

អេស៊ីលីដា  
ACLEDA BANK



**THE FIRST  
QUARTERLY REPORT  
AS OF 31 MARCH 2023**

## Financial Highlight

| Financial Position (in KHR million)             | Quarter 1 – 2023 | 2022             | 2021             |
|---|------------------|------------------|------------------|
| Total assets                                    | 38,253,935       | 37,181,299       | 32,002,298       |
| Total liabilities                               | 32,765,390       | 31,760,660       | 27,092,985       |
| Total equity                                    | 5,488,545        | 5,420,639        | 4,909,313        |
| Profit/(Loss) (in KHR million)                  | Quarter 1 – 2023 | Quarter 1 – 2022 | Quarter 1 - 2021 |
| Total revenue                                   | 826,770          | 709,696          | 634,178          |
| Profit/ (Loss) before Tax                       | 191,345          | 179,682          | 210,693          |
| Profit/ (Loss) after Tax                        | 157,424          | 143,610          | 179,052          |
| Total Comprehensive Income                      | 67,906           | 109,005          | 179,029          |
| Financial Ratios (%)                            | Quarter 1 – 2023 | 2022             | 2021             |
| Solvency ratio                                  | 18.75%           | 19.25%           | 22.36%           |
| Debt to equity ratio                            | 596.98%          | 585.92%          | 551.87%          |
| Liquidity Coverage Ratio                        | 228.21%          | 154.96%          | 155.65%          |
| Nonperforming loans ratio <sup>(*)</sup>        | 3.21%            | 2.90%            | 2.33%            |
| Loan to deposit ratio                           | 96.95%           | 100.51%          | 94.97%           |
| Book value per share (KHR)                      | 12,614           | 12,456           | 11,277           |
|   | Quarter 1 – 2023 | Quarter 1 – 2022 | Quarter 1 - 2021 |
| Return on average assets (ROAA) <sup>(**)</sup> | 0.42%            | 0.44%            | 0.66%            |
| Return on average equity (ROAE) <sup>(**)</sup> | 2.90%            | 2.91%            | 3.99%            |
| Interest Coverage ratio (Times)                 | 1.62             | 1.92             | 2.36             |
| Earnings per share (KHR)                        | 363.03           | 331.29           | 414.56           |
| Dividend per share                              | N/A              | N/A              | N/A              |
| Other Important Ratios                          | N/A              | N/A              | N/A              |

