

ADVANCED BANK OF ASIA LIMITED

(Registration No. 00010593)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2020**

ADVANCED BANK OF ASIA LIMITED**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020****CONTENTS**

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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 2019 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 2020, 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: 19 May 2020

Head Office

No. 148, Preah Sihanouk Blvd,
Sangkat Boeung Keng Kang I, Khan Chamkarmorn,
Phnom Penh, Kingdom of Cambodia

Tel: (+855) 23 225 333
info@ababank.com
www.ababank.com

Fax: (+855) 23 216 333
P.O. Box: 2277
SWIFT: ABAKHPP

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 2020 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*.

Other matters

We draw attention to the fact that the Bank prepared and presented the condensed interim statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three-month period ended 31 March 2019 for comparative purposes only. These statements including related notes were neither reviewed nor audited.

For Deloitte (Cambodia) Co., Ltd.


Ung Kimsopheaktra
Director



Phnom Penh, Kingdom of Cambodia
Date: 19 May 2020

ADVANCED BANK OF ASIA LIMITED
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

		31 March 2020		31 December 2019	
	Note	US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand	4	279,354,626	1,136,973,328	251,750,205	1,025,882,085
Balances with the NBC	5	924,050,708	3,760,886,382	1,151,654,239	4,692,991,024
Balances with other banks	6	339,723,895	1,382,676,253	93,411,689	380,652,633
Loans to customers	7	2,988,653,642	12,163,820,323	2,758,070,913	11,239,138,970
Investment securities	8	3,292,380	13,399,987	33,285,434	135,638,144
Property and equipment	9	42,012,059	170,989,080	40,448,758	164,828,689
Right-of-use assets	10	34,382,280	139,935,880	34,537,031	140,738,401
Intangible assets	11	7,471,102	30,407,385	7,174,737	29,237,053
Deferred tax assets, net	12(b)	2,757,065	11,221,255	2,191,391	8,929,918
Other assets	13	28,183,086	114,705,160	22,363,972	91,133,185
TOTAL ASSETS		4,649,880,843	18,925,015,033	4,394,888,369	17,909,170,102
LIABILITIES					
Deposits from customers	14	3,452,594,360	14,052,059,045	3,395,343,449	13,836,024,555
Debt securities in issue	15	20,608,958	83,878,459	20,939,337	85,327,798
Borrowings	16	327,108,785	1,331,332,755	279,856,458	1,140,415,066
Subordinated debts	17	130,281,726	530,246,625	128,000,000	521,600,000
Current tax liabilities	12(a)	9,561,181	38,914,007	12,231,453	49,843,171
Lease liabilities	18	36,552,921	148,770,388	36,513,407	148,792,134
Other liabilities	19	23,250,093	94,627,880	25,624,103	104,418,220
TOTAL LIABILITIES		3,999,958,024	16,279,829,159	3,898,508,207	15,886,420,944
EQUITY					
Share capital	20	335,000,000	1,363,450,000	215,000,000	876,125,000
Regulatory Reserves	21	38,238,255	155,629,698	33,661,778	137,171,744
Retained earnings		276,684,564	1,127,143,511	247,718,384	1,009,452,414
Currency translation differences		-	(1,037,335)	-	-
TOTAL EQUITY		649,922,819	2,645,185,874	496,380,162	2,022,749,158
TOTAL LIABILITIES AND EQUITY		4,649,880,843	18,925,015,033	4,394,888,369	17,909,170,102

The accompanying notes from pages 8 to 43 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 2020**

		Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	Note	US\$	KHR'000	US\$	KHR'000
(Unaudited and unreviewed)					
Interest income	22	80,011,697	325,167,537	56,430,529	226,060,699
Interest expense	22	(13,588,141)	(55,222,205)	(12,774,325)	(51,173,946)
Net interest income		66,423,556	269,945,332	43,656,204	174,886,753
Fee and commission income	23	12,090,768	49,136,881	8,573,815	34,346,703
Fee and commission expense	23	(4,439,476)	(18,042,030)	(3,001,217)	(12,022,875)
Net fee and commission income		7,651,292	31,094,851	5,572,598	22,323,828
Other operating income	24	769,056	3,125,444	556,393	2,228,910
Personnel expenses	25	(18,040,173)	(73,315,263)	(10,209,882)	(40,900,787)
Operating expenses	26	(7,824,547)	(31,798,959)	(4,796,974)	(19,216,678)
Depreciation and amortization	27	(4,011,598)	(16,303,134)	(3,235,883)	(12,962,947)
Operating profit		44,967,586	182,748,271	31,542,456	126,359,079
Net impairment losses on financial assets	28	(1,963,929)	(7,981,407)	(832,718)	(3,335,868)
Profit before tax		43,003,657	174,766,864	30,709,738	123,023,211
Income tax expense		(9,461,000)	(38,449,504)	(5,973,000)	(23,927,838)
Profit for the period		33,542,657	136,317,360	24,736,738	99,095,373
Other comprehensive loss		-	(1,037,335)	-	(175,309)
Total comprehensive income for the period		<u>33,542,657</u>	<u>135,280,025</u>	<u>24,736,738</u>	<u>98,920,064</u>
Profit attributable to shareholders		<u>33,542,657</u>	<u>136,317,360</u>	<u>24,736,738</u>	<u>99,095,373</u>
Total comprehensive loss attributable to shareholders		33,542,657	135,280,025	24,736,738	98,920,064

The accompanying notes from pages 8 to 43 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 2020**

	Share capital US\$	Regulatory reserves US\$	Retained earnings US\$	Currency translation differences KHR'000	Total US\$
Three-month period ended 31 March 2019					
At 1 January 2019	165,000,000	21,321,874	132,646,912	-	318,968,786
Issuance of share capital	-	-	-	-	-
Profit for the period	-	-	24,736,738	-	24,736,738
	165,000,000	21,321,874	157,383,650	-	343,705,524
Transfers from retained earnings to regulatory reserves	-	3,852,054	(3,852,054)	-	-
At 31 March 2019	165,000,000	25,173,928	153,531,596	-	343,705,524
In KHR'000 equivalents	662,475,000	101,073,320	616,604,668	(175,309)	1,379,977,679
Three-month period ended 31 March 2020					
At 1 January 2020	215,000,000	33,661,778	247,718,384	-	496,380,162
Issuance of share capital	120,000,000	-	-	-	120,000,000
Profit for the period	-	-	33,542,657	-	33,542,657
	335,000,000	33,661,778	281,261,041	-	649,922,819
Transfers from retained earnings to regulatory reserves	-	4,576,477	(4,576,477)	-	-
At 31 March 2020	335,000,000	38,238,255	276,684,564	-	649,922,819
In KHR'000 equivalents	1,363,450,000	155,629,698	1,127,143,511	(1,037,335)	2,645,185,874

The accompanying notes from pages 8 to 43 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 2020**

		Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	Note	US\$	KHR'000	US\$	KHR'000
(Unaudited and unreviewed)					
Cash flows from operating activities					
Profit before income tax		43,003,657	174,766,864	30,709,738	123,023,211
<i>Adjustments for:</i>					
Depreciation and amortization	27	4,024,866	16,357,055	3,249,151	13,016,099
Net impairment losses on financial assets	28	1,963,929	7,981,407	832,718	3,335,868
Losses/(gains) on disposals of property and equipment		(4,990)	(20,280)	(544)	(2,177)
Net interest income	22	(66,423,556)	(269,945,332)	(43,656,204)	(174,886,753)
		(17,436,094)	(70,860,287)	(8,865,140)	(35,513,753)
<i>Changes in:</i>					
Balances with the NBC		177,924,895	723,086,771	(203,836,421)	(816,568,705)
Balances with other banks		(51,556,683)	(209,526,362)	6,773,391	27,134,202
Loans to customers		(230,104,584)	(935,145,029)	(228,268,069)	(914,441,884)
Other assets		(5,819,283)	(23,649,566)	(1,434)	(5,745)
Deposits from customers		57,028,654	231,764,450	376,821,875	1,509,548,431
Other liabilities		(2,384,147)	(9,689,173)	(3,318,155)	(13,292,529)
Cash (used in)/generated from operations		(72,347,243)	(294,019,200)	(60,693,953)	(243,139,983)
Interest received		78,689,041	319,792,263	54,633,577	218,862,109
Interest paid		(10,223,352)	(41,547,703)	(9,434,332)	(37,793,934)
Income tax paid		(12,696,947)	(51,600,393)	(17,971,697)	(71,994,619)
Net cash used in activities		(16,578,501)	(67,375,033)	(33,466,406)	(134,066,427)
Cash flows from investing activities					
Purchase of investment securities		-	-	(37,819,628)	(151,505,430)
Sale proceeds from Investment securities		29,760,358	120,946,095	29,871,850	119,666,631
Purchases of property and equipment		(4,302,690)	(17,486,131)	(4,226,760)	(16,932,401)
Purchases of intangible assets		(562,358)	(2,285,421)	(3,528,115)	(14,133,630)
Proceeds from disposals of property and equipment		5,282	21,467	1,755	7,029
Net cash from/(used in) investing activities		24,900,593	101,196,010	(15,700,899)	(62,897,801)

ADVANCED BANK OF ASIA LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

	Note	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Issuance of share capital		120,000,000	487,680,000	-	-
Issuance of debt securities in issue		71,345	289,946	-	-
Proceeds from borrowings		175,791,731	714,417,595	47,010,585	188,324,404
Repayments of borrowings		(129,510,878)	(526,332,208)	(56,306,266)	(225,562,902)
Principal elements of lease payments		(1,103,297)	(4,483,798)	(1,447,280)	(5,797,803)
Net cash from financing activities		<u>165,248,901</u>	<u>671,571,535</u>	<u>(10,742,961)</u>	<u>(43,036,301)</u>
Net increase in cash and cash equivalents		173,570,993	705,392,512	(59,910,265)	(240,000,529)
Cash and cash equivalents at the beginning of period		554,540,164	2,259,751,168	441,757,411	1,774,981,277
Currency translation differences		-	(1,731,272)	-	(1,864,457)
Cash and cash equivalents at the end of period	29	<u><u>728,111,157</u></u>	<u><u>2,963,412,408</u></u>	<u><u>381,847,146</u></u>	<u><u>1,533,116,291</u></u>

The accompanying notes from pages 8 to 43 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 2020

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 and commenced operations on 25 October 1996. 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, 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 19 May 2020.

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 2019 and any public announcements made by the Bank during the interim reporting period. The results of the three-month period ended 31 March 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

2.2 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the condensed interim financial statements in conformity with Cambodian International Financial Reporting Standards (CIFRSs) 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 2019, 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 2019, 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 2020

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 National Bank of Cambodia.

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 2020	4,070	4,064
31 December 2019	4,075	4,063
31 March 2019	4,015	4,006

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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 2019, except for the adoption of new and amended standards as set out below.

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

Amendments to CIFRS 3	<i>Definition of a business</i>
Amendment to CIAS 1 and CIAS 8	<i>Definition of material</i>
Conceptual Framework	<i>Amendments to References to the Conceptual Framework in CIFRS standards</i>

The Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3.2 New standards issued but not yet adopted

CIFRS 17	<i>Insurance Contracts</i>
CIFRS 10 and CIAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

The Bank does not expect that the adoption of the standards listed above will have any impact on the financial statements of the Bank in future periods as these standards are not applicable to the Bank.

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

4. CASH ON HAND

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	261,938,822	1,066,091,006	237,592,862	968,190,913
Cash items in process of collection	17,415,804	70,882,322	14,157,343	57,691,172
	<u>279,354,626</u>	<u>1,136,973,328</u>	<u>251,750,205</u>	<u>1,025,882,085</u>

5. BALANCES WITH THE NBC

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Statutory deposits:				
Capital guarantee deposit (i)	33,537,915	136,499,314	21,553,770	87,831,613
Reserve requirement (ii)	252,292,391	1,026,830,031	413,991,945	1,687,017,176
Current account	303,729,546	1,236,179,252	235,691,886	960,444,435
Negotiable Certified Deposits (NCD)	334,490,856	1,361,377,785	480,416,638	1,957,697,800
	<u>924,050,708</u>	<u>3,760,886,382</u>	<u>1,151,654,239</u>	<u>4,692,991,024</u>

(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 ranging from 0.47% to 0.48% per annum (2019: 0.54% to 0.72% per annum).

(ii) Reserve requirement

This is a reserve requirement which fluctuates depending on the level of the Bank's customers' deposits. It is maintained in compliance with the National Bank of Cambodia's 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.

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

6. BALANCES WITH OTHER BANKS

Balances with other banks are measured at amortised cost because these instruments meet the SPPI criterion and are held to collect the contractual cash flows.

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Balances with other banks at amortised cost	340,375,546	1,385,328,471	93,472,431	380,900,156
Impairment loss allowance	(651,651)	(2,652,218)	(60,742)	(247,523)
	<u>339,723,895</u>	<u>1,382,676,253</u>	<u>93,411,689</u>	<u>380,652,633</u>

7. LOANS TO CUSTOMERS

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
At amortised cost				
Commercial loans:				
Short-term loans	7,373,627	30,010,662	8,642,654	35,218,815
Long-term loans	2,834,284,917	11,535,539,612	2,631,621,350	10,723,857,001
Overdrafts	125,241,165	509,731,542	95,217,125	388,009,784
Consumer loans:				
Housing loans	14,553,685	59,233,498	14,295,649	58,254,770
Vehicle loans	23,841	97,033	16,060	65,445
Staff loans	12,909,288	52,540,802	12,605,152	51,365,994
Credit cards	1,946,848	7,923,671	2,028,375	8,265,628
Total gross carrying amount	2,996,333,371	12,195,076,820	2,764,426,365	11,265,037,437
Impairment loss allowance				
Commercial loans:				
Short-term loans	(16,017)	(65,189)	(10,605)	(43,215)
Long-term loans	(7,542,931)	(30,699,729)	(6,246,761)	(25,455,551)
Overdrafts	(45,318)	(184,444)	(26,728)	(108,917)
Consumer loans:				
Housing loans	(63,462)	(258,290)	(60,170)	(245,193)
Vehicle loans	(214)	(871)	(298)	(1,214)
Staff loans	(11,193)	(45,556)	(10,183)	(41,496)
Credit cards	(594)	(2,418)	(707)	(2,881)
Total impairment loss allowance	<u>(7,679,729)</u>	<u>(31,256,497)</u>	<u>(6,355,452)</u>	<u>(25,898,467)</u>
Net carrying amount	<u>2,988,653,642</u>	<u>12,163,820,323</u>	<u>2,758,070,913</u>	<u>11,239,138,970</u>

ADVANCED BANK OF ASIA LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020****8. INVESTMENT SECURITIES, NET**

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Investment securities at amortised cost	3,312,640	13,482,445	33,307,014	135,726,083
Impairment loss allowance	(20,260)	(82,458)	(21,580)	(87,939)
	<u>3,292,380</u>	<u>13,399,987</u>	<u>33,285,434</u>	<u>135,638,144</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

