

**ADVANCED BANK OF ASIA LIMITED**

(Registration No. 00010593)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

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The condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020 and any public announcements made by Advanced Bank of Asia Limited during the interim reporting period.

## STATEMENT OF THE BOARD OF DIRECTORS

In the opinion of the Board of Directors, the accompanying condensed interim financial statements present fairly, in all material respects, the financial position of Advanced Bank of Asia Limited (the "Bank") as at 31 March 2021, its financial performance, and its cash flows for the three-month period then ended in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*, and at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



Madi Akmambet  
Executive Director

Phnom Penh, Kingdom of Cambodia  
Date: 12 May 2021

## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of Advanced Bank of Asia Limited

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Advanced Bank of Asia Limited (the "Bank") as at 31 March 2021 and the related condensed interim statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements are not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

For Deloitte (Cambodia) Co., Ltd.



Ung Kimsopheaktra  
Partner

Phnom Penh, Kingdom of Cambodia  
Date: 12 May 2021

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

		31 March 2021		31 December 2020	
	Note	US\$	KHR Million	US\$	KHR Million
ASSETS					
Cash on hand	4	336,202,954	1,359,941	378,101,373	1,529,420
Balances with the NBC	5	1,565,426,425	6,332,150	1,481,626,701	5,993,180
Balances with other banks	6	319,715,581	1,293,250	325,956,497	1,318,494
Loans to customers	7	4,191,902,204	16,956,244	3,814,599,414	15,430,055
Investment securities	8	7,484,291	30,274	7,434,086	30,071
Property and equipment	9	42,781,125	173,050	41,731,890	168,805
Right-of-use assets	10	35,971,585	145,505	33,719,074	136,394
Intangible assets	11	9,556,367	38,656	8,931,430	36,128
Deferred tax assets, net	12	6,092,183	24,643	5,668,114	22,928
Other assets	13	43,286,090	175,092	30,514,392	123,431
TOTAL ASSETS		6,558,418,805	26,528,805	6,128,282,971	24,788,906
LIABILITIES					
Deposits from customers	14	5,229,608,064	21,153,765	4,871,468,376	19,705,090
Debt securities in issue	15	20,921,781	84,628	21,282,088	86,086
Borrowings	16	287,589,073	1,163,298	242,004,091	978,907
Subordinated debts	17	117,814,234	476,559	117,023,035	473,358
Current tax liabilities		12,172,598	49,238	36,217,048	146,498
Lease liabilities	18	38,100,638	154,117	35,721,902	144,496
Other liabilities	19	36,950,458	149,465	36,778,120	148,767
TOTAL LIABILITIES		5,743,156,846	23,231,070	5,360,494,660	21,683,202
EQUITY					
Share capital		450,000,000	1,820,250	335,000,000	1,355,075
Regulatory reserves		45,348,976	183,437	42,141,887	170,464
Retained earnings		319,912,983	1,295,268	390,646,424	1,582,330
Currency translation differences		-	(1,220)	-	(2,165)
TOTAL EQUITY		815,261,959	3,297,735	767,788,311	3,105,704
TOTAL LIABILITIES AND EQUITY		6,558,418,805	26,528,805	6,128,282,971	24,788,906

The accompanying notes from pages 8 to 34 form an integral part of these condensed interim financial statements.

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

	Note	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
		US\$	KHR Million	US\$	KHR Million
Interest income	20	102,942,619	417,844	82,537,480	335,432
Interest expense	20	(15,479,899)	(62,833)	(13,588,141)	(55,222)
<b>Net interest income</b>		<b>87,462,720</b>	<b>355,011</b>	<b>68,949,339</b>	<b>280,210</b>
Fee and commission income	21	12,625,641	51,247	9,564,985	38,872
Fee and commission expense	21	(4,536,121)	(18,412)	(4,439,476)	(18,042)
<b>Net fee and commission income</b>		<b>8,089,520</b>	<b>32,835</b>	<b>5,125,509</b>	<b>20,830</b>
Other operating income	22	1,164,609	4,727	769,056	3,125
Personnel expenses	23	(19,806,455)	(80,394)	(18,040,173)	(73,315)
Depreciation and amortisation	24	(4,443,453)	(18,036)	(4,011,598)	(16,303)
Operating expenses	25	(8,212,405)	(33,333)	(7,824,547)	(31,799)
Net impairment losses on financial assets	26	(4,160,888)	(16,889)	(1,963,929)	(7,981)
<b>Profit before tax</b>		<b>60,093,648</b>	<b>243,921</b>	<b>43,003,657</b>	<b>174,767</b>
Income tax expense		(12,620,000)	(51,225)	(9,461,000)	(38,450)
<b>Profit for the period</b>		<b>47,473,648</b>	<b>192,696</b>	<b>33,542,657</b>	<b>136,317</b>
Other comprehensive income		-	945	-	(1,037)
<b>Total comprehensive income for the period</b>		<b>47,473,648</b>	<b>193,641</b>	<b>33,542,657</b>	<b>135,280</b>

The accompanying notes from pages 8 to 34 form an integral part of these condensed interim financial statements.

