



**ធនាគារ អេស៊ីប៊ីដា ភីអិលស៊ី**  
**ACLEDA Bank Plc.**  
*The bank you can trust*

# Financial Assessment in Social and Environmental Sustainability In case of ACLEDA Bank Plc. Cambodia

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# Background

- **ACLEDA (Association of Cambodian Local Economic Development Agencies)** has been established since January 1993, as a national SME Development NGO with the support from UNDP/ILO aiming for income and employment generation and has been transformed as follow:
  - In 1995 as Microfinance Institution for the poor
  - In 2000 as a Specialized Bank
  - In 2003 as a Commercial bank
  - In 2008 as a Regional bank, opening branches in the Lao PDR.
- Today ACLEDA is the leading bank out of 23 commercial banks in Cambodia in term of Credit, Deposit and Branch Networks. The following is the updated report as of April 2009:

- Staff	:	6,807
- Office	:	227 ( 3 branches in the Lao PDR)
- Active borrowers	:	230,562
- Loan Outstanding	:	\$ 448,179,479
- Deposit Amount:		\$ 563,273,610
- Correspondent banks	:	414 banks in 54 different countries
- Total asset, Dec 2008	:	\$ 690,457,000

# Environmental and Social Sustainability Mission

ACLEDA Bank is committed to achieve a strong sustainable financial returns, while respecting to the environment and community whereas we live. We subscribe to the concept of triple bottom lines (people, planet, and profit) and are developing indicators to measure and report on our performance, impacts on the society and the environment and implement a reporting structure based on the guidelines of the Global Reporting Initiative (GRI).

Please refer to: [www.acledabank.com](http://www.acledabank.com)



# Objective

- Establishing environmental and social management system.
- Promoting a sustainable economy and ecological and social development of its surrounding.
- Incorporating an environmental risk analysis into its credit evaluation process.
- Identifying environmental economy and social risk.
- Maintaining the sustainability of natural resources, human being and all living things.
- Promoting energy efficiency financing.

# ACLEDA'S Environmental Policy

- Complying with local and international environment laws and regulations.
- Encouraging customer to participate in preserving environment including obligation into the contract.
- No financing to harmful environmental activities,  
(Deforestation, Illegal fishing, Hazardous waste and all kinds of Pollutions...etc.)
- Consuming high-efficient energy
- Entering the contracts with traders by complying with environmental standard.
- Reporting the structure based on GRI (Global Reporting Initiative) and monitored by Board of Directors.
- Setting environmental management system  
(Management structure, Procedure, Operating Manual and Check list or Interview sheet).

# Implementation on Financing Access to other Energies

- Bio-gas and biomass energies (Bio gas made by animal excrement and Bio-diesel made from vegetables oil or animal fats)
- Renewable energy.
- Solar power system activities.
- New machine usage.
- Reduce industry smoke which harms the environment.
- Promoting the low-cost energies in organizations.

## Three majority avoidance

- Environmental risk.
- Health and safety risk.
- Labor risk.

**Note:** Biomass activities could save energy such as clay stove maker, brick oven used by rice husks, rice husk stove...etc.

# Biogas Usage



# Biomass (rice husk stove usage)



Brick Oven



Clay Stove



# Key of Sustainability Benefits

## **Environment**

- Energy saving
- Water use reduction
- Waste management

## **Social**

- Bottom of the pyramid (People, Planet, Profit)
- Disadvantage communities
- Labor & working condition (Women, Child, ...)
- Poverty reduction

## **Governance**

- Revenue transparency
- Management system
- Institution building (Internal and external training program and customer consultation)

# Figures of Sustainable Growth

## Percentage of 2008 business volume in sustainable businesses (including renewable, Bottom of the Pyramid finance, etc.)

ACLEDA Bank	End of Dec. 2008	Women	%	Micro Loan	%	Group Loan	%
Clients	214,337	124,021	58%	146,545	68%	36,774	17%
Outstanding	463,353,683	216,702,548	47%	57,039,549	12%	8,229,354	2%

## Historic growth rate of sustainable business volume

Year	Deposit end of Dec. 2008			
	Amount in Millions(\$)	Market Share (%)	A/C	Market Share (%)
2004	31.6	4.0%	57,091	38.2%
2005	61.9	6.6%	92,413	44.8%
2006	122.8	9.0%	141,368	49.5%
2007	342.5	13.3%	247,927	54.4%
Dec-08	492.5	19.8%	421,523	67.3%

Year	Credit			
	Amount in Millions(\$)	Market Share (%)	Clients	Market Share (%)
2004	65.9	13.9%	122,173	98.6%
2005	99.9	18.2%	140,920	97.1%
2006	158.5	17.7%	159,930	97.0%
2007	318.5	20.0%	185,492	94.0%
Dec-08	468.4	19.3%	214,337	93.3%



Thank for your attentions

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