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'000
31 December 2019							
Cost	22,538,767	12,179,042	1,632,835	22,932,667	279,908	59,563,219	242,720,117
Accumulated depreciation	5,589,733	4,751,982	992,461	7,780,285	-	19,114,461	77,891,428
Carrying amounts	16,949,034	7,427,060	640,374	15,152,382	279,908	40,448,758	164,828,689
31 March 2020							
Cost							
At 1 January 2020	22,538,767	12,179,042	1,632,835	22,932,667	279,908	59,563,219	242,720,117
Additions	31,907	988,274	11,900	2,321,857	979,765	4,333,703	17,612,169
Expense off	(959)	(30,054)	-	-	-	(31,013)	(126,037)
Transfers	274,255	34,449	-	-	(308,704)	-	-
Disposals	-	(1,466)	(11,780)	(7,281)	-	(20,527)	(83,422)
Written off	-	(1,628)	-	(5,236)	-	(6,864)	(27,894)
Currency translation differences	-	-	-	-	-	-	(272,168)
At 31 March 2020	22,843,969	13,168,617	1,632,955	25,242,008	950,969	63,838,517	259,822,765
Accumulated depreciation							
At 1 January 2020	5,589,733	4,751,982	992,461	7,780,285	-	19,114,461	77,891,428
Depreciation for the period	777,316	590,998	51,621	1,319,739	-	2,739,674	11,134,034
Expense off	(76)	(501)	-	-	-	(577)	(2,345)
Disposals	-	(1,224)	(11,780)	(7,277)	-	(20,281)	(82,422)
Written off	-	(1,628)	-	(5,190)	-	(6,818)	(27,707)
Currency translation differences	-	-	-	-	-	-	(79,303)
At 31 March 2020	6,366,973	5,339,627	1,032,302	9,087,557	-	21,826,459	88,833,685
Carrying amounts							
At 31 March 2020	16,476,996	7,828,990	600,653	16,154,451	950,969	42,012,059	170,989,080

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

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.

	Buildings	Motor Vehicles	Total	
	US\$	US\$	US\$	KHR'000
31 December 2019				
Cost	42,560,267	1,583,956	44,144,223	179,887,709
Accumulated amortisation	8,558,382	1,048,810	9,607,192	39,149,308
Carrying amount	<u>34,001,885</u>	<u>535,146</u>	<u>34,537,031</u>	<u>140,738,401</u>
31 March 2020				
Cost				
At 1 January 2020	42,560,267	1,583,956	44,144,223	179,887,709
Additions	681,206	170,550	851,756	3,461,536
Currency translation differences	-	-	-	(215,610)
At 31 March 2020	<u>43,241,473</u>	<u>1,754,506</u>	<u>44,995,979</u>	<u>183,133,635</u>
Accumulated amortisation				
At 1 January 2020	8,558,382	1,048,810	9,607,192	39,149,308
Amortisation	909,364	97,143	1,006,507	4,090,444
Currency translation differences	-	-	-	(41,997)
At 31 March 2020	<u>9,467,746</u>	<u>1,145,953</u>	<u>10,613,699</u>	<u>43,197,755</u>
Carrying amount				
At 31 March 2020	<u>33,773,727</u>	<u>608,553</u>	<u>34,382,280</u>	<u>139,935,880</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

10. RIGHT-OF-USE ASSETS (continued)

Amount recognised in profit and loss

	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Depreciation expense on right-of-use assets	1,006,507	4,090,444	1,316,827	5,275,209
Interest expense on lease liabilities	291,055	1,182,848	395,111	1,582,815
Expense relating to leases of low value assets	1,481,630	6,021,344	582,383	2,333,026
	<u>2,779,192</u>	<u>11,294,636</u>	<u>2,294,321</u>	<u>9,191,050</u>

11. INTANGIBLE ASSETS

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Software				
Cost				
At 1 January	9,916,259	40,408,755	4,541,426	18,247,449
Additions	562,357	2,285,417	5,374,833	21,902,444
Disposal	-	-	-	-
Currency translation differences	-	(46,207)	-	258,862
	<u>10,478,616</u>	<u>42,647,965</u>	<u>9,916,259</u>	<u>40,408,755</u>
Accumulated amortisation				
At 1 January	2,741,522	11,171,701	1,894,356	7,611,522
Amortisation	265,992	1,080,991	847,166	3,452,202
Disposal	-	-	-	-
Currency translation differences	-	(12,111)	-	107,978
	<u>3,007,514</u>	<u>12,240,581</u>	<u>2,741,522</u>	<u>11,171,702</u>
Carrying amounts	<u>7,471,102</u>	<u>30,407,385</u>	<u>7,174,737</u>	<u>29,237,053</u>

ADVANCED BANK OF ASIA LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020****12. INCOME TAX****(a) Current income tax liabilities**

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
At the beginning of period	12,231,453	49,843,171	17,278,566	69,425,278
Current income tax expense	10,026,674	40,748,404	15,701,197	63,668,354
Current income tax paid	(12,696,946)	(51,600,389)	(20,748,310)	(84,134,397)
Currency translation differences	-	(77,179)	-	883,936
At the end of period	<u>9,561,181</u>	<u>38,914,007</u>	<u>12,231,453</u>	<u>49,843,171</u>

(b) 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:

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Deferred tax assets	5,078,001	20,667,465	4,792,722	19,530,342
Deferred tax liabilities	<u>(2,320,936)</u>	<u>(9,446,210)</u>	<u>(2,601,331)</u>	<u>(10,600,424)</u>
Net deferred tax assets	<u>2,757,065</u>	<u>11,221,255</u>	<u>2,191,391</u>	<u>8,929,918</u>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

13. OTHER ASSETS

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Deposits and advance payments	13,153,106	53,533,141	12,199,827	49,714,295
Prepayment	6,676,127	27,171,837	4,347,116	17,714,498
Master/Visa Card and MoneyGram and receivable	1,835,799	7,471,702	3,240,124	13,203,504
Investment – Credit Bureau	25,588	104,143	25,588	104,271
Card supplies	2,183,451	8,886,646	1,872,971	7,632,357
Account receivable on default loan	-	-	-	-
Others	4,309,015	17,537,691	678,346	2,764,260
	<u>28,183,086</u>	<u>114,705,160</u>	<u>22,363,972</u>	<u>91,133,185</u>

14. DEPOSITS FROM CUSTOMERS

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Demand deposits	633,052,052	2,576,521,852	613,709,129	2,500,864,701
Savings deposits	2,023,617,601	8,236,123,636	2,036,708,869	8,299,588,641
Fixed deposits	795,694,090	3,238,474,946	744,922,130	3,035,557,680
Margin deposits	230,617	938,611	3,321	13,533
	<u>3,452,594,360</u>	<u>14,052,059,045</u>	<u>3,395,343,449</u>	<u>13,836,024,555</u>

15. DEBT SECURITIES IN ISSUE

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Corporate bonds	<u>20,608,958</u>	<u>83,878,459</u>	<u>20,939,337</u>	<u>85,327,798</u>

On 31 May 2019, the Bank obtained an approval letter from the NBC on the corporate bond issuance.

On 7 August 2019, the Bank received a final approval and registration from the Securities and Exchange Commission of Cambodia ("SECC") on the Single Submission Form and the Disclosure Document for its Public Offering of the Bank's Corporate Bond. The Bond was issued to 65 investors on 14 August 2019 in aggregate principal amount KHR 84,821 billion with tenor 3 years and coupon rate 7.75% per annum.