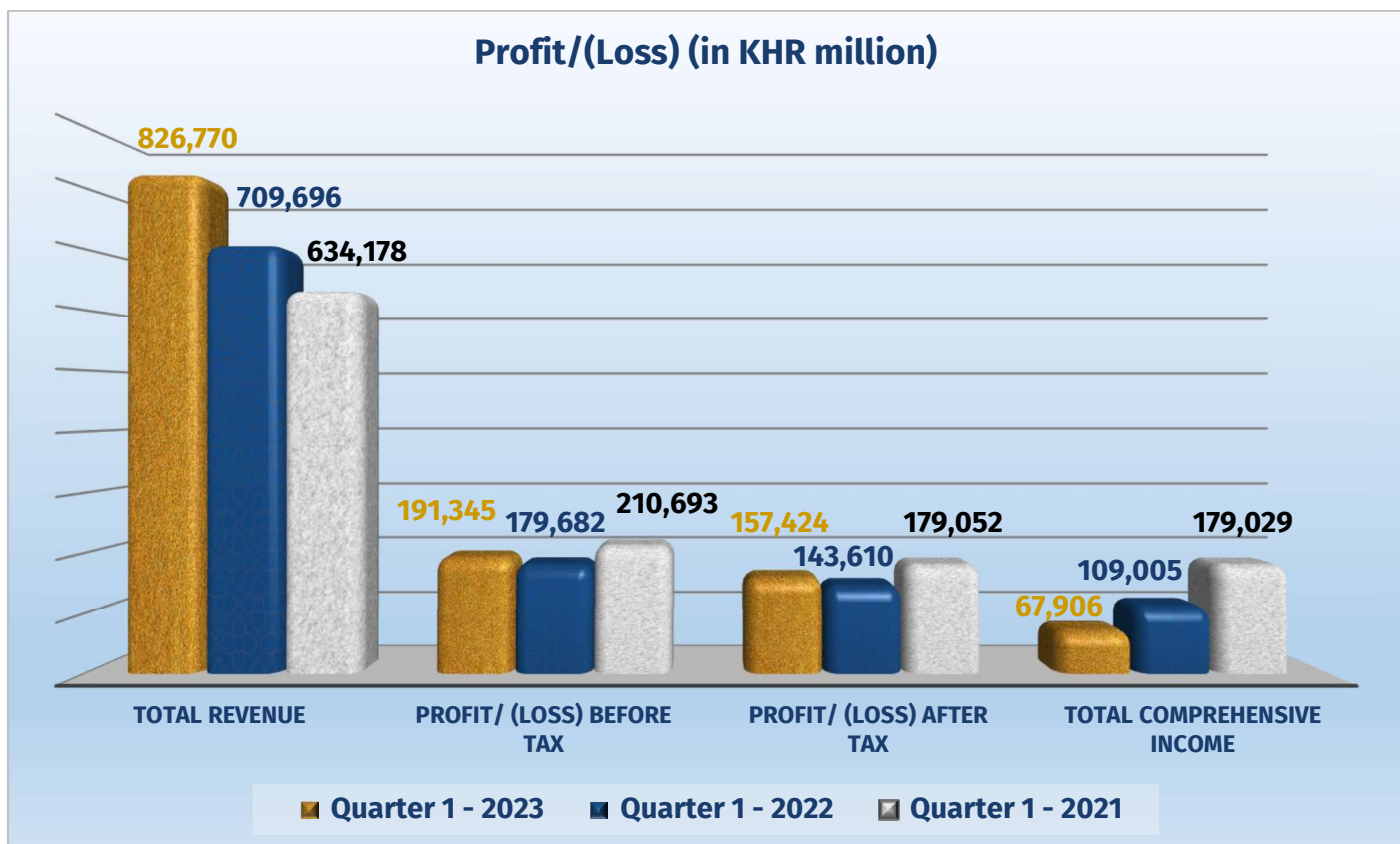
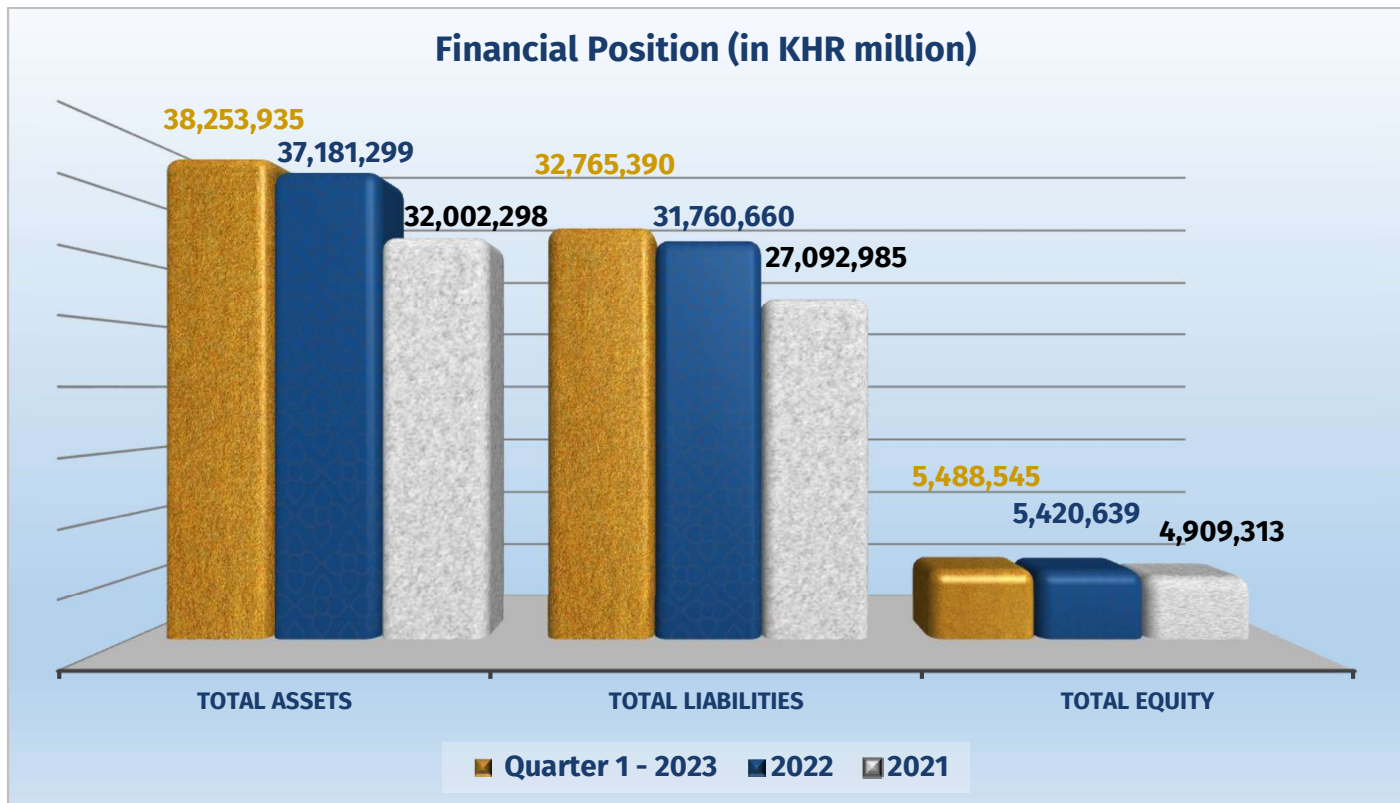
(\*) Nonperforming loan = loan in stage 3

(\*\*) . 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 2023.

