

អេស៊ីលីដា
ACLEDA BANK



Annual Report 2021



Our Vision

ACLEDA Bank's vision is to be Cambodia's leading commercial bank providing superior financial services to all segments of the community.

Our Mission

Our mission is to provide micro, small and medium entrepreneurs with the wherewithal to manage their financial resources efficiently and by doing so to improve the quality of their lives. By achieving these goals we will ensure a sustainable and growing benefit to our shareholders, our staff and the community at large. We will at all times observe the highest principles of ethical behaviour, respect for society, the law and the environment.

Our Slogan

The bank you can trust, the bank for the people.

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

Headquarters: #61, Preah Monivong Blvd., Sangkat Srah Chork,
Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

P.O. Box: 1149

Tel: +855 (0)23 998 777 / 430 999

Fax: +855 (0)23 430 555

E-mail: acledabank@acledabank.com.kh

Website: www.acledabank.com.kh

SWIFT Code: ACLBKHPP

Call Center (24/7):

Tel: +855 (0)23 994 444, +855 (0)15 999 233

E-mail: inquiry@acledabank.com.kh

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ENVIRONMENTAL AND SOCIAL DATA AT A GLANCE

Absolute amounts/FTE (Full Time Equivalent)¹

	2021	2020	2019	2018	2017
Environmental Performance Indicators					
Materials					
Paper in kg/FTE	10.18	10.61	10.60	10.64	10.42
Waste					
Waste paper in kg/FTE	2.06	1.23	1.03	1.79	2.15
Energy					
Electricity in kWh/FTE	2,013.46	1,922.84	1,679.09	1,646.15	1,673.46
Gasoline in l/FTE	35.16	36.27	36.65	38.23	39.76
Diesel in l/FTE	40.15	46.11	43.70	44.97	49.04
Lubricant in l/FTE	1.02	1.25	1.12	1.13	1.27
Emission of CO ₂ (Equivalents – in thousands of kg) ²					
Electricity	13,352	12,664	11,067	11,142	11,430
Gasoline	1,010	1,035	1,046	1,121	1,176
Diesel	1,329	1,516	1,438	1,519	1,672
Water					
Water in m ³ /FTE	22.19	20.42	28.21	15.54	15.87
Business Travel					
By car in km/FTE	367.29	565.59	514.54	481.82	295.98
By motorcycle in km/FTE	1,705.52	1,845.04	1,838.73	1,894.90	1,941.86
Social Performance Indicators					
Employment					
Number of staff	12,081	12,013	11,948	12,177	12,456
Male	7,331	7,252	7,132	7,270	7,370
Female	4,750	4,761	4,816	4,907	5,086
Number of staff (FTE)	12,057	11,975	11,984	12,307	12,419
Training and Education					
Training – career development and refresher programs	5,911	7,293	5,077	3,801	6,517
Training new recruits – induction program	778	788	947	549	1,179
Internships for local students	415	237	768	610	1,025
Internships for international students	-	5	-	0	5

¹ FTE (Full Time Equivalent): average number of full-time co-workers during the year.

² * CO₂ equivalent is referred to the Greenhouse Gas Protocol calculation principles.

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY REPORT

Environmental and social sustainability (ESS) mission statement

ACLEDA Bank is committed to achieving strong, sustainable financial returns, while respecting the environment and community within which we live. We subscribe to the concept of triple bottom line ('people, planet, profit') reporting and are constantly developing indicators for measuring and reporting on our performance and impacts on the society and the environment.

The key elements of ACLEDA Bank's ESS mission are:

1. To provide a framework of guidelines within which ACLEDA Bank can operate in a sustainable manner so that our impact on the environment, society and the community in which we operate is managed in a responsible way.
2. To continue to introduce energy efficient systems into our buildings and to manage sensibly our energy requirements wherever we operate.
3. To honour the society in which we live and actively work to promote an inclusive culture embracing not just shareholders and staff, customers, and business partners but respect for the individual within our community.
4. To recognize that supporting the community is not just morally sound but good business as well — our 'good health' and prosperity are mutually interdependent.

Environment

ACLEDA Bank fully subscribes to international conventions, which prohibit the provision of credit to, or otherwise support, any activities that might harm the environment, be morally repugnant or jeopardize human rights. In particular the Bank has in place policies which forbid involvement with exploitative forms of forced or child labour, trade in weapons and munitions, gambling, casinos, brothels, regulated wildlife or wildlife products (CITES rules) and production or trade in radioactive materials or significant volumes of hazardous chemicals. Strict monitoring processes are in place, which require customer contact staff to certify that any business we write conforms to these principles.

The Bank employs five full time Environmental Officers who regularly undertake training and refresher courses to coordinate ACLEDA's environmental activities and monitor performance.