The Bank did not have any defaults of principal or interest or others breaches with respect to its debt securities during the period.

The interest is payable semi-annually. And as at 31 March 2020, the Bank paid interest expenses on debt securities to investors in aggregate amount KHR 1,643 million.

ADVANCED BANK OF ASIA LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020****16. BORROWINGS**

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Total Borrowing	<u>327,108,785</u>	<u>1,331,332,755</u>	<u>279,856,458</u>	<u>1,140,415,066</u>

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

- Liquidity-Providing Collateralized Operation (LPCO) provided by the National Bank of Cambodia of US \$129,000,000 (equivalent to KHR526 billion) has been renewed and there was new LPCO with total fund of US\$16,000,000 (equivalent to KHR66 Billions). The principal and interest are payable on maturities with 3 to 12 months term.
- The amount above included newly short term loan obtained from AfrAsia Bank Limited, Mauritius, with the loan amount to US\$20,000,000 received on 10 March 2020. The principle and interest are payable on maturities.
- The amount above included newly short term loan obtained from KEB Hana Bank, South Korea, with the loan amount to US\$10,000,000 received on 30 March 2020 with 177 days term. The principle and interest are payable on maturities.

17. SUBORDINATED DEBTS

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
National Bank of Canada	<u>130,281,726</u>	<u>530,246,625</u>	<u>128,000,000</u>	<u>521,600,000</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

18. LEASE LIABILITIES

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Maturity Analysis				
Year 1	306,842	1,248,847	212,559	866,178
Year 2	1,961,378	7,982,808	1,133,181	4,617,713
Year 3	381,216	1,551,549	1,263,585	5,149,109
Year 4	1,741,431	7,087,624	745,657	3,038,552
Year 5	3,360,255	13,676,238	3,484,059	14,197,540
Year 6 onwards	36,309,553	147,779,881	37,251,232	151,798,771
	<u>44,060,675</u>	<u>179,326,947</u>	<u>44,090,273</u>	<u>179,667,863</u>
Less:				
Discounted value using IBR	<u>(7,507,754)</u>	<u>(30,556,559)</u>	<u>(7,576,866)</u>	<u>(30,875,729)</u>
	<u>36,552,921</u>	<u>148,770,388</u>	<u>36,513,407</u>	<u>148,792,134</u>

19. OTHER LIABILITIES

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Accrued expenses	15,690,039	63,858,459	18,023,504	73,445,779
Unearned income	2,415,168	9,829,734	2,218,243	9,039,341
Other tax payable	618,857	2,518,748	857,246	3,493,277
Provision for off-balance sheets	29,051	118,238	18,916	77,083
Others	<u>4,496,978</u>	<u>18,302,701</u>	<u>4,506,194</u>	<u>18,362,740</u>
	<u>23,250,093</u>	<u>94,627,880</u>	<u>25,624,103</u>	<u>104,418,220</u>

20. SHARE CAPITAL

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Shares of US\$1,000 each Issued and fully paid	<u>335,000,000</u>	<u>1,363,450,000</u>	<u>215,000,000</u>	<u>876,125,000</u>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

20. SHARE CAPITAL (continued)

Movement of share capital during the year:

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Balance at beginning of year	215,000,000	876,125,000	165,000,000	662,970,000
Issued share capital (*)	120,000,000	488,400,000	50,000,000	203,750,000
Currency translation differences	-	(1,075,000)	-	9,405,000
	<u>335,000,000</u>	<u>1,363,450,000</u>	<u>215,000,000</u>	<u>876,125,000</u>

(*) On 2 January 2020, National Bank of Cambodia issued an approval letter allowing the Bank to increase its registered capital by US\$120,000,000 by issuing additional 120,000 shares to National Bank of Canada with a par value of US\$1,000 per share.

21. REGULATORY RESERVES

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Balance at beginning of the year	33,661,778	137,171,744	21,321,874	85,671,290
Transfer of regulatory reserve	4,576,477	18,626,261	12,339,904	50,285,109
Currency translation differences	-	(168,307)	-	1,215,345
	<u>38,238,255</u>	<u>155,629,698</u>	<u>33,661,778</u>	<u>137,171,744</u>

22. NET INTEREST INCOME

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Interest income from:				
Loans to customers	77,020,612	313,011,767	54,763,831	219,383,907
Balances with banks	2,770,144	11,257,865	1,223,800	4,902,543
Investment securities	220,941	897,905	442,898	1,774,249
	<u>80,011,697</u>	<u>325,167,537</u>	<u>56,430,529</u>	<u>226,060,699</u>
Interest expense on:				
Deposits from customers	7,924,584	32,205,509	9,502,171	38,065,697
Subordinated debts	2,653,170	10,782,483	1,949,789	7,810,855
Borrowings	2,315,547	9,410,383	927,254	3,714,579
Lease liabilities	291,055	1,182,848	395,111	1,582,815
Debt securities in issue	403,785	1,640,982	-	-
	<u>13,588,141</u>	<u>55,222,205</u>	<u>12,774,325</u>	<u>51,173,946</u>
Net interest income	<u>66,423,556</u>	<u>269,945,332</u>	<u>43,656,204</u>	<u>174,886,753</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

23. NET FEE AND COMMISSION INCOME

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Fee and commission income				
Loan commitment fees	3,766,251	15,306,044	2,956,395	11,843,318
Inward and outward remittances	1,612,826	6,554,525	1,158,548	4,641,143
MasterCard, Visa and UPI cards	4,845,746	19,693,112	3,508,158	14,053,681
Cable charges	187,060	760,211	76,835	307,801
Pin-less top up	621,000	2,523,744	270,400	1,083,222
Commission fee from insurance	255,133	1,036,861	209,184	837,991
Other fees	802,752	3,262,384	394,295	1,579,547
	<u>12,090,768</u>	<u>49,136,881</u>	<u>8,573,815</u>	<u>34,346,703</u>
Fee and commission expense				
MasterCard	1,504,471	6,114,170	1,206,829	4,834,557
Visa card	2,447,379	9,946,148	1,481,243	5,933,859
Fees and commission paid to other banks and FIs	470,477	1,912,019	295,145	1,182,351
UnionPay (UPI) card	17,049	69,287	16,806	67,325
Others	100	406	1,194	4,783
	<u>4,439,476</u>	<u>18,042,030</u>	<u>3,001,217</u>	<u>12,022,875</u>
Net fee and commission income	<u>7,651,292</u>	<u>31,094,851</u>	<u>5,572,598</u>	<u>22,323,828</u>

24. OTHER OPERATING INCOME

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Foreign exchange gains, net	767,956	3,120,973	424,590	1,700,908
Other income	1,100	4,471	131,803	528,002
	<u>769,056</u>	<u>3,125,444</u>	<u>556,393</u>	<u>2,228,910</u>

25. PERSONNEL EXPENSES

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Salaries and bonuses	16,593,088	67,434,310	10,621,682	42,550,458
Seniority payments	930,052	3,779,731	(745,630)	(2,986,994)
Other personnel expenses	517,033	2,101,222	333,830	1,337,323
	<u>18,040,173</u>	<u>73,315,263</u>	<u>10,209,882</u>	<u>40,900,787</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