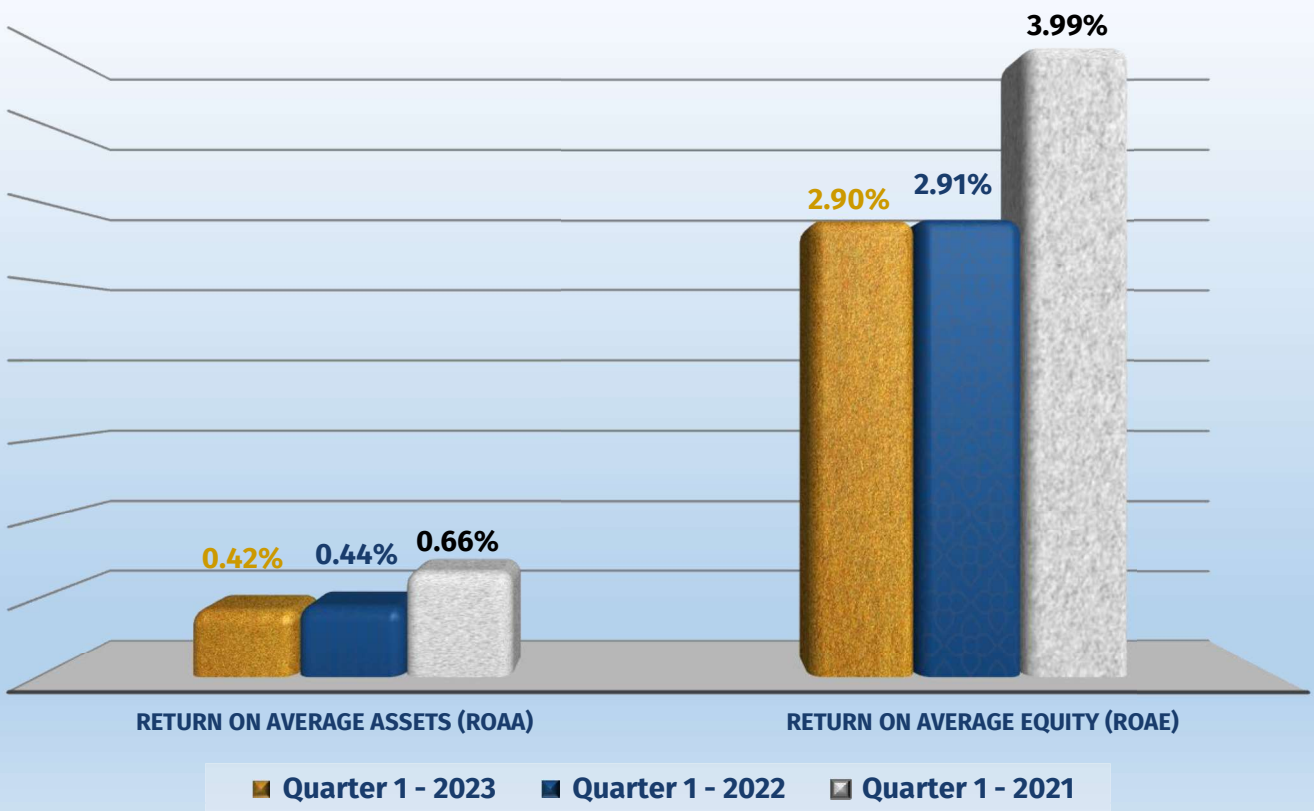
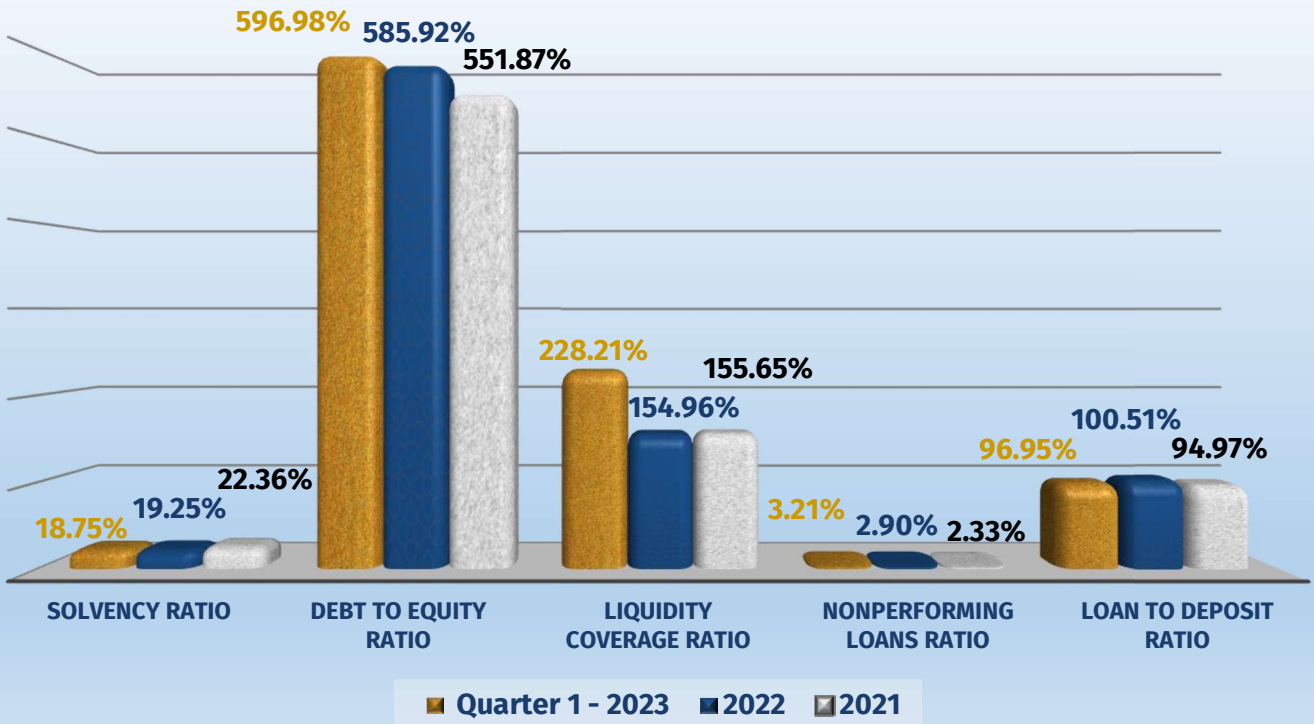
. ROAA = profit for the period attributable to owners of the Bank / average total assets.