In addition, ACLEDA Bank supports renewable energy by providing loans to customers related to biogas and solar energy.

Environmental Performance Indicators

In order to establish baselines for the measurement of our efforts to reduce our environmental impact, during 2005 we introduced a tracking system for resource usage. The results are given under their respective headings below and will be used to benchmark our future performance.

Paper Usage

In 2021, paper usage decreased by 4.05% per co-worker compared to 2020. Moreover, the Bank is continuing increased use of electronic data by using our system developed by the Bank's IT Division to send/receive internal information.

Waste paper increased by 67.48% per co-worker compared to 2020.

	2021	2020	2019	2018	2017
Materials					
Paper in kg/FTE	10.18	10.61	10.60	10.64	10.42
Waste					
Waste paper in kg/FTE	2.06	1.23	1.03	1.79	2.15

Energy Consumption

Electricity consumption per co-worker increased by 4.71% in 2021 compared to 2020. Gasoline decreased by 3.06% in 2021 and diesel and lubricant consumption decreased by 12.93% and 18.40% per co-worker compared to 2020.

	2021	2020	2019	2018	2017
Energy					
Electricity in kWh/FTE	2,013.46	1,922.84	1,679.09	1,646.15	1,673.46
Gasoline in l/FTE	35.16	36.27	36.65	38.23	39.76
Diesel in l/FTE	40.15	46.11	43.70	44.97	49.04
Lubricant in l/FTE	1.02	1.25	1.12	1.13	1.27
Emission of CO₂ (Equivalents - in thousands of kg)					
Electricity	13,352	12,664	11,067	11,142	11,430
Gasoline	1,010	1,035	1,046	1,121	1,176
Diesel	1,329	1,516	1,438	1,519	1,672

Water

Water consumption per co-worker increased by 8.67% in 2021 compared to 2020.

	2021	2020	2019	2018	2017
Water					
Water in m ³ /FTE	22.19	20.42	28.21	15.54	15.87

Business Travel

In 2021, the total distance travelled by car and motorcycle decreased by 35.06% and 7.56% compared to 2020.

	2021	2020	2019	2018	2017
Business Travel					
By car in km/FTE	367.29	565.59	514.54	481.82	295.98
By motorcycle in km/FTE	1,705.52	1,845.04	1,838.73	1,894.90	1,941.86

Social Sustainability

ACLEDA Bank's corporate culture is built on respect for the society in which we operate and an inclusive perspective on our stakeholders embracing not just shareholders and staff, customers and business partners but the community at large. In addition to the environmental programs mentioned above the Bank observes a policy of equality in all dealings with the public in general and customers and staff alike. Above all, ACLEDA Bank has practiced from the very beginning 'zero tolerance' of corruption both internally and externally and transgressions are dealt with summarily.

The following are key principles in ACLEDA's corporate social responsibility policy:

Staff

- ACLEDA is an 'equal opportunity' employer. Apart from those jobs which involve a higher physical risk (e.g. guards and messengers) appointment to all positions at every level is based entirely on merit regardless of gender or physical disability.
- ACLEDA Bank aims to be the most progressive employer in Cambodia providing medical, provident fund and other benefits such as personal and housing loan schemes and an employee share ownership program for all staff who have completed probation. It provides comprehensive training both for new recruits as well as experienced staff and encourages those who wish to further develop themselves through external programs.

- The Board Risk Management and IT Committee under the chairmanship of the Board of Directors has been specifically tasked with the responsibility of setting and monitoring the Bank's moral and ethical standards and respect for human rights.
- In consultation with its staff the Bank has drawn up social policies covering i) Code of Conduct, ii) Human Resources Management, iii) Health & Safety, iv) External Relations, v) Freedom of Association and the Right to Collective Bargaining. These are now published on Lotus Notes so that every member of the staff has free (and paperless) access to the most up-to-date versions.
- The staff is represented by a self elected Staff Representative Committee, which excludes management, and a Staff Sports Committee, to promote healthy recreation and good fellowship. At its headquarters, the Bank provides a clinic under the care of a full time doctor and two full time nurses. Healthy and safe work practices are part of the training provided to all employees under the doctor's supervision. A Health and Safety Policy under the direct responsibility of the Executive Vice President & Group Chief Administrative Officer is in place, which includes a policy supervised by a dedicated committee for the support of our staff who are suffering from HIV/AIDS.