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

	Share capital		Retained earnings		Regulatory reserve		Currency translation differences	Total	
	US\$	KHR Million	US\$	KHR Million	US\$	KHR Million	US\$	US\$	KHR Million
<b>Three-month period ended 31 March 2020</b>									
<b>At 1 January 2020</b>	215,000,000	876,125	247,718,384	999,343	33,661,778	137,172	10,109	496,380,162	2,022,749
Issuance of share capital	120,000,000	487,680	-	-	-	-	-	120,000,000	487,680
	335,000,000	1,363,805	247,718,384	999,343	33,661,778	137,172	10,109	616,380,162	2,510,429
Profit for the period	-	-	33,542,657	136,317	-	-	-	33,542,657	136,317
Other comprehensive income – currency translation differences	-	-	-	-	-	-	(1,037)	-	(1,037)
	-	-	33,542,657	136,317	-	-	(1,037)	33,542,657	135,280
Transfers from retained earnings to regulatory reserves	-	-	(4,576,477)	(18,626)	4,576,477	18,626	-	-	-
Currency translation difference	-	(355)	-	-	-	(168)	-	-	(523)
<b>At 31 March 2020</b>	<u>335,000,000</u>	<u>1,363,450</u>	<u>276,684,564</u>	<u>1,117,034</u>	<u>38,238,255</u>	<u>155,630</u>	<u>9,072</u>	<u>649,922,819</u>	<u>2,645,186</u>
<b>Three-month period ended 31 March 2021</b>									
<b>At 1 January 2021</b>	335,000,000	1,355,075	390,646,424	1,582,330	42,141,887	170,464	(2,165)	767,788,311	3,105,704
Conversion of retained earnings	115,000,000	466,785	(115,000,000)	(466,785)	-	-	-	-	-
	450,000,000	1,821,860	275,646,424	1,115,545	42,141,887	170,464	(2,165)	767,788,311	3,105,704
Profit for the period	-	-	47,473,648	192,696	-	-	-	47,473,648	192,696
Other comprehensive income – currency translation differences	-	-	-	-	-	-	945	-	945
	-	-	47,473,648	192,696	-	-	945	47,473,648	193,641
Transfers from retained earnings to regulatory reserves	-	-	(3,207,089)	(12,973)	3,207,089	12,973	-	-	-
Currency translation difference	-	(1,610)	-	-	-	-	-	-	(1,610)
<b>At 31 March 2021</b>	<u>450,000,000</u>	<u>1,820,250</u>	<u>319,912,983</u>	<u>1,295,268</u>	<u>45,348,976</u>	<u>183,437</u>	<u>(1,220)</u>	<u>815,261,959</u>	<u>3,297,735</u>

The accompanying notes from pages 8 to 34 form an integral part of these condensed interim financial statements.

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

		Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	Note	US\$	KHR Million	US\$	KHR Million
<b>Cash flows from operating activities</b>					
Profit before income tax		60,093,648	243,921	43,003,657	174,767
<i>Adjustments for:</i>					
Depreciation and amortisation	24	4,443,453	18,036	4,011,598	16,303
Net impairment losses on financial assets	26	4,160,888	16,889	1,963,929	7,981
Gains on disposals of property and equipment		-	-	(4,990)	(20)
Gains on lease modification		(862)	(3)	-	-
Net interest income	20	(87,462,720)	(355,011)	(68,949,339)	(280,210)
		(18,765,593)	(76,168)	(19,975,145)	(81,179)
<i>Changes in:</i>					
Balances with the NBC		(63,344,370)	(257,115)	125,345,552	509,402
Balances with other banks		(15,164,692)	(61,553)	(17,287,256)	(70,257)
Loans to customers		(378,726,548)	(1,537,251)	(230,104,584)	(935,145)
Other assets		(12,876,428)	(52,265)	(5,819,283)	(23,650)
Deposits from customers		356,582,440	1,447,368	57,028,654	231,764
Other liabilities		130,874	530	(2,384,148)	(9,689)
Amortisation on transaction costs		45,774	185	71,345	290
Cash used in operations		(132,118,543)	(536,269)	(93,124,865)	(378,464)
Interest received		99,015,008	401,902	80,218,699	326,009
Interest paid		(10,792,538)	(43,807)	(10,223,352)	(41,548)
Income tax paid		(37,088,519)	(150,542)	(12,696,946)	(51,600)
<b>Net used in operating activities</b>		<b>(80,984,592)</b>	<b>(328,716)</b>	<b>(35,826,464)</b>	<b>(145,603)</b>
<b>Cash flows from investing activities</b>					
Sale proceeds from Investment securities		-	-	29,760,356	120,946
Purchases of property and equipment		(3,393,337)	(13,774)	(4,302,690)	(17,486)
Purchases of intangible assets		(1,012,159)	(4,108)	(562,357)	(2,285)
Proceeds from disposals of property and equipment		-	-	5,282	21
<b>Net cash (used in)/from investing activities</b>		<b>(4,405,496)</b>	<b>(17,882)</b>	<b>24,900,591</b>	<b>101,196</b>

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (continued)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

	<b>Note</b>	<b>Three-month period ended 31 March 2021</b>		<b>Three-month period ended 31 March 2020</b>	
		<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
<b>Cash flows from financing activities</b>					
Issuance of share capital		-	-	120,000,000	487,680
Proceeds from borrowings		117,231,856	475,844	175,791,731	714,418
Repayments of borrowings		(72,727,915)	(295,203)	(129,510,878)	(526,332)
Repayments of subordinated debts		(1,200,000)	(4,871)	-	-
Principal elements of lease payments		(1,945,680)	(7,898)	(1,103,297)	(4,484)
<b>Net cash from financing activities</b>		<b>41,358,261</b>	<b>167,872</b>	<b>165,177,556</b>	<b>671,282</b>
Net (decrease)/increase in cash and cash equivalents		(44,031,827)	(178,725)	154,251,683	626,875
Cash and cash equivalents at the beginning of period		595,220,388	2,407,666	711,881,699	2,900,918
Currency translation differences		-	617	-	(2,630)
<b>Cash and cash equivalents at the end of period</b>	<b>27</b>	<b>551,188,561</b>	<b>2,229,558</b>	<b>866,133,382</b>	<b>3,525,163</b>

The accompanying notes from pages 8 to 34 form an integral part of these condensed interim financial statements.

## **ADVANCED BANK OF ASIA LIMITED**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

#### **1. REPORTING ENTITY**

Advanced Bank of Asia Limited (the “Bank”) was incorporated in Cambodia on 25 October 1996 under Registration No. Co. 322/97E (renewed to No. 00010593) dated 25 October 1996 granted by the Ministry of Commerce. On 28 November 2006, the Bank was granted a permanent banking license No. 14 from the National Bank of Cambodia (“NBC”).

The Bank is principally engaged in all aspects of banking business and the provision of related financial services in the Kingdom of Cambodia. There have been no significant changes in the nature of these principal activities during the period.

The registered office of the Bank is located at No. 141, 146, 148, and 148 ABCD Preah Sihanouk Blvd., and No. 15 and 153 ABC, Street 278, and No. 171, Street Preah Trasak Paem, Phum 4, Sangkat Boeng Keng Kang Ti Muoy, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia.

The condensed interim financial statements of the Bank were authorised for issue by the Board of Directors on 12 May 2021.

#### **2. BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

The condensed interim financial statements have been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020 and any public announcements made by the Bank during the interim reporting period.

