

**ADVANCED BANK OF ASIA LIMITED**

(Registration No. 00010593)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
30 JUNE 2020**

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**CONTENTS**

	<b>Page(s)</b>
Statement of the Board of Directors	1
Report on review of condensed interim financial statements	2
Condensed interim statement of financial position	3
Condensed interim statement of profit or loss and other comprehensive income	4 - 5
Condensed interim statement of changes in equity	6
Condensed interim statement of cash flows	7 - 8
Notes to the condensed interim financial statements	9 - 39

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 30 June 2020, its financial performance for the three-month and six-month periods then ended, and its cash flows for the six-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: 14 August 2020

## 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 30 June 2020 and the related condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, changes in equity and cash flows for the six-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 for the three-month and six-month periods ended 30 June 2019, and condensed interim statements of changes in equity and cash flows for the six-month period then ended 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: 14 August 2020

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

		30 June 2020		31 December 2019	
	Note	US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand	4	304,472,140	1,246,204,469	251,750,205	1,025,882,085
Balances with the NBC	5	1,174,002,847	4,805,193,653	1,151,654,239	4,692,991,024
Balances with other banks	6	262,407,754	1,074,034,937	93,411,689	380,652,633
Loans to customers	7	3,119,007,989	12,766,099,699	2,758,070,913	11,239,138,970
Investment securities	8	3,386,552	13,861,157	33,285,434	135,638,144
Property and equipment	9	44,182,918	180,840,683	40,448,758	164,828,689
Right-of-use assets	10	34,385,857	140,741,313	34,537,031	140,738,401
Intangible assets	11	7,553,605	30,916,905	7,174,737	29,237,053
Deferred tax assets, net	12	2,533,252	10,368,600	2,191,391	8,929,918
Other assets	13	24,039,532	98,393,804	22,363,972	91,133,185
<b>TOTAL ASSETS</b>		<b>4,975,972,446</b>	<b>20,366,655,220</b>	<b>4,394,888,369</b>	<b>17,909,170,102</b>
<b>LIABILITIES</b>					
Deposits from customers	14	3,822,905,425	15,647,151,905	3,395,343,449	13,836,024,555
Debt securities in issue	15	20,937,379	85,696,692	20,939,337	85,327,798
Borrowings	16	238,842,197	977,581,112	279,856,458	1,140,415,066
Subordinated debts	17	125,302,582	512,863,468	128,000,000	521,600,000
Current tax liabilities		17,445,167	71,403,069	12,231,453	49,843,171
Lease liabilities	18	35,915,687	147,002,907	36,513,407	148,792,134
Other liabilities	19	32,689,887	133,799,706	25,624,103	104,418,220
<b>TOTAL LIABILITIES</b>		<b>4,294,038,324</b>	<b>17,575,498,859</b>	<b>3,898,508,207</b>	<b>15,886,420,944</b>
<b>EQUITY</b>					
Share capital		335,000,000	1,371,155,000	215,000,000	876,125,000
Regulatory reserves		40,228,640	164,655,824	33,661,778	137,171,744
Retained earnings		306,705,482	1,249,772,190	247,718,384	999,343,312
Currency translation differences		-	5,573,347	-	10,109,102
<b>TOTAL EQUITY</b>		<b>681,934,122</b>	<b>2,791,156,361</b>	<b>496,380,162</b>	<b>2,022,749,158</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,975,972,446</b>	<b>20,366,655,220</b>	<b>4,394,888,369</b>	<b>17,909,170,102</b>

The accompanying notes from pages 9 to 39 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 30 JUNE 2020**

		Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	Note	US\$	KHR'000	US\$	KHR'000
		(Unaudited and unreviewed)			
Interest income	20	81,957,357	334,959,718	62,326,472	252,546,865
Interest expense	20	(15,081,521)	(61,638,176)	(12,156,814)	(49,259,410)
<b>Net interest income</b>		66,875,836	273,321,542	50,169,658	203,287,455
Fee and commission income	21	9,767,560	39,920,018	8,656,024	35,074,209
Fee and commission expense	21	(3,275,400)	(13,386,560)	(3,181,045)	(12,889,594)
<b>Net fee and commission income</b>		6,492,160	26,533,458	5,474,979	22,184,615
Other operating income	22	625,570	2,556,705	197,799	801,482
Personnel expenses	23	(17,866,567)	(73,020,659)	(14,682,552)	(59,493,701)
Operating expenses	24	(7,228,491)	(29,542,843)	(5,091,293)	(20,629,919)
Depreciation and amortisation	25	(5,036,340)	(20,583,522)	(3,537,198)	(14,332,726)
<b>Operating profit</b>		43,862,168	179,264,681	32,531,393	131,817,206
Net impairment losses on financial assets	26	(2,821,865)	(11,532,962)	(1,039,090)	(4,210,393)
<b>Profit before tax</b>		41,040,303	167,731,719	31,492,303	127,606,813
Income tax expense		(9,029,000)	(36,901,523)	(6,446,000)	(26,119,192)
<b>Profit for the period</b>		32,011,303	130,830,196	25,046,303	101,487,621
Other comprehensive income		-	6,610,682	-	8,384,334
<b>Total comprehensive income for the period</b>		32,011,303	137,440,878	25,046,303	109,871,955
<b>Profit attributable to shareholders</b>		32,011,303	130,830,196	25,046,303	101,487,621
<b>Total comprehensive income attributable to shareholders</b>		32,011,303	137,440,878	25,046,303	109,871,955

The accompanying notes from pages 9 to 39 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 SIX-MONTH PERIOD ENDED 30 JUNE 2020

		Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	Note	US\$	KHR'000	US\$	KHR'000
		(Unaudited and unreviewed)			
Interest income	20	161,969,054	660,185,864	118,757,001	478,471,957
Interest expense	20	(28,669,662)	(116,857,542)	(24,931,139)	(100,447,559)
<b>Net interest income</b>		133,299,392	543,328,322	93,825,862	378,024,398
Fee and commission income	21	21,858,328	89,094,545	17,229,839	69,419,022
Fee and commission expense	21	(7,714,876)	(31,445,835)	(6,182,262)	(24,908,334)
<b>Net fee and commission income</b>		14,143,452	57,648,710	11,047,577	44,510,688
Other operating income	22	1,394,626	5,684,496	754,192	3,038,640
Personnel expenses	23	(35,906,740)	(146,355,872)	(24,892,434)	(100,291,617)
Operating expenses	24	(15,053,038)	(61,356,183)	(9,888,267)	(39,839,828)
Depreciation and amortisation	25	(9,047,938)	(36,879,396)	(6,773,081)	(27,288,743)
<b>Operating profit</b>		88,829,754	362,070,077	64,073,849	258,153,538
Net impairment losses on financial assets	26	(4,785,794)	(19,506,896)	(1,871,808)	(7,541,514)
<b>Profit before tax</b>		84,043,960	342,563,181	62,202,041	250,612,024
Income tax expense		(18,490,000)	(75,365,240)	(12,419,000)	(50,036,151)
<b>Profit for the period</b>		65,553,960	267,197,941	49,783,041	200,575,873
Other comprehensive income		-	5,573,347	-	8,209,025
<b>Total comprehensive income for the period</b>		65,553,960	272,771,288	49,783,041	208,784,898
<b>Profit attributable to shareholders</b>		65,553,960	267,197,941	49,783,041	200,575,873
<b>Total comprehensive income attributable to shareholders</b>		65,553,960	272,771,288	49,783,041	208,784,898

The accompanying notes from pages 9 to 39 form an integral part of these condensed interim financial statements.