	2021	2020	2019	2018	2017
Employment					
Number of staff	12,081	12,013	11,948	12,177	12,456
Male	7,331	7,252	7,132	7,270	7,370
Female	4,750	4,761	4,816	4,907	5,086
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Training – career development and refresher programs	5,911	7,293	5,077	3,801	6,517
Training of new recruits – induction program	778	988	947	549	1,179
Internships for local students	415	237	645	610	1,025
Internships for international students	-	5	4	-	5

Community

ACLEDA recognizes that playing our part as good citizens in the community in which we abide is vital to our mutual interests and prosperity. Major initiatives we are taking are:

- Developing and offering appropriate products and services carefully selected and developed for the particular needs of Cambodian society. In 2006 the Bank launched a housing loan scheme, with interest rates fixed for up to 15 years to enable Cambodians, especially in the lower wealth segment, to purchase their own homes.
- Expanding outreach: opening up banking services to new communities in new locations by expanding our network in the provinces and extending online banking services to mobilize savings. The expansion of our 24 hours a day/7 days a week ATM network to all provinces in 2010 has enabled our customers to access their funds at their own convenience, irrespective of the normal opening hours of the Bank or national holidays. In April 2017 we launched 'ACLEDA mobile (formerly ACLEDA Unity ToanChet) – a real bank in your hand. In 2014 and 2015 we launched 'ACLEDA Internet Banking' and 'ACLEDA E-Commerce Payment Gateway' which enable our customers' access to financial services and online payments anywhere anytime.
- In December 2021, we conducted an annual survey on our small-sized and medium-sized enterprise loan customers' living standards that get loans at least twice from ACLEDA Bank to test the impact of our credit services. This involved 2,197 respondents (female: 55%) randomly selected from our 329,710 active borrowers of whom 67.77% were traders, 17.11% were farmers/workers and 15.11% were private companies/NGOs/civil servants. The responses indicated that across all sectors there were 80.15% who considered that their wealth had increased as a result of credit provided by ACLEDA Bank, 5.37% who did not detect any noticeable change while only 14.47% had the perception that they were worse off than before.

	2021	2020	2019	2018	2017
Income Situation					
Growth	80.15%	78.31%	92.40%	90.90%	88.13%
Stability	5.37%	6.08%	3.57%	6.23%	7.46%
Reduction	14.47%	15.61%	4.03%	2.87%	4.41%

- Incorporated into our policies are strictures against overselling or encouraging customers to over commit themselves or buy inappropriate products or services. As a matter of principle, ACLEDA does not impose mandatory savings requirements on its customers.
- Transparency and 'truth in advertising' are strictly enforced when developing, advertising and selling our products and services and full and detailed information is provided through brochures, our website and other promotional materials.
- ACLEDA practices equality in its lending irrespective of gender or race: 54.86% of our borrowing customers are female.
- Customer confidentiality is inculcated in all our staff during induction training and transgressions are treated as a serious offence.
- Recognizing the particular problem of disability in Cambodia, ACLEDA takes into account the special needs of the disabled when constructing new, or renovating old offices.
- As a commercial organization ACLEDA does not receive subsidies but may on occasion, and where appropriate, receive financial support to provide non-commercial services such as workshops for external trainees.
- ACLEDA does not ally itself to any particular political parties or creeds but seeks to cooperate and work in harmony with the elected government of the day. To this end the Bank regularly participates in meetings with senior officials through industry associations, business forums, chambers of commerce and other group activities. Individual meetings with officials are conducted with transparency and important matters are minuted. ACLEDA has strict rules governing 'undue entertainment' or other activities which might be open to question on the grounds of probity, including the provision of banking services at non-commercial rates ('policy lending').
- In 2021 ACLEDA Bank Plc. provided 415 internships for local students.
- In 2021, ACLEDA Bank Plc. took part in important social and humanitarian activities through the following donations:

Education

- o Donation to the **ACLEDA-Jardines Education Foundation (AJF)** to support the construction of two concrete primary school buildings (Rumduol Veasna and Kang Cham) in Oddor Meanchey and Steung Treng provinces.

Health

- o Donation to the **Cambodia Kantha Bopha Foundation**.
- o Gold sponsor of the Thansur Sokha Hotel to support their program "**The Bokor Cycling**".

Charity

- o Donation to the **Cambodian Red Cross** on their 158th anniversary of World Red Cross Day on May 8.

Environment

- o Main sponsor of the Department of Environment (Kampot) to support their program "**Tree Planting & Clean**".

Sponsored Events

- o Main sponsor of the **National Institute of Entrepreneurship and Innovation** to support their program "**National Entrepreneurship Awards 2021**".
- o Bronze sponsor of the "**CamTech Summit 2021**".
- o Diamond sponsor of the "**Covid-19 Business Recovery Pathways**" event organized by Young Entrepreneurs Association of Cambodia, The Association of Banks in Cambodia, and Cambodia Microfinance Association.