##### **2.2 Critical accounting judgments and key sources of estimation uncertainty**

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, significant judgements made by management in applying the Bank’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual financial statements for the year ended 31 December 2020, except as disclosed in note 33.

##### **2.3 Financial risk management**

The Bank’s financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2020, except as disclosed in note 33.

## ADVANCED BANK OF ASIA LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

#### 2. BASIS OF PREPARATION (continued)

##### 2.4 Presentation in Khmer Riel

The translation of the US\$ amounts into Khmer Riel ("KHR") is presented in the condensed interim financial statements to comply with the Law on Accounting and Auditing dated 11 April 2016 using the closing and average rates for the period, as announced by the NBC.

Assets and liabilities for each statement of financial position presented are translated at the closing rate ruling at each reporting date whereas income and expense items for each statement of profit or loss and other comprehensive income and cash flow items presented are translated at the average rate for the period then ended. All resulting exchange differences are recognised in other comprehensive income ("OCI").

The condensed interim financial statements presented in KHR are based on the following applicable exchange rates per US\$1:

	<i>Closing rate</i>	<i>Average rate three-month</i>
31 March 2021	4,045	4,059
31 December 2020	4,045	N/A
31 March 2020	4,070	4,064

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Bank's annual financial statements for the year ended 31 December 2020, except as disclosed in note 33 and for the adoption of new and amended standards as set out below.

##### 3.1 New and amended CIFRSs that are effective for the current period

Amendment to CIFRS 16	<i>COVID-19-Related Rent Concessions</i>
Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>

The adoption of these amended standards does not have any significant impact on the financial statements of the Bank.

# ADVANCED BANK OF ASIA LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 New and revised CIFRSs in issue but not yet effective

Amendments to CIAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to CIFRS standards 2018–2020 Cycle	- <i>Amendments to CIFRS 1, First-time Adoption of CIFRSs</i> - <i>Amendments to CIFRS 9, Financial Instruments</i> - <i>Amendments to Illustrative Examples accompanying CIFRS 16</i> - <i>Amendments to CIAS 41 Agriculture</i>
Amendments to CIAS 16	<i>Property, Plant and Equipment (PPE) – Proceeds before Intended Use</i>
Amendments to CIFRS 3	<i>Reference to Conceptual Framework</i>
Amendments to CIAS 1	<i>Classification of Liabilities as Current or Non-current</i>
CIFRS 17	<i>Insurance Contracts</i>
Amendments to CIFRS 10 and CIAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to CIAS 8	<i>Definition of Accounting Estimates</i>
Amendments to CIFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021</i>

Management does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Bank in future periods.

### 4. CASH ON HAND

	31 March 2021		31 December 2020	
	US\$	KHR Million	US\$	KHR Million
Cash on hand	319,778,623	1,293,505	360,160,946	1,456,851
Cash items in process of collection	16,424,331	66,436	17,940,427	72,569
	<u>336,202,954</u>	<u>1,359,941</u>	<u>378,101,373</u>	<u>1,529,420</u>

### 5. BALANCES WITH THE NBC

	31 March 2021		31 December 2020	
	US\$	KHR Million	US\$	KHR Million
Capital guarantee deposit (i)	45,005,070	182,046	33,515,158	135,569
Reserve requirement (ii)	359,985,847	1,456,143	349,501,480	1,413,733
Current account	155,892,461	630,585	138,612,043	560,686
Negotiable Certified Deposits (NCD)	1,004,543,047	4,063,376	959,998,020	3,883,192
	<u>1,565,426,425</u>	<u>6,332,150</u>	<u>1,481,626,701</u>	<u>5,993,180</u>

**ADVANCED BANK OF ASIA LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021****5. BALANCES WITH THE NBC (continued)****(i) Capital guarantee deposits**

Under the NBC's Prakas No. B7-01-136 dated 15 October 2001, the Bank is required to maintain a statutory deposit of 10% of its capital. This deposit is not available for use in the Bank's day-to-day operations and is only refundable should the Bank voluntarily cease its operations in Cambodia.

During the period, interest was earned at rates 0.06% per annum (2020: 0.06% to 0.47% per annum).

**(ii) Reserve requirement**

This is a reserve requirement which fluctuates depending on the level of the Bank's customers' deposits and non-residential borrowings. It is maintained in compliance with the NBC Prakas No. B7-020-230 dated 18 March 2020 at the rates of 7.00% of customers' deposits in KHR and currency other than KHR. On 19 November 2020, NBC issued a notification letter no. B13-020-868 on the result of 53<sup>rd</sup> meeting of Monetary Policy Committee confirming on the extension of reserve requirement maintenance at the rates of 7.00% until the end of the first semester of 2021.

**6. BALANCES WITH OTHER BANKS**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Balances with other banks at amortised cost	320,443,399	1,296,194	326,725,625	1,321,605
Impairment loss allowance	(727,818)	(2,944)	(769,128)	(3,111)
	<b>319,715,581</b>	<b>1,293,250</b>	<b>325,956,497</b>	<b>1,318,494</b>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

**7. LOANS TO CUSTOMERS**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
<b>At amortised cost</b>				
Commercial loans:				
Short-term loans	14,458,342	58,484	10,305,471	41,686
Long-term loans	3,755,929,750	15,192,735	3,470,263,818	14,037,216
Overdrafts	361,424,877	1,461,964	288,643,431	1,167,563
Consumer loans:				
Housing loans	60,115,575	243,167	43,933,942	177,712
Vehicle loans	6,145,494	24,859	3,813,475	15,426
Staff loans	14,751,124	59,668	14,722,847	59,554
Personal Loans	799,207	3,233	452,047	1,829
Credit cards	1,173,101	4,745	1,236,518	5,002
Total gross carrying amount	4,214,797,470	17,048,855	3,833,371,549	15,505,988
Impairment loss allowance	(22,895,266)	(92,611)	(18,772,135)	(75,933)
	<u>4,191,902,204</u>	<u>16,956,244</u>	<u>3,814,599,414</u>	<u>15,430,055</u>

**8. INVESTMENT SECURITIES**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Investment securities at amortised cost	7,518,198	30,411	7,467,591	30,206
Impairment loss allowance	(33,907)	(137)	(33,505)	(135)
	<u>7,484,291</u>	<u>30,274</u>	<u>7,434,086</u>	<u>30,071</u>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