26. OPERATING EXPENSES

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Office rental	845,193	3,434,864	211,023	845,358
Repairs and maintenance	1,771,584	7,199,717	805,919	3,228,512
Office supplies	1,254,293	5,097,447	805,473	3,226,725
Vehicle rental expenses	636,437	2,586,480	371,360	1,487,668
Marketing and advertising	521,387	2,118,917	408,401	1,636,054
Utilities expenses	505,281	2,053,462	404,597	1,620,816
Security expenses	576,363	2,342,339	423,552	1,696,749
Communication	384,715	1,563,482	235,175	942,110
Professional fees	321,239	1,305,515	216,988	869,254
License fees	185,089	752,202	159,624	639,454
Motor vehicle operation expenses	217,104	882,311	147,121	589,367
Travelling	96,242	391,127	66,559	266,635
Insurance expenses	186,131	756,436	117,449	470,501
Credit report (CBC) expenses	91,234	370,775	80,611	322,928
Board of Director fees	86,360	350,967	34,596	138,592
Business meal and entertainment	53,682	218,164	161,305	646,188
Membership fees	18,740	76,159	16,788	67,253
Other expenses	73,473	298,595	130,433	522,514
	<u>7,824,547</u>	<u>31,798,959</u>	<u>4,796,974</u>	<u>19,216,678</u>

27. DEPRECIATION AND AMORTISATION

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Property and equipment	2,739,097	11,131,690	1,774,532	7,108,775
Right-of-use assets	1,006,507	4,090,444	1,316,827	5,275,209
Intangible assets	265,994	1,081,000	144,524	578,963
	<u>4,011,598</u>	<u>16,303,134</u>	<u>3,235,883</u>	<u>12,962,947</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

28. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Loans to customers	1,364,033	5,543,430	(98,633)	(395,124)
Balances with other banks	590,909	2,401,454	984,470	3,943,787
Investment securities	(1,320)	(5,364)	(62,757)	(251,405)
Rental deposit	169	687	527	2,111
Loan commitments and financial guarantee contracts	10,138	41,200	9,111	36,499
	<u>1,963,929</u>	<u>7,981,407</u>	<u>832,718</u>	<u>3,335,868</u>

29. NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents

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

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	279,354,626	1,136,973,328	251,750,205	1,025,882,085
Balances with the NBC	240,266,203	977,883,446	289,221,482	1,178,577,539
Balances with other banks	208,490,328	848,555,634	13,568,477	55,291,544
	<u>728,111,157</u>	<u>2,963,412,408</u>	<u>554,540,164</u>	<u>2,259,751,168</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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

29. NOTES TO THE CASH FLOW STATEMENT (continued)

Changes in liabilities arising from financing activities

The table below details change in the Bank's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Bank's consolidated cash flow statement as cash flow from financing activities.

	1 January 2019	Financing cash flow (i)	New finance lease	Other changes (ii)	31 December 2019
Borrowing	80,532,015	197,654,190	-	1,670,253	279,856,458
Subordinated debts	93,000,000	35,000,000	-	-	128,000,000
Debt securities in issue	-	20,326,748	-	612,589	20,939,337
Lease liabilities	31,359,400	(6,181,011)	9,669,375	1,665,643	36,513,407

	1 January 2020	Financing cash flow (i)	New finance lease	Other changes (ii)	31 March 2020
Borrowing	279,856,458	46,280,853	-	971,474	327,108,785
Subordinated debts	128,000,000	2,281,726	-	-	130,281,726
Debt securities in issue	20,939,337	71,345	-	(401,724)	20,608,958
Lease liabilities	36,513,407	(1,103,297)	851,756	291,054	36,552,921

(i) The cash flow from financial liabilities makes up the net amount of proceeds from borrowing and repayment from borrowing in the cash flow statements.

(ii) Other changes include interest accrual and repayment of interest.

30. RELATED PARTIES

(a) Related party balances

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Borrowings from National Bank of Canada	130,281,726	530,246,625	128,000,000	521,600,000
Deposits and placements by shareholders, directors and key management	3,055,721	12,436,785	3,803,202	15,498,048

(b) Other related party transactions

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Interest expenses to National Bank of Canada	2,653,170	10,782,483	1,949,789	7,810,855
Interest expenses to shareholders, directors and key management	55,918	227,251	34,574	138,503

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

30. RELATED PARTIES (continued)

(c) Shareholders, directors, and key management personnel remuneration

	Three-month period ended 31 March 2020		Three-month period ended 31 March 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Salaries and benefits	3,691,850	15,003,678	1,444,403	5,786,278

31. LOAN COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Unused portion of overdrafts	56,793,633	231,150,086	50,342,438	205,145,435
Performance bonds	13,986,687	56,925,816	15,367,603	62,622,982
Letter of credits	7,291,126	29,674,883	8,724,349	35,551,722
Unused portion of credit cards	9,605,241	39,093,331	9,430,316	38,428,538
Securities	4,400,000	17,908,000	4,400,000	17,930,000
Payment guarantees	7,796,656	31,732,390	5,897,103	24,030,695
Bid bonds	4,111,128	16,732,291	5,213,899	21,246,638
Warranty bonds	-	-	15,201	61,944
Other guarantees	330,402	1,344,736	330,402	1,346,388
	104,314,873	424,561,533	99,721,311	406,364,342

32. 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.

33. 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 2019.

ADVANCED BANK OF ASIA LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020****33. FINANCIAL RISK MANAGEMENT (continued)****Loss allowance**

This table summarises the loss allowance as of the period/year-end for loans to customers and loan commitments and financial guarantee contracts.

	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Loss allowance by classes:				
Loans to customers (*)	7,679,729	31,256,497	6,355,452	25,898,467
Loan commitments and financial guarantee contracts	29,051	118,238	18,916	77,083
	<u>7,708,780</u>	<u>31,374,735</u>	<u>6,374,368</u>	<u>25,975,550</u>

(*) The contractual amount outstanding on financial assets that were written off during the reporting period was US\$ 39,754 at 31 March 2020 (31 December 2019: US\$ 696,335) and there is no currency translation on loss allowance during the reporting period (31 December 2019: US\$ 3,552).

Under the Bank's monitoring procedures, a significant increase in credit risk is identified before the exposure has defaulted, and at the latest when the exposure becomes 30 days past due. This is the case mainly for loans to customers. The table below provides an analysis of the gross carrying amount of loans to customers by past due status.

	31 March 2020		31 December 2019	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
	US\$	US\$	US\$	US\$
Loans to customers:				
0-29 days	2,966,823,949	3,131,794	2,743,616,098	2,624,706
30-59 days	7,590,831	182,476	1,915,917	133,655
60-89 days	2,309,983	180,015	1,446,216	91,339
90-180 days	3,376,984	654,962	4,786,471	849,469
More than 180 days	16,231,624	3,530,482	12,661,663	2,656,283
Total	<u>2,996,333,371</u>	<u>7,679,729</u>	<u>2,764,426,365</u>	<u>6,355,452</u>
In KHR'000 equivalents	<u>12,195,076,820</u>	<u>31,256,497</u>	<u>11,265,037,437</u>	<u>25,898,467</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

33. FINANCIAL RISK MANAGEMENT (continued)

Exposure expected credit loss

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee, the amounts in the table represent the amounts committed.