. 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*



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



**Mr. Kay Lot**  
*Non-Executive Director*



**Drs. Pieter Kooi**  
*Independent Director*



**Mr. Van Sou Ieng**  
*Independent Director*



**Ms. Phurik Ratana**  
*Independent Director*

## Message from Chairman

On behalf of ACLEDA Bank Plc. (“Bank”) and the Board of Directors, I am pleased to present the first quarter of 2023 report of the ACLEDA Bank Plc. and its subsidiaries (“the Group”) for the period starting from 01 January 2023 to 31 March 2023 to all stakeholders.

In 2023, the global economic is estimated growth around 2.8% due to the Russia-Ukraine War, ongoing inflationary pressures, geopolitical tensions, and central banks' tightening monetary worldwide to manage high inflation pressures. Meanwhile, factors affecting the global economy have also affected the ASEAN economies and made them grow slowly.

Despite an uncertain global economic outlook, since mid-year 2022, Cambodia's economic has been a remarkable recovery due to continued robust trade performance, exceptionally resilient export growth in manufacturing and agriculture, a revival of the service sector, and a recovery of foreign direct investment inflows, which cause the economic growth to be expected to expand at a varying rate of 5.2-6.2%, following an estimated growth of 5.2% in 2022.

During the first quarter of 2023, the Bank received the Excellence Award from the Trust Regulator (TR) for outstanding trustee providing Safeguard Keeping/Escrow Services with the highest number of registered trusts in 2022 after the Bank received authorization from the TR as a Trust Operator. Moreover, the Bank partners with RIA Money Transfer to expand remittance services with many pickup and payout locations to RIA's network in Cambodia. The Bank has been continuously to improve many functions of self-service operations on **ACLEDA mobile**, QR code, ATMs, and POSs in line with the customers' needs and the evolution of digital technology. In the meantime, the Bank expanded its **140** self-service banking (**53** locations in Phnom Penh and **87** locations in provinces) adding to its existing **264** branches. The Bank equipped **1,054** ATMs, **4,022** 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 others all over the country. By the end of first quarter 2023, the Bank has more than **0.24** million business partners and **2.84** million **ACLEDA mobile** subscribers.

At the end of first quarter of 2023, the Group achieved the positive outcomes as to what total assets and total loan assets increased by US\$404.93 million or 4.48% and US\$159.59 million or 2.49% respectively compared to those of at the end 2022.

The Group reaped a profit attributable to owners of the Bank (for January, February, and March 2023) of US\$38.50 million whilst Return on Average Assets (ROAA) was 0.42% and Return on Average Equity (ROAE) was 2.90%.

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

Phnom Penh, 11 May 2023  
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                                | <b>ACLEDA Bank Plc.</b>   |
| Standard Code                           | KH1000100003  |
| Address                                 | #61, Preah Monivong Blvd, Sangkat Srah Chork, Khan Daun 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                          | 06 dated 28 November 2006, 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:    | <b>Dr. In Channy</b>  |

### B. Nature of Business

ACLEDA Bank is a commercial bank with the largest branch and office network in the Kingdom of Cambodia. It has listed on the CSX since 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 Institute of Business and 1 representative office in Myanmar.

### C. Quarter’s Key Events

- On 24 January 2023, the Bank received the Certificate of Compliance in compliance with requirements of Payment Card Industry Data Security Standard (PCI DSS) Version 3.2.1 from Control Case LLC, the famous and International Qualified Security Assessor (QSA) based in the United States of America.
- On 6 February 2023, the Bank received 9 Leadership Awards for 2021 & 2022 from Visa, a leading provider of digital payment technology. It represents that ACLEDA Bank is the leading bank in Cambodia to received 9 awards including: (1) Leadership in Spend Per Active Card (For Visa Debit In Affluent Segment 2021), (2) Leadership in Domestic Merchant (Sales Volume 2021), (3) Leadership in Ecommerce Merchant (Sales Volume 2021), (4) Leadership in Transaction Per Active (Terminal 2021), (5) Leadership in Active Caids 2021, (6) Leadership in Credit Card Issurance 2021, (7) Leadership in Domestic Merchant (Sales Volume 2022), (8) Leadership in Ecommerce Merchant (Sales Volume 2022), and (9) Leadership In Active Caids 2022.

- On 8 February 2023, the Bank received the letter of appreciation from the Cambodia Kantha Bopha Foundation for its significant and continuous contribution to the Cambodia Kantha Bopha Foundation in working together to sustain the operations of the Kantha Bopha Hospital.
- On 24 February 2023, delegations from the Central Bank of Solomon Islands and the Reserve Bank of Fiji visited ACLEDA Bank Plc., a commercial bank that offers a wide range of digital banking services, especially Bakong service in Cambodia.
- On 1 March 2023, the Bank received the letter of appreciation from **Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia** that the Bank contributed to pay taxes, the 3<sup>rd</sup> largest among all taxpayers and tax compliance **"Gold"** in 2022.
- On 1 March 2023, the Bank received the Excellence Award and Certificate of Appreciation from the Trust Regulator (TR) for outstanding trustee providing Safeguard Keeping/Escrow Services with the highest number of registered trusts in 2022 after receiving authorization from the TR as a Trustee Operator.
- On 6 March 2023, 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 10 March 2023, the Bank received the letter of appreciation from the Inter-Ministerial Committee that the Bank has sponsored for the **7<sup>th</sup> River Festival 2023**, which held in Kampong Thom province under the theme **"Our River for Now and Next"** organized by **Ministry of Tourism** in order to contribute to the development of Cambodia's tourism sector and to stimulate economic growth.
- On 17 March 2023, the Bank signed a Memorandum of Understanding with the **Samdech Techo Voluntary Youth Doctor Association (TYDA)** in order to cooperate in providing free medical examination and treatment services to the poor throughout the Kingdom of Cambodia. It was proven that the Bank participates in humanitarian activities in the cause of the people and society to support public welfare as well as contribute to reducing poverty and alleviating the burden of the people.
- On 17 March 2023, the Bank received the certificate of appreciation from the **Samdech Techo Voluntary Youth Doctor Association (TYDA)** for its financial contribution to provide free health care services in order to promote welfare of Cambodian people nationwide.
- On 22 March 2023, the Bank partners with RIA Money Transfer to expand remittance services in Cambodia. This expansion of RIA's network includes convenient services such as cash payments, cash collection in both KHR (Cambodian Riel) and USD (United States Dollars) and account deposits.