9. PROPERTY AND EQUIPMENT

	Leasehold improvement	Office equipment, furniture and fixture	Motor vehicles	Computers and IT equipment	Construction in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	KHR Million
<b>31 December 2020</b>							
Cost	25,270,673	14,326,772	1,729,615	31,042,869	145,801	72,515,730	293,326
Accumulated depreciation	8,859,653	7,196,606	1,190,907	13,536,674	-	30,783,840	124,521
<b>Carrying amounts</b>	<b>16,411,020</b>	<b>7,130,166</b>	<b>538,708</b>	<b>17,506,195</b>	<b>145,801</b>	<b>41,731,890</b>	<b>168,805</b>
	Leasehold improvement	Office equipment, furniture and fixture	Motor vehicles	Computers and IT equipment	Construction in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	KHR Million
<b>31 March 2021</b>							
<b>Cost</b>							
At 1 January 2021	25,270,673	14,326,772	1,729,615	31,042,869	145,801	72,515,730	293,326
Additions	8,285	246,342	285,925	1,552,944	1,299,841	3,393,337	13,774
Transfers	199,486	19,014	-	-	(218,500)	-	-
Disposals	-	-	(190,704)	-	-	(190,704)	(774)
Currency translation differences	-	-	-	-	-	-	(45)
At 31 March 2021	25,478,444	14,592,128	1,824,836	32,595,813	1,227,142	75,718,363	306,281
<b>Accumulated depreciation</b>							
At 1 January 2021	8,859,653	7,196,606	1,190,907	13,536,674	-	30,783,840	124,521
Depreciation	868,812	630,146	65,526	779,618	-	2,344,102	9,515
Disposals	-	-	(190,704)	-	-	(190,704)	(774)
Currency translation differences	-	-	-	-	-	-	(31)
At 31 March 2021	9,728,465	7,826,752	1,065,729	14,316,292	-	32,937,238	133,231
<b>Carrying amounts</b>							
At 31 March 2021	15,749,979	6,765,376	759,107	18,279,521	1,227,142	42,781,125	173,050

**ADVANCED BANK OF ASIA LIMITED**

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**10. RIGHT-OF-USE ASSETS**

The Bank leases assets including office buildings and motor vehicles. Information about leases for which the Bank is a lessee is presented below.

	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Total</b>	
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR Million</b>
<b>31 December 2020</b>				
Cost	47,852,233	2,203,204	50,055,437	202,474
Accumulated depreciation	14,695,437	1,640,926	16,336,363	66,080
<b>Carrying amounts</b>	<b>33,156,796</b>	<b>562,278</b>	<b>33,719,074</b>	<b>136,394</b>
<b>31 March 2021</b>				
<b>Cost</b>				
At 1 January 2021	47,852,233	2,203,204	50,055,437	202,474
Additions	3,703,170	261,470	3,964,640	16,092
Currency translation differences	-	-	-	(55)
At 31 March 2021	51,555,403	2,464,674	54,020,077	218,511
<b>Accumulated depreciation</b>				
At 1 January 2021	14,695,437	1,640,926	16,336,363	66,080
Depreciation	1,568,128	144,001	1,712,129	6,950
Currency translation differences	-	-	-	(24)
At 31 March 2021	16,263,565	1,784,927	18,048,492	73,006
<b>Carrying amounts</b>				
At 31 March 2021	35,291,838	679,747	35,971,585	145,505

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**10. RIGHT-OF-USE ASSETS (continued)**

Amounts recognised in profit and loss

	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Depreciation expense on right-of-use assets (Note 24)	1,712,129	6,950	1,006,507	4,090
Interest expense on lease liabilities (Note 20)	463,953	1,883	291,055	1,183
Expense relating to leases of low value assets and short-term lease	877,494	3,562	1,481,630	6,021
	<u>3,053,576</u>	<u>12,395</u>	<u>2,779,192</u>	<u>11,294</u>

**11. INTANGIBLE ASSETS**

	<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>
<b>Software</b>		
Cost	12,853,839	51,994
Accumulated amortisation	<u>3,922,409</u>	<u>15,866</u>
<b>Carrying amounts</b>	<u>8,931,430</u>	<u>36,128</u>

	<b>31 March 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>
<b>Software</b>		
<b>Cost</b>		
At 1 January	12,853,839	51,994
Additions	1,012,159	4,108
Currency translation differences	-	(14)
	<u>13,865,998</u>	<u>56,088</u>
<b>Accumulated amortisation</b>		
At 1 January	3,922,409	15,866
Amortisation	387,222	1,572
Currency translation differences	-	(6)
	<u>4,309,631</u>	<u>17,432</u>
<b>Carrying amounts</b>	<u>9,556,367</u>	<u>38,656</u>

**ADVANCED BANK OF ASIA LIMITED**

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**12. DEFERRED TAX ASSETS, NET**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same fiscal authority. The offset amounts were as follows:

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Deferred tax assets	7,617,936	30,815	7,082,970	28,651
Deferred tax liabilities	(1,525,753)	(6,172)	(1,414,856)	(5,723)
Net deferred tax assets	<u>6,092,183</u>	<u>24,643</u>	<u>5,668,114</u>	<u>22,928</u>

Deferred tax assets arise mainly due to deferred revenue from processing fees and card fees and accrued management incentive.

**13. OTHER ASSETS**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Deposits and advance payments Master/Visa Card and MoneyGram and other receivables	17,554,607	71,008	13,333,496	53,934
Prepayment	16,428,909	66,455	10,108,141	40,887
Card supplies	6,097,447	24,664	3,961,188	16,023
Investment – Credit Bureau	3,179,539	12,861	3,085,979	12,483
	25,588	104	25,588	104
	<u>43,286,090</u>	<u>175,092</u>	<u>30,514,392</u>	<u>123,431</u>

**14. DEPOSITS FROM CUSTOMERS**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Demand deposits	976,344,806	3,949,315	868,648,938	3,513,685
Savings deposits	3,285,583,510	13,290,185	3,038,599,194	12,291,134
Fixed deposits	967,375,179	3,913,033	964,147,674	3,899,977
Margin deposits	304,569	1,232	72,570	294
	<u>5,229,608,064</u>	<u>21,153,765</u>	<u>4,871,468,376</u>	<u>19,705,090</u>

**ADVANCED BANK OF ASIA LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Corporate bonds	20,921,781	84,628	21,282,088	86,086

The interest is payable semi-annually. As at 31 March 2021, the Bank paid interest expenses on debt securities to investors in aggregate amount KHR 1,637 million (approximately US\$404,774).