	31 March 2020				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000
Loans to customers:					
Normal	2,957,299,587	-	-	2,957,299,587	12,036,209,319
Special mention	-	15,422,716	-	15,422,716	62,770,454
Substandard	-	-	6,593,847	6,593,847	26,836,957
Doubtful	-	-	7,460,464	7,460,464	30,364,088
Loss	-	-	9,556,757	9,556,757	38,896,002
	<u>2,957,299,587</u>	<u>15,422,716</u>	<u>23,611,068</u>	<u>2,996,333,371</u>	<u>12,195,076,820</u>
Loss allowance	<u>(1,921,287)</u>	<u>(674,240)</u>	<u>(5,084,202)</u>	<u>(7,679,729)</u>	<u>(31,256,497)</u>
Carrying amount	<u>2,955,378,300</u>	<u>14,748,476</u>	<u>18,526,866</u>	<u>2,988,653,642</u>	<u>12,163,820,323</u>
Loan commitments and financial guarantee contracts:					
Normal	73,690,000	-	-	73,690,000	299,918,300
Loss allowance	<u>(29,051)</u>	<u>-</u>	<u>-</u>	<u>(29,051)</u>	<u>(118,238)</u>
Total amount	<u>73,660,949</u>	<u>-</u>	<u>-</u>	<u>73,660,949</u>	<u>299,800,062</u>

ADVANCED BANK OF ASIA LIMITED

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

Exposure of expected credit loss (continued)

		31 December 2019			
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000
Loans to customers:					
Normal	2,732,372,680	-	-	2,732,372,680	11,134,418,671
Special mention	-	10,667,510	-	10,667,510	43,470,103
Substandard	-	-	7,860,360	7,860,360	32,030,957
Doubtful	-	-	5,051,708	5,051,708	20,585,710
Loss	-	-	8,474,107	8,474,107	34,531,987
	<u>2,732,372,680</u>	<u>10,667,510</u>	<u>21,386,175</u>	<u>2,764,426,365</u>	<u>11,265,037,437</u>
Loss allowance	<u>(1,573,881)</u>	<u>(566,317)</u>	<u>(4,215,254)</u>	<u>(6,355,452)</u>	<u>(25,898,467)</u>
Carrying amount	<u>2,730,798,799</u>	<u>10,101,193</u>	<u>17,170,921</u>	<u>2,758,070,913</u>	<u>11,239,138,970</u>
Loan commitments and financial guarantee contracts:					
Normal	68,497,103	-	-	68,497,103	279,125,695
Loss allowance	<u>(18,916)</u>	<u>-</u>	<u>-</u>	<u>(18,916)</u>	<u>(77,083)</u>
Total amount	<u>68,478,187</u>	<u>-</u>	<u>-</u>	<u>68,478,187</u>	<u>279,048,612</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

33. FINANCIAL RISK MANAGEMENT (continued)

Credit quality analysis (continued)

The below table sets out information about the overdue status of loans to customers in Stage 1, 2 and 3.

		31 March 2020				
		Stage 1	Stage 2	Stage 3	Total	
		US\$	US\$	US\$	US\$	KHR'000
Loans to customers:						
Not overdue		2,928,202,580	3,672,008	2,118,287	2,933,992,875	11,941,351,001
Overdue ≤ 30 days		29,097,006	3,291,818	760,290	33,149,114	134,916,894
Overdue > 30 days		-	8,458,889	20,732,493	29,191,382	118,808,925
Total		<u>2,957,299,586</u>	<u>15,422,715</u>	<u>23,611,070</u>	<u>2,996,333,371</u>	<u>12,195,076,820</u>
		31 December 2019				
		Stage 1	Stage 2	Stage 3	Total	
		US\$	US\$	US\$	US\$	KHR'000
Loans to customers:						
Not overdue		2,722,823,988	6,081,668	3,064,323	2,731,969,979	11,132,777,664
Overdue ≤ 30 days		9,548,692	1,728,240	444,318	11,721,250	47,764,094
Overdue > 30 days		-	2,857,602	17,877,534	20,735,136	84,495,679
Total		<u>2,732,372,680</u>	<u>10,667,510</u>	<u>21,386,175</u>	<u>2,764,426,365</u>	<u>11,265,037,437</u>

ADVANCED BANK OF ASIA LIMITED

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

Gross carrying - movement of ECL for loans to customers

The table below shows the changes in the gross carrying amount of loans to customers during the period that contributed to changes in loss allowance.

	31 March 2020				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	
	US\$	US\$	US\$	US\$	KHR'000
Gross carrying amounts as at 1 January 2020	2,732,372,680	10,667,510	21,386,175	2,764,426,365	11,265,037,437
Change in gross carrying amount					
Transfer to stage 1	76,743	(76,743)	-	-	-
Transfer to stage 2	(8,237,947)	8,237,947	-	-	-
Transfer to stage 3	(470,173)	(2,521,210)	2,991,383	-	-
New financial assets originated	569,008,629	141,098	48,233	569,197,960	2,316,635,697
Financial asset that has been derecognised	(335,444,499)	(1,025,738)	(780,967)	(337,251,204)	(1,372,612,400)
Other changes	(5,847)	(149)	(33,754)	(39,750)	(161,783)
Currency translation differences	-	-	-	-	(13,822,131)
Gross carrying amount as at 31 March 2020	<u>2,957,299,586</u>	<u>15,422,715</u>	<u>23,611,070</u>	<u>2,996,333,371</u>	<u>12,195,076,820</u>
Loss allowance as at 31 March 2020	<u>(1,921,287)</u>	<u>(674,240)</u>	<u>(5,084,202)</u>	<u>(7,679,729)</u>	<u>(31,256,497)</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

33. FINANCIAL RISK MANAGEMENT (continued)

Gross carrying - movement of ECL for loans to customers (continued)

	31 December 2019				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	US\$	US\$	US\$	US\$	KHR'000
Gross carrying amounts as at 1 January 2019	1,803,867,318	15,775,912	15,550,025	1,835,193,255	7,373,806,497
Change in gross carrying amount					
Transfer to stage 1	2,186,840	(2,162,359)	(24,481)	-	-
Transfer to stage 2	(6,925,252)	7,105,443	(180,191)	-	-
Transfer to stage 3	(5,181,373)	(4,728,852)	9,910,225	-	-
New financial assets originated	1,777,012,428	1,487,031	1,949,721	1,780,449,180	7,255,330,409
Financial asset that has been derecognised	(838,483,478)	(6,695,857)	(5,340,402)	(850,519,737)	(3,465,867,928)
Other changes	(103,803)	(113,808)	(478,722)	(696,333)	(2,837,557)
Currency translation differences	-	-	-	-	104,606,016
Gross carrying amount as at 31 December 2019	<u>2,732,372,680</u>	<u>10,667,510</u>	<u>21,386,175</u>	<u>2,764,426,365</u>	<u>11,265,037,437</u>
Loss allowance as at 31 December 2019	<u>(1,573,881)</u>	<u>(566,317)</u>	<u>(4,215,254)</u>	<u>(6,355,452)</u>	<u>(25,898,467)</u>

ADVANCED BANK OF ASIA LIMITED

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

Gross carrying amount - movement of ECL for loan commitments and financial guarantees

The table below shows the changes in the gross carrying amount of loan commitments and financial guarantees during the period that contributed to changes in loss allowance.