## PART 2. Information on Business Operation Performance

### A. Business Operation Performance including business segments information

#### ▪ Banking Sector's Performance:

As of December 2022, there were 59 commercial banks (27 local incorporated banks, 18 subsidiary banks and 14 foreign branch banks), 09 specialized banks (04 locally Incorporated and 05 foreign Banks), 87 microfinance institutions (05 MDI, and 82 MFI), 16 leasing companies, 6 Representative Offices of Foreign Banks in Cambodia, 34 payment service providers and 224 rural credit operators. (Source: NBC Report, CMA Report, and Actually Updated)

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

As at the end of December 2022, ACLEDA bank maintained market share on deposit of 16.13% and on loan of 13.61%.

As of March 2023, the main keys performances of the Bank and its subsidiaries are as follows:

| Key Performance                      | Actual Data      |             |             |
|--------------------------------------|------------------|-------------|-------------|
|                                      | Quarter 1 – 2023 | 2022        | 2021        |
| <b>Loan</b>                          |                  |             |             |
| Number of Loans                      | 607,129          | 591,494     | 541,184     |
| Total Loan Outstanding (Million KHR) | 26,680,340       | 26,437,928  | 22,116,013  |
| <b>Deposit</b>                       |                  |             |             |
| Number of Accounts                   | 4,068,040        | 3,865,749   | 3,298,382   |
| Deposit Balances (Million KHR)       | 27,520,785       | 26,303,475  | 23,287,064  |
| <b>E-Banking Product/Channel</b>     |                  |             |             |
| <b>ATM Card</b>                      |                  |             |             |
| Number of Cards                      | 1,850,945        | 1,799,909   | 1,585,449   |
| Number of Txns                       | 5,047,510        | 21,058,609  | 19,448,837  |
| Value of Txns (Million KHR)          | 4,608,380        | 18,683,335  | 16,173,990  |
| <b>ACLEDA mobile</b>                 |                  |             |             |
| Number of Registers                  | 2,980,793        | 2,845,886   | 2,278,220   |
| Number of Txns                       | 71,490,788       | 148,799,661 | 78,726,895  |
| Value of Txns (Million KHR)          | 85,745,016       | 206,660,262 | 115,242,638 |
| <b>ACLEDA INTERNET BANKING</b>       |                  |             |             |
| Number of Users                      | 22,936           | 22,164      | 13,557      |
| Number of Txns                       | 742,748          | 2,318,789   | 1,466,822   |
| Value of Txns (Million KHR)          | 6,781,808        | 26,158,705  | 19,799,864  |
| <b>ACLEDA E-CMMERCE</b>              |                  |             |             |
| Number of Partners                   | 81               | 73          | 59          |

| Key Performance                 | Actual Data      |            |            |
|---------------------------------|------------------|------------|------------|
|                                 | Quarter 1 – 2023 | 2022       | 2021       |
| Number of Txns                  | 975,525          | 3,619,936  | 3,215,207  |
| Value of Txns (Million KHR)     | 684,461          | 1,804,136  | 1,206,529  |
| <b>ACLEDA ATM</b>               |                  |            |            |
| Number of Terminals             | 1,114            | 1,114      | 901        |
| Number of Txns                  | 9,758,705        | 35,298,214 | 27,129,252 |
| Value of Txns (Million KHR)     | 11,191,642       | 39,160,976 | 26,477,341 |
| <b>Term Deposit Machine</b>     |                  |            |            |
| Number of Terminals             | 26               | 26         | 26         |
| Number of Txns                  | 131              | 1,487      | 4,120      |
| Value of Txns (Million KHR)     | 3,406            | 111,134    | 343,158    |
| <b>Virtual Teller Machine</b>   |                  |            |            |
| Number of Terminals             | 96               | 43         | 25         |
| Number of Txns                  | 28,602           | 43,089     | 34,092     |
| Value of Txns (Million KHR)     | 2                | 16         | 70         |
| <b>Cash Bag Deposit Machine</b> |                  |            |            |
| Number of Terminals             | 17               | 17         | 14         |
| Number of Txns                  | 22,695           | 75,020     | 94,713     |
| Value of Txns (Million KHR)     | 140,073          | 571,098    | 555,257    |
| <b>ACLEDA POS</b>               |                  |            |            |
| Number of Terminals             | 4,022            | 4,358      | 4,462      |
| Number of Txns                  | 538,219          | 2,159,175  | 2,033,283  |
| Value of Txns (Million KHR)     | 169,157          | 591,603    | 479,613    |
| <b>QR Merchant</b>              |                  |            |            |
| Number of Merchants             | 282,095          | 239,751    | 125,309    |
| Number of Txns                  | 20,154,007       | 16,459,377 | 3,194,443  |
| Value of Txns (Million KHR)     | 11,655,871       | 7,777,491  | 638,240    |
| <b>ACLEDA Virtual Card</b>      |                  |            |            |
| Number of Virtual Cards         | 12,786           | 8,898      | 3,684      |
| Number of Txns                  | 20,613           | 34,907     | 2,491      |
| Value of Txns (Million KHR)     | 2,014            | 3,018      | 161        |
| <b>i-bank PayBand</b>           |                  |            |            |
| Number of PayBands              | 8,569            | 4,960      | -          |
| Number of Txns                  | 3,558            | 18,742     | -          |