**16. BORROWINGS**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Borrowings	287,589,073	1,163,298	242,004,091	978,907

During the three-month period, the changes to the Bank's borrowings were as follows:

- Includes 8 new Liquidity-Providing Collateralised Operations (LPCOs) provided by the National Bank of Cambodia for US\$93,366,131 (equivalent to KHR377.7 billion). By the reporting date, 10 LPCOs for the total amount to US\$52,835,600 (equivalent to KHR213.7 billion) matured. The principal and interest are payable on maturities with 3 to 12 months term.
- The bank repaid short-term loan from AfrAsia Bank Limited, Mauritius, for amount of US\$10,000,000 on 30 March 2021.
- The bank repaid short-term loan from RHB Bank Cambodia Plc, with the loan amount to KHR12,000,000,000 (equivalent to US\$2,966,625) on 1 March 2021. Additionally, the bank obtained short term borrowing amount to US\$7,000,000 on 22 February 2021 and it has been rollover on 24 March 2021.
- The amount above represents the long-term loan obtained from SME Bank of Cambodia. As of 31 March 2021, the bank has paid principal amounting to US\$56,630 and KHR13,385,300 respectively (equivalent to US\$3,335). The principal and interest are payable on a monthly basis.

The LPCOs obtained from the NBC are fully collateralised by the NCD in US\$. Other borrowings are unsecured. All the borrowings bear fixed interest rate ranging from 0.42% to 6.84% per annum (2020: 0.42% to 6.84%).

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**17. SUBORDINATED DEBTS**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
National Bank of Canada	117,814,234	476,559	117,023,035	473,358

**18. LEASE LIABILITIES**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Maturity analysis:				
Year 1	7,396,251	29,918	7,505,622	30,360
Year 2	7,082,389	28,648	6,470,534	26,173
Year 3	6,792,229	27,475	6,262,674	25,333
Year 4	6,330,962	25,609	5,965,129	24,129
Year 5	5,890,561	23,827	5,490,824	22,210
Onwards	11,387,856	46,063	10,898,970	44,087
	44,880,248	181,540	42,593,753	172,292
Less: Unearned interest	(6,779,610)	(27,423)	(6,871,851)	(27,796)
	38,100,638	154,117	35,721,902	144,496

**19. OTHER LIABILITIES**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Accrued expenses	21,178,040	85,665	27,732,108	112,176
Master/Visa Card and MoneyGram and other payables	7,905,258	31,977	3,790,716	15,333
Unearned income	2,664,912	10,780	2,814,586	11,385
Remittance in process	2,377,059	9,615	1,592,606	6,442
Other tax payable	2,649,326	10,717	713,705	2,887
Provision for off-balance sheets	175,863	711	134,399	544
	36,950,458	149,465	36,778,120	148,767

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**20. NET INTEREST INCOME**

	<b>Three-month period ended 31 March 2021</b>		<b>Three-month period ended 31 March 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
<b>Interest income from:</b>				
Loans to customers	100,975,324	409,859	79,546,395	323,276
Balances with the NBC and other banks	1,777,006	7,213	2,770,144	11,258
Investment securities	154,674	628	220,941	898
Others	35,615	144	-	-
	<u>102,942,619</u>	<u>417,844</u>	<u>82,537,480</u>	<u>335,432</u>
<b>Interest expense on:</b>				
Deposits from customers	9,380,343	38,075	7,924,584	32,206
Subordinated debts	2,293,795	9,311	2,653,170	10,782
Borrowings	2,937,034	11,921	2,315,547	9,410
Lease liabilities	463,953	1,883	291,055	1,183
Debt securities in issue	404,774	1,643	403,785	1,641
	<u>15,479,899</u>	<u>62,833</u>	<u>13,588,141</u>	<u>55,222</u>
<b>Net interest income</b>	<u>87,462,720</u>	<u>355,011</u>	<u>68,949,339</u>	<u>280,210</u>

ADVANCED BANK OF ASIA LIMITED

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21. NET FEE AND COMMISSION INCOME

	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	US\$	KHR Million	US\$	KHR Million
<b>Fee and commission income</b>				
Loan commissions	1,666,292	6,763	1,240,468	5,041
Inward and outward remittances	2,306,299	9,361	1,612,826	6,555
MasterCard, Visa and UPI cards	4,786,779	19,430	4,845,746	19,693
Cable charges	202,715	823	187,060	760
Pin-less top up	1,132,724	4,598	621,000	2,524
Commission fee from insurance	404,757	1,643	255,133	1,037
Special account number fees	537,173	2,180	-	-
E-wallet	406,965	1,652	132,515	539
Other fees	1,181,937	4,797	670,237	2,723
	<u>12,625,641</u>	<u>51,247</u>	<u>9,564,985</u>	<u>38,872</u>
<b>Fee and commission expense</b>				
MasterCard, Visa and UPI cards	3,695,385	15,000	3,968,899	16,130
Fees and commission paid to other banks and FIs	815,672	3,311	470,477	1,912
Others	25,064	101	100	-
	<u>4,536,121</u>	<u>18,412</u>	<u>4,439,476</u>	<u>18,042</u>
<b>Net fee and commission income</b>	<u>8,089,520</u>	<u>32,835</u>	<u>5,125,509</u>	<u>20,830</u>

22. OTHER OPERATING INCOME

	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	US\$	KHR Million	US\$	KHR Million
Foreign exchange gains, net	1,162,897	4,720	767,956	3,121
Other income	1,712	7	1,100	4
	<u>1,164,609</u>	<u>4,727</u>	<u>769,056</u>	<u>3,125</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**23. PERSONNEL EXPENSES**

	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	US\$	KHR Million	US\$	KHR Million
Salaries and bonuses	17,957,551	72,890	16,593,088	67,434
Seniority payments	1,149,693	4,667	930,052	3,780
Other personnel expenses	699,211	2,837	517,033	2,101
	<u>19,806,455</u>	<u>80,394</u>	<u>18,040,173</u>	<u>73,315</u>