	31 March 2020				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	US\$	US\$	US\$	US\$	KHR'000
Gross carrying amounts as at 1 January 2020	68,497,103	-	-	68,497,103	279,125,695
New financial assets originated	18,051,408	-	-	18,051,408	73,469,231
Financial asset that has been derecognised	(12,858,511)	-	-	(12,858,511)	(52,334,140)
Currency translation differences	-	-	-	-	(342,486)
Gross carrying amount as at 31 March 2020	73,690,000	-	-	73,690,000	299,918,300
Loss allowance as at 31 March 2020	(29,051)	-	-	(29,051)	(118,238)
31 December 2019					
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	US\$	US\$	US\$	US\$	KHR'000
Gross carrying amounts as at 1 January 2019	40,303,909	-	-	40,303,909	161,941,106
New financial assets originated	33,648,030	-	-	33,648,030	137,115,722
Financial asset that has been derecognised	(5,454,836)	-	-	(5,454,836)	(22,228,457)
Currency translation differences	-	-	-	-	2,297,324
Gross carrying amount as at 31 December 2019	68,497,103	-	-	68,497,103	279,125,695
Loss allowance as at 31 December 2019	(18,916)	-	-	(18,916)	(77,083)

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
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33. 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 2020				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	US\$	US\$	US\$	US\$	KHR'000
Loss allowance as at 1 January 2020	1,573,881	566,317	4,215,254	6,355,452	25,898,467
Changes in the 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 allowances(*)	182,697	224,930	929,265	1,336,892	5,441,150
New financial assets originated	261,343	3,439	14,058	278,840	1,134,879
Financial asset that has been derecognised	(93,688)	(15,429)	(47,702)	(156,819)	(638,253)
Other changes	(21)	(127)	(134,488)	(134,636)	(547,969)
Currency translation differences	-	-	-	-	(31,777)
Loss allowance as at 31 March 2020	<u>1,921,287</u>	<u>674,240</u>	<u>5,084,202</u>	<u>7,679,729</u>	<u>31,256,497</u>

(*) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volume and in the credit quality of existing loans.

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

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

	31 December 2019				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	US\$	US\$	US\$	US\$	KHR'000
Loss allowance as at 1 January 2019	1,100,909	782,334	2,975,843	4,859,086	19,523,806
Change in loss allowance					
Transfer to stage 1	108,612	(106,432)	(2,180)	-	-
Transfer to stage 2	(5,453)	53,203	(47,750)	-	-
Transfer to stage 3	(5,042)	(229,260)	234,302	-	-
Net remeasurement of loss allowance ^(*)	(209,800)	224,626	1,639,063	1,653,889	6,739,597
New financial assets originated	1,026,318	47,638	471,676	1,545,632	6,298,450
Financial asset that has been derecognised	(440,742)	(137,412)	(291,528)	(869,682)	(3,543,954)
Other changes	(921)	(68,380)	(764,172)	(833,473)	(3,396,402)
Currency translation differences	-	-	-	-	276,970
Loss allowance as at 31 December 2019	<u>1,573,881</u>	<u>566,317</u>	<u>4,215,254</u>	<u>6,355,452</u>	<u>25,898,467</u>

(*) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volume and in the credit quality of existing loans.

ADVANCED BANK OF ASIA LIMITED

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

Loss allowance – movement of ECL Loan commitments and financial guarantee contracts

The table below analyses the movement of the loss allowance for loan commitments and financial guarantee contracts during the year.

	31 March 2020				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	US\$	US\$	US\$	US\$	KHR'000
Loss allowance as at 1 January 2020	18,916	-	-	18,916	77,083
Net remeasurement of loss allowance	7,005	-	-	7,005	28,510
New financial assets originated	5,220	-	-	5,220	21,245
Financial asset that has been derecognised	(2,090)	-	-	(2,090)	(8,506)
Currency translation differences	-	-	-	-	(94)
Loss allowance as at 31 March 2020	29,051	-	-	29,051	118,238
	31 December 2019				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	US\$	US\$	US\$	US\$	KHR'000
Loss allowance as at 1 January 2019	10,089	-	-	10,089	40,538
Net remeasurement of loss allowance	646	-	-	646	2,632
New financial assets originated	10,323	-	-	10,323	42,066
Financial asset that has been derecognised	(2,142)	-	-	(2,142)	(8,729)
Currency translation differences	-	-	-	-	4,761
Loss allowance as at 31 December 2019	18,916	-	-	18,916	77,083

ADVANCED BANK OF ASIA LIMITED

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

Concentration of credit risk

The Bank monitors concentrations of credit risk by sector, an analysis of concentrations of credit risk from Loans to customers and loan commitments are shown below.

	31 March 2020			
	Loans to customers	Loan commitments and financial guarantee contracts	Total	
	US\$	US\$	US\$	KHR'000
Carrying amount	2,988,653,642	(29,051)	2,988,624,591	12,163,702,085
Amount committed		73,690,000	73,690,000	299,918,300
Concentration by sector:				
Financial institution	71,367,777	3,635,339	75,003,116	305,262,682
Agriculture	138,213,036	103,166	138,316,202	562,946,942
Construction and Real Estate Operation	211,438,915	7,919,600	219,358,516	892,789,160
Real Estate Rental	556,741,175	795,393	557,536,568	2,269,173,832
Manufacturing	135,328,499	5,680,770	141,009,269	573,907,725
Wholesale and Retail Trade	1,179,575,238	36,286,959	1,215,862,197	4,948,559,142
Services	600,516,642	9,153,428	609,670,070	2,481,357,185
Personal Loans	95,472,360	10,115,345	105,587,705	429,741,959
	<u>2,988,653,642</u>	<u>73,690,000</u>	<u>3,062,343,643</u>	<u>12,463,738,627</u>

ADVANCED BANK OF ASIA LIMITED

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

Concentration of credit risk (continued)

	31 December 2019			
	Loans to customers	Loan commitments and financial guarantee contracts	Total	
	US\$	US\$	US\$	KHR'000
Carrying amount	2,758,070,913	(18,916)	2,758,051,997	11,239,061,888
Amount committed	-	68,497,103	68,497,103	279,125,695
Concentration by sector:				
Financial institution	66,763,800	3,632,493	70,396,293	286,864,894
Agriculture	125,398,794	13,359	125,412,153	511,054,523
Construction and Real Estate				
Operation	191,140,055	8,421,561	199,561,616	813,213,585
Real Estate Rental	500,653,307	1,651,526	502,304,833	2,046,892,194
Manufacturing	124,038,051	7,680,802	131,718,853	536,754,326
Wholesale and Retail Trade	1,087,154,852	27,755,419	1,114,910,271	4,543,259,354
Services	560,458,155	9,156,550	569,614,705	2,321,179,923
Personal Loans	102,463,899	10,185,393	112,649,292	459,045,865
	<u>2,758,070,913</u>	<u>68,497,103</u>	<u>2,826,568,016</u>	<u>11,518,264,665</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
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33. 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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33. 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 Maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 Mar 2020								
Financial assets by type								
Non-derivative assets								
Cash on hand	279,354,626	279,354,626	279,354,626	-	-	-	-	-
Balances with the NBC	924,050,708	924,670,474	384,702,950	159,516,631	94,620,588	-	-	285,830,305
Balances with other banks	339,723,895	341,611,755	242,367,321	37,151,551	62,092,883	-	-	-
Loans to customers	2,988,653,642	4,124,908,555	195,826,050	122,107,401	527,001,225	2,300,341,428	979,632,451	-
Investment securities	3,292,380	4,327,236	-	-	-	4,327,236	-	-
Other assets	12,000,995	12,000,995	8,367,004	5,460	61,012	848,034	2,719,485	-
	<u>4,547,076,246</u>	<u>5,686,873,641</u>	<u>1,110,617,951</u>	<u>318,781,043</u>	<u>683,775,708</u>	<u>2,305,516,698</u>	<u>982,351,936</u>	<u>285,830,305</u>
In US\$ equivalents	<u>4,547,076,246</u>	<u>5,686,873,641</u>	<u>1,110,617,951</u>	<u>318,781,043</u>	<u>683,775,708</u>	<u>2,305,516,698</u>	<u>982,351,936</u>	<u>285,830,305</u>
In KHR'000 equivalents	<u>18,506,600,319</u>	<u>23,145,575,719</u>	<u>4,520,215,061</u>	<u>1,297,438,845</u>	<u>2,782,967,132</u>	<u>9,383,452,961</u>	<u>3,998,172,380</u>	<u>1,163,329,341</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2020**

