6% in 2024, an improvement from last year's 4.2% growth, fueled by strong consumption, increased investment, a sustained tourism recovery, and a rebound in electronic exports.

Simultaneously, Cambodia's economic recovery has made significant progress. The upward trend has been driven mostly by strong trade performance, with significant export growth in the textile, footwear, travel, and agriculture sectors, as well as resilience export growth in non-garment sector, stable private investment, and a robust recovery in the tourism sector.

Cambodia's banking system remains stable and continues to expand, marked by strong capital reserves and high liquidity levels. This stability and growth are the result of the Royal Government's sustained attention through the implementation of prudent micro and macroeconomic regulations, coupled with regular inspections of banking and financial institutions aimed at strengthening their operations. Additionally, the development and modernization of efficient and innovative payment systems have been key in advancing the financial sector, supporting the growth of the digital economy, and promoting financial inclusion in line with government policies.

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 self-service banking areas to **202 locations (63 locations in Phnom Penh and 139 locations in the provinces)** adding to its existing **264** branches across the country. ACLEDA BANK has equipped **1,418** ATMs, **5,279** POS machines, and QR codes based on customers' requests for transactions of transfers and settlements in markets, shops, hotels, restaurants, educational institutions, hospitals, travel agencies, gas stations, and other areas throughout the country. By the end of the third quarter of 2024, ACLEDA BANK had more than **3.96** million **ACLEDA mobile** registers, especially among those the Bank had **0.46** million business partners. In addition, the Bank has signed a number of Memoranda of Understanding with public and private institutions in order to expand the scope and facilitate the payment of goods and services.

At the end of the third quarter of 2024, the Group's total assets and total loan assets increased by **US\$808.02** million or **8.29%** and **US\$219.77** million or **3.30%** respectively compared to the year ended 2023.

The Group (for July, August, and September 2024) reaped a profit of **US\$18.54** million whilst Return on Average Assets (ROAA) was **0.18%** and Return on Average Equity (ROAE) was **1.31%**.

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



Phnom Penh, 07 November 2024
Signature and seal

Mr. Chhay Soeun

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PART 1. General Information of the Listed Entity

A. Identity of the Listed Entity

Entity Name in Khmer	ធនាគារ អេស៊ីលីដា ភីអិលស៊ី
In Latin	ACLEDA BANK PLC.
Standard Code	KH1000100003
Address	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. ACLEDA BANK 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 Co., Ltd. and 1 representative office in Myanmar.

C. Quarter's Key Events

- 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 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 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 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 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 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.

PART 2. Information on Business Operation Performance

A. Business Operation Performance including business segments information

▪ Banking Sector's Performance:

As of September 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), 88 microfinance institutions (04 MDIs and 84 MFIs), 14 leasing companies, 5 Representative Offices of Foreign Banks in Cambodia, 33 payment service institutions, 115 rural credit operator, and 3,350 Money Exchanger. (Source: NBC Report, CMA Report, Actually Updated)

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

As of August 2024, ACLEDA BANK maintained market share on deposit and loan of 14.51% and 12.14% respectively.

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

Key Performance	Actual Data		
	Quarter 3 – 2024	2023	2022
Loan			
Number of Loans	714,762	661,941	591,494
Total Loan Outstanding (Million KHR)	27,927,825	27,195,120	26,437,928
Deposit			
Number of Accounts	5,249,653	4,550,582	3,865,749
Deposit Balances (Million KHR)	32,959,941	29,525,616	26,303,475
E-Banking Product/Channel			
ATM Card			
Number of Cards	1,901,727	1,939,098	1,799,909
Number of Txns	13,313,558	19,851,801	21,058,609
Value of Txns (Million KHR)	12,296,509	17,145,411	18,683,335
ACLEDA mobile			
Number of Registers	4,137,971	3,451,606	2,845,886
Number of Txns	615,439,908	373,036,336	148,799,661
Value of Txns (Million KHR)	452,380,502	383,043,596	206,660,262
ACLEDA INTERNET BANKING			
Number of Users	23,533	24,825	22,164
Number of Txns	3,713,016	3,529,209	2,318,789
Value of Txns (Million KHR)	25,941,227	26,529,381	26,158,705
ACLEDA E-CMMERCE			
Number of Partners	126	88	73
Number of Txns	2,513,627	3,983,167	3,619,936
Value of Txns (Million KHR)	1,596,983	2,019,001	1,804,136
ACLEDA ATM & CRM			
Number of Terminals	1,348	1,314	1,114
Number of Txns	51,619,475	41,554,993	35,298,214
Value of Txns (Million KHR)	63,639,640	46,801,982	39,160,976
Term Deposit Machine			
Number of Terminals	26	26	26
Number of Txns	152	304	1,487
Value of Txns (Million KHR)	9,335	16,143	111,134