**24. DEPRECIATION AND AMORTISATION**

	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	US\$	KHR Million	US\$	KHR Million
Property and equipment	2,344,102	9,515	2,739,097	11,132
Right-of-use assets	1,712,129	6,950	1,006,507	4,090
Intangible assets	387,222	1,571	265,994	1,081
	<u>4,443,453</u>	<u>18,036</u>	<u>4,011,598</u>	<u>16,303</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**25. OPERATING EXPENSES**

	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	US\$	KHR Million	US\$	KHR Million
Repairs and maintenance	2,089,966	8,483	1,771,584	7,200
Office supplies	1,503,604	6,103	1,254,293	5,097
Rental expenses	877,494	3,562	1,481,630	6,021
Security expenses	637,692	2,588	576,363	2,342
Communication	536,031	2,176	384,715	1,563
Marketing and advertising	502,702	2,040	521,387	2,119
Utilities expenses	491,917	1,997	505,281	2,053
Professional fees	316,867	1,286	321,239	1,306
Insurance expenses	250,490	1,017	186,131	756
Motor vehicle operation expenses	192,245	780	217,104	882
License fees	189,806	770	185,089	752
Credit report (CBC) expenses	146,521	595	91,234	371
Travelling	95,446	387	96,242	391
Board of Director fees	85,624	348	86,360	351
Membership fees	64,802	263	18,740	76
Business meal and entertainment	24,817	101	53,682	218
Other expenses	206,381	837	73,473	301
	<u>8,212,405</u>	<u>33,333</u>	<u>7,824,547</u>	<u>31,799</u>

**ADVANCED BANK OF ASIA LIMITED**

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**26. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS**

	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	US\$	KHR Million	US\$	KHR Million
Loans to customers	4,158,917	16,881	1,364,033	5,543
Balances with other banks	(41,309)	(168)	590,909	2,401
Investment securities	402	2	(1,320)	(5)
Rental deposit	1,414	6	169	1
Loan commitments and financial guarantee contracts	41,464	168	10,138	41
	<u>4,160,888</u>	<u>16,889</u>	<u>1,963,929</u>	<u>7,981</u>

**27. CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, cash and cash equivalents comprise:

	31 March 2021		31 March 2020	
	US\$	KHR Million	US\$	KHR Million
Cash on hand	336,202,954	1,359,941	279,354,626	1,136,973
Balances with the NBC	169,062,235	683,857	331,695,785	1,350,002
Balances with other banks	45,923,372	185,760	255,082,971	1,038,188
	<u>551,188,561</u>	<u>2,229,558</u>	<u>866,133,382</u>	<u>3,525,163</u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in statement reporting position as shown above.

**ADVANCED BANK OF ASIA LIMITED**

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**28. RELATED PARTIES**

**(a) Related parties and relationships**

The related parties of and their relationships with the Bank are as follows:

<b>Related parties</b>	<b>Relationships</b>
National Bank of Canada	Ultimate parent shareholder
Key management personnel	Executive management team of the Bank who make critical decisions in relation to the strategic direction of the Bank.

**(b) Related party balances**

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Loans to management	4,500,698	18,205	4,648,955	18,805
Deposits and placements by directors and management	4,351,615	17,602	3,409,816	13,793
Borrowings from National Bank of Canada	117,814,234	476,559	117,023,035	473,358

**(c) Other related party transactions**

	<b>Three-month period ended 31 March 2021</b>		<b>Three-month period ended 31 March 2020</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Interest income on loans to management	66,007	268	60,559	246
Interest expenses on deposits and placements to directors and management	14,090	57	27,461	112
Interest expenses to National Bank of Canada	2,293,795	9,311	2,653,170	10,782

**ADVANCED BANK OF ASIA LIMITED**

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**28. RELATED PARTIES (continued)**

**(d) Shareholders, directors, and key management personnel remuneration**

	Three-month period ended 31 March 2021		Three-month period ended 31 March 2020	
	US\$	KHR Million	US\$	KHR Million
Salaries and benefits	4,498,376	18,259	3,691,850	15,004

**29. LOAN COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS**

	31 March 2021		31 December 2020	
	US\$	KHR Million	US\$	KHR Million
Unused portion of overdrafts	145,246,970	587,524	116,567,480	471,515
Performance bonds	11,059,804	44,737	13,635,793	55,157
Letter of credits	12,935,809	52,325	10,455,894	42,294
Unused portion of credit cards	9,665,192	39,096	9,693,537	39,210
Securities	4,400,000	17,798	4,400,000	17,798
Payment guarantees	9,079,955	36,728	8,903,461	36,014
Bid bonds	669,097	2,706	2,214,644	8,958
Warranty bonds	254,453	1,029	176,593	714
Other guarantees	237,000	959	237,000	959
	<u>193,548,280</u>	<u>782,902</u>	<u>166,284,402</u>	<u>672,619</u>

**30. SEGMENT REPORTING**

Segment reporting is not required for the Bank as the majority of the income is from the same business segment, which is credit and lending, all activities are carried out in the Kingdom of Cambodia.

**31. FINANCIAL RISK MANAGEMENT**

Except as disclosed in note 33, the Bank's financial risk management policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2020.

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**31. FINANCIAL RISK MANAGEMENT (continued)**

**Loss allowance - movement of ECL for loans to customers**

The table below analyses the movement of the loss allowance for loan to customers during the period.

	31 March 2021				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	US\$	KHR Million
	US\$	US\$	US\$		
Loss allowance as at 1 January 2021	9,283,767	2,993,995	6,494,373	18,772,135	75,933
Changes in the loss allowance					
Transfer to stage 1	58,592	(58,592)	-	-	-
Transfer to stage 2	(50,431)	74,329	(23,898)	-	-
Transfer to stage 3	(9,799)	(458,387)	468,186	-	-
Net remeasurement of loss allowances <sup>(1)</sup>	1,824,460	407,894	243,907	2,476,261	10,016
New financial assets originated	672,642	-	-	672,642	2,721
Financial asset that has been derecognised	(303,421)	(168,705)	(329,784)	(801,910)	(3,243)
Other changes	1,800,000 <sup>(2)</sup>	-	(23,862)	1,776,138	7,184
Loss allowance as at 31 March 2021	13,275,810	2,790,534	6,828,922	22,895,266	92,611

<sup>(1)</sup> Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volume and in the credit quality of existing loans.