| Key Performance                            | Actual Data      |        |        |
|--|------------------|--------|--------|
|  | Quarter 1 – 2023 | 2022   | 2021   |
| Value of Txns (Million KHR)                | 6,020            | 31,762 | -      |
| <b>Network Operations and Staffs</b>       |                  |        |        |
| <b>ACLEDA Bank Plc.</b>                    |                  |        |        |
| Number of Branch Operations                | 264              | 264    | 262    |
| Number of Self-Services Banking            | 140              | 125    | 73     |
| Number of Staffs                           | 12,059           | 12,083 | 12,081 |
| <b>Subsidiaries (Local &amp; Overseas)</b> |                  |        |        |
| Number of Branch Offices                   | 56               | 56     | 57     |
| Number of Staffs                           | 1,516            | 1,499  | 1,593  |

## B. Revenue Structure

| No                   | Source of Revenue<br>(in KHR million) | Quarter 1 – 2023 |             | Quarter 1 – 2022 |             | Quarter 1 – 2021 |             |
|----------------------|---------------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|
|                      |                                       | Amount           | Percentage  | Amount           | Percentage  | Amount           | Percentage  |
| 1                    | Interest Income                       | 750,752          | 90.81%      | 638,041          | 89.90%      | 566,668          | 89.35%      |
| 2                    | Fee and commission<br>Income          | 47,335           | 5.73%       | 47,506           | 6.69%       | 50,579           | 7.98%       |
| 3                    | Other Income, net                     | 28,683           | 3.47%       | 24,149           | 3.40%       | 16,931           | 2.67%       |
| <b>Total revenue</b> |                                       | <b>826,770</b>   | <b>100%</b> | <b>709,696</b>   | <b>100%</b> | <b>634,178</b>   | <b>100%</b> |

## 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 2023 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<br>(in KHR million) | Quarter 1 – 2023 |             | Quarter 1 – 2022 |             | Quarter 1 – 2021 |             |
|----------------------|---------------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|
|                      |                                       | Amount           | Percentage  | Amount           | Percentage  | Amount           | Percentage  |
| 1                    | Interest Income                       | 750,752          | 90.81%      | 638,041          | 89.90%      | 566,668          | 89.35%      |
| 2                    | Fee and commission<br>Income          | 47,335           | 5.73%       | 47,506           | 6.69%       | 50,579           | 7.98%       |
| 3                    | Other Income, net                     | 28,683           | 3.47%       | 24,149           | 3.40%       | 16,931           | 2.67%       |
| <b>Total revenue</b> |                                       | <b>826,770</b>   | <b>100%</b> | <b>709,696</b>   | <b>100%</b> | <b>634,178</b>   | <b>100%</b> |

In Q1-2023, Total Revenue increased by KHR117.07 billion or 16.50% compared to Q1-2022 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<br>(in KHR million)   | Quarter 1<br>2023 | Quarter 1<br>2022 | Variance      |                 |
|---|-------------------|-------------------|---------------|-----------------|
|   |                   |                   | Amount        | Percentage      |
| Interest Income   | 750,752           | 638,041           | 112,711       | 17.67%          |
| Interest expense  | (307,887)         | (194,380)         | (113,507)     | 58.39%          |
| <b>Net interest income</b>  | <b>442,865</b>    | <b>443,661</b>    | <b>(796)</b>  | <b>(0.18%)</b>  |
| Fee and commission income   | 47,335            | 47,506            | (171)         | (0.36%)         |
| Fee and commission expense  | (2,601)           | (3,223)           | 622           | (19.30%)        |
| <b>Net fee and commission income</b>  | <b>44,733</b>     | <b>44,283</b>     | <b>450</b>    | <b>1.02%</b>    |
| (Allowances for)/reversal of impairment losses on loans and advances, deposits and placements with other banks, other receivables and investment securities | (41,635)          | (66,436)          | 24,801        | (37.33%)        |
| (Allowances for)/reversal of impairment losses on off-balance sheet commitments   | (7)               | 17                | (24)          | 141.18%         |
| <b>Net impairment losses</b>  | <b>(41,642)</b>   | <b>(66,419)</b>   | <b>24,777</b> | <b>(37.30%)</b> |
| <b>Income after impairment losses</b>   | <b>445,956</b>    | <b>421,525</b>    | <b>24,431</b> | <b>5.80%</b>    |
| Other income, net   | 28,683            | 24,149            | 4,534         | 18.78%          |
| General and administrative expenses   | (283,294)         | (265,993)         | (17,301)      | 6.50%           |
| <b>Profit before income tax</b>   | <b>191,345</b>    | <b>179,682</b>    | <b>11,663</b> | <b>6.49%</b>    |

In Q1-2023, the profit before income tax increased by KHR11.66 billion or 6.49% comparing to Q1-2022 due to the effectiveness of a broad range of banking products and services in digital era, increase in customers and effective cost management.