Unofficial Translation

Key Performance	Actual Data		
	Quarter 3 – 2024	2023	2022
Virtual Teller Machine			
Number of Terminals	96	96	43
Number of Txns	124,991	130,987	43,089
Value of Txns (Million KHR)	1	5	16
Cash Bag Deposit Machine			
Number of Terminals	17	17	17
Number of Txns	66,952	88,908	75,020
Value of Txns (Million KHR)	306,985	506,550	571,098
ACLEDA POS			
Number of Terminals	5,279	4,728	4,358
Number of Txns	2,342,048	1,900,400	2,159,175
Value of Txns (Million KHR)	576,916	614,403	591,603
QR Merchant			
Number of Merchants	524,056	382,217	239,751
Number of Txns	262,599,404	110,148,848	16,459,377
Value of Txns (Million KHR)	95,112,866	63,175,720	7,777,491
ACLEDA Virtual Card			
Number of Virtual Cards	41,515	27,106	8,898
Number of Txns	524,980	182,376	34,907
Value of Txns (Million KHR)	65,653	18,818	3,018
i-bank PayBand			
Number of PayBands	10,540	10,603	4,960
Number of Txns	3,526	12,710	18,742
Value of Txns (Million KHR)	7,017	14,511	31,762
Network Operations and Staffs			
ACLEDA BANK PLC.			
Number of Branch Operations	264	264	264
Number of Self-Services Banking	202	177	125
Number of Staffs	12,035	12,045	12,083
Subsidiaries (Local & Overseas)			
Number of Branch Offices	56	56	56
Number of Staffs	1,490	1,458	1,499

B. Revenue Structure

№	Source of Revenue (in KHR million)	Quarter 3 – 2024		Quarter 3 – 2023		Quarter 3 – 2022	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	815,360	91.85%	781,834	91.15%	701,792	90.37%
2	Fee and commission Income	49,883	5.62%	49,480	5.77%	50,396	6.49%
3	Other Income, net	22,420	2.53%	26,473	3.09%	24,348	3.14%
Total revenue		887,663	100%	857,787	100%	776,536	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 30 September 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 and lease, dividend on financial investments and other income.

2- Revenue by segment analysis

No	Source of Revenue (in KHR million)	Quarter 3 – 2024		Quarter 3 – 2023		Quarter 3 – 2022	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Interest Income	815,360	91.85%	781,834	91.15%	701,792	90.37%
2	Fee and commission Income	49,883	5.62%	49,480	5.77%	50,396	6.49%
3	Other Income, net	22,420	2.53%	26,473	3.09%	24,348	3.14%
Total revenue		887,663	100%	857,787	100%	776,536	100%

In Q3 2024, Total Revenue increased by KHR29.88 billion or 3.48% compared to Q3 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 have been 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 3 2024	Quarter 3 2023	Variance	
			Amount	Percentage
Interest Income	815,360	781,834	33,526	4.29%
Interest expense	(355,952)	(345,044)	(10,908)	3.16%
Net interest income	459,408	436,790	22,618	5.18%
Fee and commission income	49,883	49,480	403	0.81%
Fee and commission expense	(6,150)	(5,327)	(823)	15.45%
Net fee and commission income	43,733	44,153	(420)	(0.95%)
Allowances for impairment losses on loans and advances, deposits and placements with other banks, other receivables and investment securities	(149,694)	(27,670)	(122,024)	441%
Allowance for impairment losses on off-balance sheet commitments	(55)	(2)	(53)	2,650%
Net impairment losses	(149,748)	(27,672)	(122,076)	441.15%
Income after impairment losses	353,393	453,270	(99,877)	(22.03%)
Other income, net	22,420	26,473	(4,053)	(15.31%)
Other operating expenses	(281,988)	(273,494)	(8,494)	3.11%
Profit before income tax	93,825	206,249	(112,424)	(54.51%)

The Increase in customer confidence in the Group, the deposit as of September 2024 grew to KHR32.96 trillion which increased by KHR3.43 trillion or 11.63% 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 KHR122.02 billion comparing to the Q3 2023.