<sup>(2)</sup> This represents additional management overlay for the period ended 31 March 2021. Refer to Note 33(i) for more details.

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**31. FINANCIAL RISK MANAGEMENT (continued)**

**Loss allowance - movement of ECL for loans to customers (continued)**

	31 March 2020				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	US\$	KHR Million
	US\$	US\$	US\$		
Loss allowance as at 1 January 2020	1,573,881	566,317	4,215,254	6,355,452	25,898
Change in loss allowance					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	(2,925)	2,925	-	-	-
Transfer to stage 3	-	(107,815)	107,815	-	-
Net remeasurement of loss allowance <sup>(1)</sup>	182,697	224,930	929,265	1,336,892	5,441
New financial assets originated	261,343	3,439	14,058	278,840	1,135
Financial asset that has been derecognised	(93,688)	(15,429)	(47,702)	(156,819)	(638)
Other changes	(21)	(127)	(134,488)	(134,636)	(548)
Currency translation differences	-	-	-	-	(32)
Loss allowance as at 31 March 2020	1,921,287	674,240	5,084,202	7,679,729	31,256

<sup>(1)</sup> Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volume and in the credit quality of existing loans.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**31. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity risk**

**Maturity analysis for financial assets and financial liabilities**

The following tables set out the remaining contractual maturities of the Bank's financial assets and financial liabilities. The sum of the balances depicted in the maturity analysis do not reconcile with the carrying amount of the assets/liabilities as disclosed in the statement of financial position, this is because maturity analysis incorporates, on an undiscounted basis, all cash flow relating to principal. The amount for issued loan commitments and financial guarantees contract is the maximum amount that may be drawn down under the loan commitment, or called under the financial guarantees contract, both included in the earliest possible period under these could be paid. The undiscounted cash flows potentially payable under financial guarantees and similar contracts are classified on the basis of the earliest date they can be called.

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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**31. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity risk (continued)**

**Maturity analysis for financial assets and financial liabilities (continued)**

	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 March 2021</b>								
<b>Financial assets by type</b>								
Non-derivative assets								
Cash on hand	336,202,954	336,202,954	336,202,954	-	-	-	-	-
Balances with the NBC	1,565,426,425	1,566,166,423	267,693,971	196,351,002	697,135,603	-	-	404,985,847
Balances with other banks	319,715,581	322,639,235	76,862,915	45,080,383	200,695,937	-	-	-
Loans to customers	4,191,902,204	4,203,098,388	99,048,258	199,299,388	338,182,959	2,105,218,103	1,461,349,680	-
Investment securities	7,484,291	8,481,694	-	-	-	8,481,694	-	-
Other assets	23,961,817	23,961,817	19,634,536	42,536	203,858	1,063,522	3,017,365	-
<b>In US\$ equivalents</b>	<b>6,444,693,272</b>	<b>6,460,550,511</b>	<b>799,442,634</b>	<b>440,773,309</b>	<b>1,236,218,357</b>	<b>2,114,763,319</b>	<b>1,464,367,045</b>	<b>404,985,847</b>
<b>In KHR Million equivalents</b>	<b>26,068,784</b>	<b>26,132,927</b>	<b>3,233,745</b>	<b>1,782,928</b>	<b>5,000,503</b>	<b>8,554,218</b>	<b>5,923,365</b>	<b>1,638,168</b>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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**31. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity risk (continued)**

**Maturity analysis for financial assets and financial liabilities (continued)**

	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 March 2021</b>								
<b>Financial liabilities by type</b>								
Non-derivative liabilities								
Deposits from customers	(5,229,608,064)	(5,260,921,384)	(4,406,804,970)	(224,052,470)	(590,653,922)	(39,410,022)	-	-
Debt securities in issue	(20,921,781)	(23,234,709)	-	-	(1,613,160)	(21,621,549)	-	-
Borrowings	(287,589,073)	(307,780,775)	(55,826,935)	(78,125,603)	(166,513,436)	(6,107,245)	(1,207,556)	-
Subordinated debts	(117,814,234)	(156,920,084)	-	-	-	(100,134,077)	(56,786,007)	-
Lease liabilities	(38,100,638)	(44,880,248)	(681,185)	(1,355,278)	(5,359,788)	(26,096,141)	(11,387,856)	-
Other liabilities	(34,109,684)	(34,109,684)	(2,649,326)	(20,833,842)	(10,282,723)	(14,495)	(329,298)	-
	<u>(5,728,143,474)</u>	<u>(5,827,846,884)</u>	<u>(4,465,962,416)</u>	<u>(324,367,193)</u>	<u>(774,423,029)</u>	<u>(193,383,529)</u>	<u>(69,710,717)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(188,911,281)	(10,496,329)	(17,650,898)	(150,012,543)	(10,751,511)	-	-
<b>In US\$ equivalents</b>	<u>(5,728,143,474)</u>	<u>(6,016,758,165)</u>	<u>(4,476,458,745)</u>	<u>(342,018,091)</u>	<u>(924,435,572)</u>	<u>(204,135,040)</u>	<u>(69,710,717)</u>	<u>-</u>
<b>In KHR Million equivalents</b>	<u>(23,170,340)</u>	<u>(24,337,787)</u>	<u>(18,107,276)</u>	<u>(1,383,463)</u>	<u>(3,739,342)</u>	<u>(825,726)</u>	<u>(281,980)</u>	<u>-</u>

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

**31. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity risk (continued)**

**Maturity analysis for financial assets and financial liabilities (continued)**

	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2020</b>								
<b>Financial assets by type</b>								
Non-derivative assets								
Cash on hand	378,101,373	378,101,373	378,101,373	-	-	-	-	-
Balances with the NBC	1,481,626,701	1,482,463,671	227,602,290	140,897,102	730,962,799	-	-	383,001,480
Balances with other banks	325,956,497	329,159,013	62,531,584	28,085,945	238,541,484	-	-	-
Loans to customers	3,814,599,414	4,925,131,069	74,208,223	134,659,696	635,309,114	2,763,621,205	1,317,332,831	-
Investment securities	7,434,086	8,921,826	-	-	-	8,921,826	-	-
Other assets	17,347,962	17,347,962	6,433,942	18,025	6,906,760	837,270	3,151,965	-
<b>In US\$ equivalents</b>	<b>6,025,066,033</b>	<b>7,141,124,914</b>	<b>748,877,412</b>	<b>303,660,768</b>	<b>1,611,720,157</b>	<b>2,773,380,301</b>	<b>1,320,484,796</b>	<b>383,001,480</b>
<b>In KHR Million equivalents</b>	<b>24,371,392</b>	<b>28,885,850</b>	<b>3,029,209</b>	<b>1,228,308</b>	<b>6,519,408</b>	<b>11,218,323</b>	<b>5,341,361</b>	<b>1,549,241</b>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

31. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Maturity analysis for financial assets and financial liabilities (continued)

	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2020</b>								
<b>Financial liabilities by type</b>								
Non-derivative liabilities								
Deposits from customers	(4,871,468,376)	(4,904,949,197)	(4,026,303,308)	(212,310,676)	(622,882,632)	(43,452,581)	-	-
Debt securities in issue	(21,282,088)	(24,041,289)	-	(806,580)	(806,580)	(22,428,129)	-	-
Borrowings	(242,004,091)	(260,392,244)	(3,830,605)	(65,192,233)	(183,997,232)	(6,117,277)	(1,254,897)	-
Subordinated debts	(117,023,035)	(156,286,668)	-	-	-	(100,381,437)	(55,905,231)	-
Lease liabilities	(35,721,902)	(42,593,752)	(644,918)	(1,274,527)	(5,586,177)	(24,189,161)	(10,898,970)	-
Other liabilities	(33,829,136)	(33,829,136)	(713,705)	(27,380,125)	(5,383,728)	(14,495)	(337,083)	-
	<u>(5,321,328,628)</u>	<u>(5,422,092,286)</u>	<u>(4,031,492,536)</u>	<u>(306,964,141)</u>	<u>(818,656,349)</u>	<u>(196,583,080)</u>	<u>(68,396,181)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(161,647,403)	(10,471,284)	(19,474,031)	(120,369,486)	(11,332,602)	-	-
<b>In US\$ equivalents</b>	<u>(5,321,328,628)</u>	<u>(5,583,739,689)</u>	<u>(4,041,963,820)</u>	<u>(326,438,172)</u>	<u>(939,025,835)</u>	<u>(207,915,682)</u>	<u>(68,396,181)</u>	<u>-</u>
<b>In KHR Million equivalents</b>	<u>(21,524,774)</u>	<u>(22,586,227)</u>	<u>(16,349,743)</u>	<u>(1,320,442)</u>	<u>(3,798,360)</u>	<u>(841,019)</u>	<u>(276,663)</u>	<u>-</u>

## ADVANCED BANK OF ASIA LIMITED

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

#### 32. COMPARATIVE INFORMATION

Certain corresponding figures have been reclassified to conform to the current year's presentation and disclosure.

#### 33. IMPACT OF COVID-19

The impact of the Coronavirus ("COVID-19") pandemic has spread across various geographies globally. The World Health Organisation declared an international health emergency due to the outbreak of COVID-19 in January 2020 and has characterised the spread of COVID-19 as a global pandemic since March 2020. The continuing spread of COVID-19 has caught the world off-guard, with significant implications for personal health and business continuity.

To support the economy and the financial sector, the NBC and the Royal Government of Cambodia have taken numerous steps primarily to help businesses during this unprecedented time such as loan restructuring directive and establishment of SME Bank to facilitate the SME Co-Financing Scheme (SCFS).

Management will continue to monitor the potential impact of COVID-19 and will take all steps to mitigate any effects on the Bank's operations.

The Bank has performed assessments of COVID-19 impacts in the light of the available guidance of the NBC and CIFRSs, which have resulted in the following:

##### i) Expected credit losses

The management reviewed and implemented enhanced ECL model since the fourth quarter of the year 2020. The major amendments in new model compared to previous model are as follows:

##### Probability of Default (PD)

PD is calculated using monthly migration matrices over past seven years data consisting of 72 matrices. More granular approach is adopted by breaking Stage-1 in to "Bucket 0" which 0 days past due and "Bucket-1" with 1-29 days past due loans.

##### Loss Given Default (LGD)

Active accounts for which the recovery is still ongoing have been included in LGD calculation based on the LGD period workout analysis. Exposure for LGD calculation has been taken as on the default period as revised from Exposure at Default (EAD) which used to increase over the period adopted in the previous model. Industry level LGD is calculated which aligns to the segmentation used for PD calculation.

##### Probability weighted outcome

Currently, base, upside and downside scenarios have been given weightages as 60%, 20% and 20% respectively.

## ADVANCED BANK OF ASIA LIMITED

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

#### 33. IMPACT OF COVID-19 (continued)

##### i) Expected credit losses (continued)

###### Forward-looking information

Forward-looking information is used only for PD. For LGD, the forward-looking information is not considered as the default counts in the earlier quarters are not sufficient to undertake reliable forward-looking statistical analysis.

###### Main macroeconomic factors

The following macroeconomic factors are identified and used for forward looking PD.

PD segment	Macroeconomic Factor <sup>(1)</sup>
Agriculture	Cambodia Consumer Price Index
Construction and Real Estate	Industry Contribution to GDP Growth
Real Estate Rentals	Cambodia GDP at Constant 2000 Price
Manufacturing	Foreign Direct Investment Growth
Wholesale and Retail	Cambodia Consumer Price Index
Services	Industry Contribution to GDP Growth
Personal Loan	Industry Contribution to GDP Growth

<sup>(1)</sup> All macroeconomic factors are based in the Cambodia context unless otherwise indicated.

In addition, the Bank has performed stress case scenario considering higher migration of loan staging from stage 1 to stage 2 and stage 3 compared to past trend for loans restructured with grace period for both principal and interest. As a result, the Bank has incorporated additional ECL overlay of US\$1.80 million during the first quarter of 2021, resulting in a lifetime ECL overlay of US\$6.45 million as at 31 March 2021.

##### ii) Accounting for modified financial assets

Considering the economic factors, the Bank has delayed loan repayments for borrowers involved in all sectors whose businesses are affected by the COVID-19 outbreak up to 12 months. The modification gain and loss on those financial assets was not considered to be material.

##### iii) Valuations estimates and judgements

The Bank has considered potential impacts of the current economic volatility in determination of the reported amounts of the Bank's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets, however, remain volatile and the recorded amounts remain sensitive to market fluctuations.