33. 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 Maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 March 2020								
Financial liabilities by type								
Non-derivative liabilities								
Deposits from								
customers	3,452,594,360	(3,483,303,586)	(2,789,546,847)	(185,341,972)	(465,534,106)	(42,880,661)	-	-
Debt securities in issue	20,608,958	(25,654,450)	(806,580)	-	(1,613,160)	(23,234,710)	-	-
Borrowings	327,108,785	(334,491,207)	(76,295,111)	(146,841,736)	(104,935,504)	(6,418,856)	-	-
Subordinated debts	130,281,726	(180,722,108)	-	-	-	(70,840,219)	(109,881,889)	-
Lease liabilities	36,552,921	(44,061,289)	(1,075,202)	(2,130,348)	(9,009,545)	(27,743,923)	(4,102,272)	-
Other liabilities	20,805,875	(20,805,875)	(5,115,836)	(15,131,528)	-	(36,847)	(521,664)	-
	<u>3,987,952,625</u>	<u>(4,089,038,515)</u>	<u>(2,872,839,576)</u>	<u>(349,445,584)</u>	<u>(581,092,315)</u>	<u>(171,155,216)</u>	<u>(114,505,825)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(73,690,994)	(61,300,524)	(1,889,946)	(1,643,032)	(8,857,491)	-	-
In US\$ equivalents	<u>3,987,952,625</u>	<u>(4,162,729,509)</u>	<u>(2,934,140,100)</u>	<u>(351,335,530)</u>	<u>(582,735,347)</u>	<u>(180,012,707)</u>	<u>(114,505,825)</u>	<u>-</u>
In KHR'000 equivalents	<u>16,230,967,184</u>	<u>(16,942,309,101)</u>	<u>(11,941,950,205)</u>	<u>(1,429,935,605)</u>	<u>(2,371,732,862)</u>	<u>(732,651,718)</u>	<u>(466,038,707)</u>	<u>-</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2020**

33. 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 Maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2019								
Financial assets by type								
Non-derivative assets								
Cash on hand	251,750,205	251,750,205	251,750,205	-	-	-	-	-
Balances with the NBC	1,151,654,239	1,152,756,349	357,106,106	168,088,439	192,016,089	-	-	435,545,715
Balances with other banks	93,411,689	94,817,433	24,823,416	12,699,983	57,294,034	-	-	-
Loans to customers	2,758,070,913	3,816,133,311	158,021,288	114,181,632	497,415,434	2,151,563,340	894,951,617	-
Investment securities	33,285,434	36,581,217	-	-	30,000,000	6,581,217	-	-
Other assets	9,432,070	9,432,070	5,915,499	10,340	47,247	651,599	2,807,385	-
	<u>4,297,604,550</u>	<u>5,361,470,585</u>	<u>797,616,514</u>	<u>294,980,394</u>	<u>776,772,804</u>	<u>2,158,796,156</u>	<u>897,759,002</u>	<u>435,545,715</u>
In US\$ equivalents	<u>4,297,604,550</u>	<u>5,361,470,585</u>	<u>797,616,514</u>	<u>294,980,394</u>	<u>776,772,804</u>	<u>2,158,796,156</u>	<u>897,759,002</u>	<u>435,545,715</u>
In KHR'000 equivalents	<u>17,512,738,541</u>	<u>21,847,992,634</u>	<u>3,250,287,295</u>	<u>1,202,045,106</u>	<u>3,165,349,176</u>	<u>8,797,094,336</u>	<u>3,658,367,933</u>	<u>1,774,848,789</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2020**

33. 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 Maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2019								
Financial liabilities by type								
Non-derivative liabilities								
Deposits from customers	3,395,343,449	(3,427,173,497)	(2,763,070,848)	(161,020,729)	(449,267,093)	(53,814,827)	-	-
Debt securities in issue	20,939,337	(25,654,450)	-	(806,580)	(806,580)	(24,041,290)	-	-
Borrowings	279,856,458	(285,744,023)	(42,962,054)	(88,606,830)	(148,206,410)	(5,968,729)	-	-
Subordinated debts	128,000,000	(178,440,382)	-	-	(20,126,904)	(70,708,880)	(87,604,598)	-
Lease liabilities	36,513,407	(44,090,273)	(559,558)	(1,066,053)	(4,999,773)	(22,954,837)	(14,510,052)	-
Other liabilities	23,386,944	(23,386,944)	(5,363,440)	(10,707,112)	-	(6,784,819)	(531,573)	-
	<u>3,884,039,595</u>	<u>(3,984,489,569)</u>	<u>(2,811,955,900)</u>	<u>(262,207,304)</u>	<u>(623,406,760)</u>	<u>(184,273,382)</u>	<u>(102,646,223)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(68,497,103)	(55,463,748)	(2,773,524)	(1,535,595)	(8,724,236)	-	-
In US\$ equivalents	<u>3,884,039,595</u>	<u>(4,052,986,672)</u>	<u>(2,867,419,648)</u>	<u>(264,980,828)</u>	<u>(624,942,355)</u>	<u>(192,997,618)</u>	<u>(102,646,223)</u>	<u>-</u>
In KHR'000 equivalents	<u>15,827,461,350</u>	<u>(16,515,920,688)</u>	<u>(11,684,735,066)</u>	<u>(1,079,796,874)</u>	<u>(2,546,640,097)</u>	<u>(786,465,293)</u>	<u>(418,283,359)</u>	<u>-</u>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

34. IMPACT OF COVID-19

The impact of Coronavirus ("COVID-19") pandemic has spread across various geographic globally. On January 30 2020, the World Health Organization ("WHO") declared an international health emergency due to the outbreak of COVID-19 virus. Since March 11, the WHO has characterized the spread of COVID-19 as a global pandemic. The continuing spread of COVID-19 virus has caught the world off-guard, with major implications for personal health, business continuity and world economic order. The National Bank of Cambodia and the Royal Government of Cambodia have already started taking steps primarily to help businesses during this tough time. Management will continue to monitor the potential impact and will take all steps to mitigate any effects.

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

i) Expected credit losses

Management has assessed and analyzed events that can be identified and have correlations to the probability of defaults rates of the expected credit loss model of the bank. As at 31 March 2020, no correlations have been identified between current macroeconomic conditions adjusted for COVID-19 that are relevant for the Bank to use in making credit loss estimates.

However, in addition to the assumption outlined above, the Bank has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining significant increase in credit risk and assessing indicators for impairment for the exposure in the potentially affected sectors as highlighted by the NBC circular:

- Tourism
- Garment manufacturing
- Constructions
- Transportation and logistics sector.

This has resulted in staging downgrade of certain exposures and recognition of relevant ECLs and impairment allowances are disclosed in note 33 to the condensed interim financial statements.

Furthermore, management has elected to perform more frequent data calibration of semiannually instead of annually in order to perform timely assessments and measurement of expected credit loss.

ii) Accounting for modified financial assets

Considering the economic factor, the Bank has delayed payments for the affected sectors mentioned above for a period of three months. The modification 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.