5- Profit/ (Loss) after tax analysis

Statement of Profit or loss (in KHR million)	Quarter 3 2024	Quarter 3 2023	Variance	
			Amount	Percentage
Profit before income tax	93,825	206,249	(112,424)	(54.51%)
Income tax expense	(17,830)	(41,531)	23,701	(57.07%)
Profit for the period	75,994	164,718	(88,724)	(53.86%)

6- Total comprehensive income (loss) analysis

Total comprehensive income (in KHR million)	Quarter 3 2024	Quarter 3 2023	Variance	
			Amount	Percentage
Profit for the period	75,994	164,718	(88,724)	(53.86%)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Exchange differences	(69,998)	(10,756)	(59,242)	(550.78%)
Items that are or may be reclassified subsequently to profit or loss:				
Currency translation differences-foreign subsidiaries	3,433	(8,433)	11,866	140.71%

Total comprehensive income (in KHR million)	Quarter 3 2024	Quarter 3 2023	Variance	
			Amount	Percentage
Remeasurement of the effective portion of derivatives arising from cash flow hedge	(3,404)	724	(4,128)	(570.17%)
Other comprehensive (loss)/income for the period	(69,969)	(18,465)	(51,504)	(278.93%)
Total comprehensive income for the period	6,025	146,253	(140,228)	(95.88%)

7- Factors and trends analysis affecting financial conditions and results

ACLEDA BANK is confident of improving its performance 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.

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 202 banking self-service, 1,348 **ACLEDA ATM & CRM**, 26 **Term Deposit Machine**, 96 **Virtual Teller Machine**, 17 **Cash Bag Deposit Machine** and 5,279 **POS** terminals. It's interesting to note that the Group issued 1.90 million **ACLEDA ATM** cards to its customers. Meanwhile, the digitized **ACLEDA mobile** has proved very popular which number of

registered users has reached 4.14 million registers as at the end of September 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 the third quarter of 2024 increased by KHR848.49 billion or 3.13% compared to the end of the third quarter of 2023.

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

In the third quarter of 2024, the KHR exchange rate against the US dollar ranged between 4,065 to 4,111 per US dollar, reflecting a slight appreciation compare to the same period last year (when it ranged from 4,130 to 4,141 KHR per US dollar). This appreciation is partly due to recovering economic activities, such as tourism, the garment sector, non-garment manufacturing, and other services, which have led to increased demand for the currency. Looking forward, the KHR is expected to remain stable, driven by market demand and supply trends, the gradual recovery of economic activities, growing public confidence in the currency, and support of the National Bank of Cambodia (NBC), which closely monitors and manages the exchange rate to maintain national currency stability, purchasing power, and equality, while continuing to implement 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 September 2024, the US Federal Reserve reduced the target range for the Fed funds rate by 50 basis points, to the range of 4.75%-5%, marking the first rate cut since March 2020. However, this had no significant impact on ACLEDA BANK, as the Bank operates by matching both sides of its assets and liabilities on a fixed interest rate basis, regularly monitoring conditions to take timely 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 is expected by the Ministry of Economy and Finance in July 2024 to be roughly 2.7% in 2024 as domestic demand continues to recover and foreign commodity prices stay constant. However, the Bank's operations have not been directly related to inflation levels. As a result, there was no material impact on banking operations.