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

| Statement of Profit or loss<br>(in KHR million) | Quarter 1<br>2023 | Quarter 1<br>2022 | Variance      |              |
|---|-------------------|-------------------|---------------|--------------|
|   |                   |                   | Amount        | Percentage   |
| <b>Profit before income tax</b>                 | <b>191,345</b>    | <b>179,682</b>    | <b>11,663</b> | <b>6.49%</b> |
| Income tax expense                              | (33,920)          | (36,072)          | 2,152         | (5.97%)      |
| <b>Profit for the period</b>                    | <b>157,424</b>    | <b>143,610</b>    | <b>13,814</b> | <b>9.62%</b> |

#### 6- Total comprehensive income (loss) analysis

| Total comprehensive income<br>(in KHR million)                | Quarter 1<br>2023 | Quarter 1<br>2022 | Variance      |              |
|---|-------------------|-------------------|---------------|--------------|
|   |                   |                   | Amount        | Percentage   |
| <b>Profit for the period</b>                                  | <b>157,424</b>    | <b>143,610</b>    | <b>13,814</b> | <b>9.62%</b> |
| <b>Other comprehensive income:</b>                            |                   |                   |               |              |
| <i>Items that will not be reclassified to profit or loss:</i> |                   |                   |               |              |
| Remeasurement of employee benefit obligations                 | -                 | (5,205)           | 5,205         | 100%         |
| Exchange differences  | (84,065)          | (29,295)          | (54,770)      | (186.96%)    |

| Total comprehensive income<br>(in KHR million)  | Quarter 1<br>2023 | Quarter 1<br>2022 | Variance        |                  |
|---|-------------------|-------------------|-----------------|------------------|
|   |                   |                   | Amount          | Percentage       |
| <b>Items that are or may be reclassified<br/>subsequently to profit or loss:</b>      |                   |                   |                 |                  |
| Currency translation differences-foreign subsidiaries                                 | (2,263)           | (10,726)          | 8,463           | 78.90%           |
| Remeasurement of the effective portion of<br>derivatives arising from cash flow hedge | (3,190)           | 10,621            | (13,811)        | (130.03%)        |
| <b>Other comprehensive income for the period</b>                                      | <b>(89,518)</b>   | <b>(34,605)</b>   | <b>(54,913)</b> | <b>(158.69%)</b> |
| <b>Total comprehensive income for the period</b>                                      | <b>67,906</b>     | <b>109,005</b>    | <b>(41,099)</b> | <b>(37.70%)</b>  |

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

ACLEDA Bank is confident of improving its performance this 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.

For the next 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 2023 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 140 banking self-service, 1,114 **ACLEDA ATM**, 26



**Term Deposit Machine**, 96 **Virtual Teller Machine**, 17 **Cash Bag Deposit Machine** and 4,022 **POS** terminals. It's interesting to note that the Group issued 1.85 million **ACLEDA ATM** cards to its customers. Moreover, the Group has provided **i-bank PayBand** more than 8 thousand to its customers. Meanwhile, the digitized **ACLEDA mobile** has proved very popular which number of registered users has reached 2.98 million users as at the end of March 2023, 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 and Vietnam 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 2022-2023, 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. was the third highest tax payer among all taxpayers and the fourth highest tax payer among all taxpayers that paid Tax on Income in 2022. 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 COVID-19 community outbreak especially COVID-19 new variant 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 in the first quarter of 2023 increased by KHR3.22 trillion or 13.74% compared to the first quarter of 2022.

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

For first quarter of 2023, the average market value of Khmer Riel (KHR) against US Dollar (USD) was slightly appreciated, from KHR4,118 per USD at the end of December 2022, to KHR 4,057 per USD at the end of March 2023; these changes were partly due to the seasonal demand and another part reflects the increase in user demand and public confidence, which could helped boost purchasing power and reduce inflation. Looking ahead, under the talented management of the National Bank of Cambodia (NBC), the KHR's value is expected to be fairly stable as used to be, its fluctuation will be within the normal cause of business transaction and its seasonal demand.

Meant for ACLEDA Bank Plc., the Bank has measured, monitored and managed on a daily basis, maintains small net open currency position, always complied with the regulatory requirements of the NBC and its internal risk policies. In short, there is no material impact from the foreign exchange rate to the Bank.

The interest rate of both local and international markets has continued stay still to be a bit high, followed the multiple increase of the US Fed Fund Rate, which are the need for management to decrease the US inflation rate.

However, for ACLEDA Bank, the Bank has been matching both sides of its asset and liability, mostly to be fixed interest rate; thereby, the impact of interest rate fluctuations on the Bank's business is minimal and the fluctuations are monitored on a regular basis for taking appropriate and timely action to avoid the impacts on the Bank.

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

## E. Impact of Inflation

For year 2023, the average inflation rate is anticipated to slow down to around 3.2%, as oil and other commodity prices gradually return to better levels; inflation is projected to slow to 3.0% by 2024. For ACLEDA Bank, the Bank's operations are not directly involving to the level of inflation; so, the impact is minimal and within manageable level.

## F. Economic / Fiscal / Monetary Policy of Royal Government

### ▪ Economic Policy:

The National Bank of Cambodia (NBC) has reported that Cambodia's economic growth in 2022 will continue to grow at a rate of 5.1%, mainly supported by the reopening of domestic economic activity and the growth of external demand, including:

- (1) The manufacturing sector achieved strong growth, with garments for export up 64.3%, non-garments for export 1.1 times and manufacturing for the domestic market up 88.5%.
- (2) Tourism is booming, with international visitors reaching a record 2.2 million, despite 1/3 of the crisis, while domestic tourism has returned to normal.
- (3) The construction and real estate sectors saw low growth of 0.8% and 0.5%, respectively, supported by growing domestic demand.
- (4) Agriculture continued to grow at a slower pace of 0.7% due to faster and heavier rains and higher production costs due to higher fuel and fertilizer prices.
- (5) The balance of payments was estimated to have improved, with a surplus of USD298.8 million due to inflows of financial accounts and a decrease in current and capital deficits. International reserves were high enough, though slightly lower, to about USD17.8 billion,

equivalent to seven months of imports of goods and services for the next period, higher than the minimum for developing countries.