F. Economic / Fiscal / Monetary Policy of Royal Government

▪ Economic Policy:

The National Bank of Cambodia (NBC) has reported that economic activity in Cambodia has continued to pick up, supported primarily by the growth of manufacturing, garments, tourism, agriculture and construction:

- (1) The manufacturing sector is expected to grow by 7.3%, driven by 7.7% growth in export-oriented manufacturing products and 6.4% growth in domestic products.
- (2) The tourism sector continued to grow well, with 3.1 million international visitors and 9.7 million domestic tourists, supported by improved regional and global economic connectivity roads and direct flight growth with other countries.
- (3) The agricultural sector, dry season rice, rubber and fishery sub-sectors increased by 21%, 1% and 5.1%, respectively.
- (4) The construction sector, meanwhile, recovered at a slower pace, supported by public physical infrastructure development projects, while the real estate sector continued to weaken, with prices and sales of homes and condominiums falling.
- (5) For the overseas sector, Cambodia's balance of payments wall is estimated at a surplus of USD147.9 million, mainly supported by increased revenue from travel services and foreign direct investment. International reserves remain high at USD20 billion, equivalent to about seven months of imports of goods and services for the next period, higher than the minimum level for developing countries (three months).

At the same time, the Ministry of Economy and Finance also forecast that based on the mid-2024 assessment, the Cambodian economy is projected to grow by 6% compared to the forecast of 6.6% at

the time of drafting the financial law for management in 2024 due to two main factors: (1) the change in the new year of the national accounting (figures), (2) the decline than expected of some growth sectors, especially construction and real estate (Factors of actual economic situation). ^{(1), (2)}

Refer to the release news with some well-known institutions still predict the Cambodia's GDP 2024. The Asian Development Bank (ADB) has maintained its growth forecast for Cambodia at 5.8% for 2024 and 6% for 2025. It has revised down its earlier inflation projection for 2024 from 2% to 0.5%, reflecting the slow increase in food prices and decline in fuel prices in the first half of 2024, according to the Asian Development Outlook (ADO) September 2024. The International Monetary Fund (IMF), the Cambodian economy is projected to grow by 5.5% in 2024, faster than in 2023, but performance is uneven across sectors. Garment and agricultural exports are strong, and tourism is recovering while real estate and construction are undergoing a correction. World Bank (WB) Cambodia's economic activity picked up in the first quarter of 2024, driven by a revival of services and goods exports, and despite subdued domestic demand, according to the World Bank's Cambodia Economic Update. Economic growth is expected to improve marginally to 5.8% in 2024, up from 5.6% in 2023, and should further strengthen by 6.1% in 2025 and 6.4% in 2026 as revival in garment, travel goods, and footwear exports and tourism propel the ongoing recovery. ^{(3), (4), (5)}

▪ **Fiscal Policy:**

For 2024, the General Department of Taxation has set out the following important measures and strategies such as:

- (1) Continue to strengthen the dissemination and careful implementation of tax incentives and facilitation measures for the private sector in the past and within the framework of the 19th Royal Government-Private Sector Forum under the chairmanship **Samdech Thipadei the Prime Minister** on November 13, 2023.
- (2) Continue to prepare and / or update legal documents (announcements, instructions and / or notices) in the implementation of tax incentives and tax facilitation measures laid down by the Royal Government, as well as continue to strengthen prudent practices in accordance with the high recommendations **Samdech Thipadei the Prime Minister** issued in the past to strengthen the quality of services and efficiency.
- (3) Continue to pay high attention to the quality of service and improve its work efficiency in accordance with the high recommendations of **Samdech Thipadei the Prime Minister** and by adhering to the four work approaches of the Ministry of Economy and Finance.
- (4) Continue to promote and accelerate the evolution of fiscal administration and continue to modernize information technology systems and programs with a proactive spirit through the development and updating and development of information technology systems and infrastructure, support and strengthen the capacity of data analysis functions. Further, to further increase the level of fiscal compliance by making it easier to fulfill tax obligations but difficult to avoid by continuing to further develop some of the functions through the input received from users from all walks of life to more comprehensive and easy to implement.
- (5) Continue to organize training for officials and disseminate widely to taxpayers and the public on the "Manual on Tax Procedures and Procedures for Tax Officers and Taxpayers" and the "Manual on Criminal Investigation on Tax Provisions".
- (6) Continue to promote and strengthen the implementation of "GDT e-Administration" and "GDT Check and Track" which will be modern tools to support the provision of convenient taxpayer services. Taxpayers and the public in filing and monitoring administrative documents.
- (7) Continue to disseminate and strengthen the management of property tax collection, property fee tax and transportation tax for 2024.
- (8) Continue to strengthen the transparency and accountability of tax payments of enterprises in the field of beer and non-alcoholic beverages by continuing to strengthen the implementation of security camera mechanisms in breweries and non-alcoholic beverages to be completed in all

enterprises. (Flowmeter) in the production line to the location by the leadership of the General Department of Taxation and the continued strengthening of the performance and presence of officials.

- (9) Continue to strengthen tax registration and update enterprise information and continue to cooperate with the Ministry of Commerce and related institutions to participate in improving and promoting the registration of enterprises in the Information Technology Nursery (CamDX) to be more effective and comprehensive by examining and finding solutions to problems challenges.
- (10) Continue to strengthen cooperation with the private sector, especially within the framework of cooperation with the private sector and the Chamber of Commerce.
- (11) Continue to promote the preparation, negotiation and expansion of the agreement on the elimination of double taxation (DTA) with other countries.
- (12) Continue to prepare legal documents and action plans to support the implementation of tax-related measures such as defined in the National Strategy for Informal Economic Development 2023-2028.
- (13) Continue to disseminate the tax law to the public taxpayers, as well as private sector working groups and associations in all forms, and continue to update tax laws and regulations in accordance with Tax Law.
- (14) Continue to reform human resources by promoting and enforcing the implementation of labor laws and regulations, and be gentle but firm, based on the legal aspects of taxpayer service and tax revenue management.
- (15) Continue to strengthen the provision of consulting services and dissemination of laws and legal documents on all forms of taxation, especially the provision of consulting services by telephone (Call Center-1277) and the organization of "Tax Cambodia" (GDT Facebook Live) to explain and solve the difficulties and questions of the people.
- (16) Continue to strengthen the efficiency and effectiveness of the spokesperson and quick reaction team of the General Department of Taxation and actively participate in the public monitoring and quick reaction team of the Ministry of Economy and Finance to monitor public opinion and disseminate information to the public more clearly to efforts to build the great achievements that the Royal Government has achieved for the motherland. ⁽⁶⁾

As of 9 months of 2024, the tax revenue collected by the General Department of Taxation according to the online revenue management system of the General Department of Taxation was KHR10,689.18 billion (approximately 2,639.30million US dollars), equivalent to 63.38% of the Financial Law Plan for Management 2024. The results of tax revenue management show that in September 2024, 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 KHR989.73 billion. ⁽⁷⁾

■ **Monetary Policy:**

For year 2024, the National Bank of Cambodia has set 6 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) Maintain a stable exchange rate by monitoring and intervening as necessary to contribute maintain price stability and public confidence in the national currency;
- (3) Promote the use and knowledge of the riel;
- (4) Improve and strengthen existing monetary policy instruments and develop new monetary policy instruments;
- (5) Promote the development of interbank markets in order to enhance the effectiveness of monetary policy; and
- (6) Raise awareness of banking and financial institutions on the monetary policy framework and instruments of the National Bank of Cambodia. ⁽¹⁾

Reference:

- (1) https://www.nbc.gov.kh/download_files/publication/annual_rep_kh/Semi_Final_Report_2024.pdf
- (2) <https://mef.gov.kh/documents-category/law-and-regulation/budget/>
- (3) <https://www.adb.org/news/adb-maintains-cambodia-growth-forecast-2024-2025>
- (4) <https://www.imf.org/en/News/Articles/2024/09/30/pr24349-cambodia-imf-staff-completes-2024-article-iv-mission>
- (5) <https://www.worldbank.org/en/news/press-release/2024/06/06/cambodia-s-goods-exports-services-boosting-economic-activity-world-bank-report-says>
- (6) <https://www.tax.gov.kh/u6rhf7ogbi6/gdtstream/caa592e2-898a-4003-93f9-c34e946649a6>
- (7) <https://www.tax.gov.kh/u6rhf7ogbi6/gdtstream/50de5995-7266-4718-a593-d168123a178b>

Signature of Directors of Listed Entity
Phnom Penh, 07 November 2024
Read and Approved



Mr. Chhay Soeun
Chairman





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