Meanwhile, the Ministry of Economics and Finance also forecasts that the Cambodian economy will also grow by 5.2% by 2022. This growth rate is a good rate compared to the growth rates of countries in the region contributed by Non-garment manufacturing sector continues to maintain good quarterly growth supported by the high potential of production to serve exports and the continued growth of production to serve the domestic market and the recovery of tourism and construction. <sup>(1), (2)</sup>

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 forecasted to grow at 5.5% in 2023 and 6.0% in 2024 on a more robust tourism recovery and higher growth in the services sector. The Asian Development Outlook (ADO) April 2023 says the tourism sector is expected to grow 7.3% in 2023 before easing to 6.8% in 2024. Industrial output is expected to grow by 5.8% in 2023 before accelerating to 7.8% in 2024. Growth in construction is expected to remain slow. Agriculture is forecasted to grow 1.1% this year and 1.2% in 2024, boosted by crop production for exports. The International Monetary Fund (IMF), forecasted GDP for Cambodia is 5.8% for 2023 and 6.2% for 2024 according to the post on their website. The World Bank forecasts economic growth of 4.8% in 2022 as the post-pandemic economic recovery expands thanks to a rebound in tourism, the World Bank's Cambodia Economic Update for December 2022 said Cambodia's garment industry, travel goods and footwear exports have been resilient. The services sector, especially travel and tourism, has done well since the introduction of the "Living with COVID-19" strategy in late 2021, and total international visitor arrivals have steadily increased, reaching 1.2 million in the first nine months of 2022. Business and consumer confidence have risen and both domestic and foreign investment have increased. Economic growth is projected to accelerate to 5.2% in 2023 as increased hiring supports rising domestic consumption and as inflation recedes. <sup>(3), (4), (5)</sup>

#### ■ **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 January 31, 2023.
- (2) Continue to join the Ministry of Economy and Finance to meet with the Second Committee of the National Assembly and the Plenary Session of the National Assembly as well as meet with the Second Committee of the Senate and the Plenary Session of the Senate to check and discuss Draft new tax law.
- (3) Develop an action plan for disseminating the new tax law to the public taxpayers, as well as private sector working groups and NGOs in any ways.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Continue to set up mechanisms to monitor and control the destruction of defective goods and decommissioning of enterprises.
- (8) Continue to implement Street Survey and Property Survey measures.

- (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 work related to property tax, including:
  - (a) Input registration data and update real estate information;
  - (b) Disseminate the payment of property tax and unused land tax for 2023; and
  - (c) Expand the practice of printing invoices on property taxes and unused land taxes and distributing them to taxpayers' homes.
- (12) Continue to strengthen the management of the enterprise, request for a temporary suspension or request for reopening and/suspend or activate the VAT certificate.
- (13) 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.
- (14) Continue to strengthen the implementation of the obligation to install beer and non-alcoholic beverage meters of domestic production enterprises (Flowmeter) and strengthen practical inspections in enterprises to ensure the sustainability of this measure, especially transparency and fair competition.
- (15) 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.
- (16) 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.
- (17) 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.
- (18) 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.
- (19) 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.

In the first 3 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 5,442 billion riels (approximately 1,343.90 million US dollars), equivalent to 37.63% of the Financial Law Plan for Management 2023 compared to tax revenue in the same period in 2022 increased in 326.97 billion riels (approximately 80.73 million US dollars), equivalent to 6.39%. The results of tax revenue management show that in March 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 3,258.01 billion riels (approximately 804.45 million US dollars), equivalent to 22.52% of the Financial Law Plan for Management 2023 compared to tax revenue in the same period in 2022 increased in 217.64 billion riels (approximately 53.74 million US dollars), equivalent to 7.16%.<sup>(6)</sup>

▪ **Monetary Policy:**

For year 2022, 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. <sup>(7)</sup>

Reference:

- (1) [https://www.nbc.org.kh/download\\_files/publication/annual\\_rep\\_kh/Annual%20Report%202022%20Publish\\_KHM.pdf](https://www.nbc.org.kh/download_files/publication/annual_rep_kh/Annual%20Report%202022%20Publish_KHM.pdf)
- (2) [https://mef.gov.kh/documents-category/publication/economic-finance-statistic-bulletin/Release on 20-Mar-2023](https://mef.gov.kh/documents-category/publication/economic-finance-statistic-bulletin/Release%20on%2020-Mar-2023)
- (3) <https://www.adb.org/news/cambodia-economy-accelerate-tourism-recovery-ADB>
- (4) <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>
- (5) <https://www.worldbank.org/en/news/press-release/2022/12/07/cambodia-s-economy-is-recovering-but-could-face-headwinds-world-bank-report-says>
- (6) <https://www.tax.gov.kh/u6rhf7ogbi6/gdtstream/76a5b82f-f475-4d01-a25f-8a7c8cd721c6>
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**Signature of Directors of Listed Entity**  
Phnom Penh, 11 May 2023  
Read and Approved  
  
**Mr. Chhay Soeun**  
Chairman





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