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

	Share capital US\$	Regulatory reserves US\$	Retained earnings US\$	Currency translation differences US\$	Total US\$
<b>Six-month period ended 30 June 2019</b> (Unaudited and unreviewed)					
<b>At 1 January 2019</b>	165,000,000	21,321,874	132,646,912	-	318,968,786
Profit for the period	-	-	49,783,041	-	49,783,041
	165,000,000	21,321,874	182,429,953	-	368,751,827
Transfers from retained earnings to regulatory reserves	-	6,242,524	(6,242,524)	-	-
<b>At 30 June 2019</b>	165,000,000	27,564,398	176,187,429	-	368,751,827
<b>In KHR'000 equivalents</b>	670,890,000	112,076,841	708,169,062	8,209,025	1,499,344,928
<b>Six-month period ended 30 June 2020</b>					
<b>At 1 January 2020</b>	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	-	-	65,553,960	-	65,553,960
	335,000,000	33,661,778	313,272,344	-	681,934,122
Transfers from retained earnings to regulatory reserves	-	6,566,862	(6,566,862)	-	-
<b>At 30 June 2020</b>	335,000,000	40,228,640	306,705,482	-	681,934,122
<b>In KHR'000 equivalents</b>	1,371,155,000	164,655,824	1,249,772,190	5,573,347	2,791,156,361

The accompanying notes from pages 9 to 39 form an integral part of these condensed interim financial statements.



**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

		Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	Note	US\$	KHR'000	US\$	KHR'000
				(Unaudited and unreviewed)	
<b>Cash flows from operating activities</b>					
Profit before income tax		84,043,960	342,563,181	62,202,041	250,612,024
<i>Adjustments for:</i>					
Depreciation and amortisation	25	9,047,938	36,879,396	6,773,081	27,288,743
Net impairment losses on financial assets	26	4,785,794	19,506,896	1,871,808	7,541,514
(Gains)/losses on disposals of property and equipment		(22,430)	(91,425)	47	189
Net interest income	20	(133,299,392)	(543,328,322)	(93,825,862)	(378,024,398)
		(35,444,130)	(144,470,274)	(22,978,885)	(92,581,928)
<i>Changes in:</i>					
Balances with the NBC		58,862,982	239,925,515	(394,555,825)	(1,589,665,419)
Balances with other banks		(14,813,564)	(60,380,087)	(5,543,256)	(22,333,778)
Loans to customers		(362,685,688)	(1,478,306,864)	(407,855,377)	(1,643,249,314)
Other assets		(4,355,106)	(17,751,412)	(3,068,133)	(12,361,508)
Deposits from customers		427,871,649	1,744,004,841	753,853,261	3,037,274,789
Other liabilities		7,052,642	28,746,569	273,734	1,102,874
Cash generated from/(used in) operations		76,488,785	311,768,288	(79,874,481)	(321,814,284)
Interest received		159,970,389	652,039,306	116,416,470	469,041,958
Interest paid		(28,512,721)	(116,217,851)	(22,252,296)	(89,654,501)
Income tax paid		(12,091,374)	(49,284,440)	(17,973,671)	(72,415,920)
<b>Net cash from/(used in) operating activities</b>		<b>195,855,079</b>	<b>798,305,303</b>	<b>(3,683,978)</b>	<b>(14,842,747)</b>
<b>Cash flows from investing activities</b>					
Purchase of investment securities		-	-	(160,118,464)	(645,117,291)
Sale proceeds from Investment securities		29,786,895	121,411,384	112,368,288	452,731,832
Purchases of property and equipment		(9,382,585)	(38,243,416)	(6,953,432)	(28,015,378)
Purchases of intangible assets		(924,032)	(3,766,354)	(3,876,858)	(15,619,861)
Proceeds from disposals of property and equipment		22,882	93,267	1,755	7,071
<b>Net cash from/(used in) investing activities</b>		<b>19,503,160</b>	<b>79,494,881</b>	<b>(58,578,711)</b>	<b>(236,013,627)</b>

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

		Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	Note	US\$	KHR'000	US\$	KHR'000
				(Unaudited and unreviewed)	
<b>Cash flows from financing activities</b>					
Issuance of share capital		120,000,000	489,120,000	-	-
Proceeds from borrowings		362,272,170	1,476,621,365	191,065,557	769,803,129
Repayments of borrowings		(403,013,755)	(1,642,684,065)	(98,667,625)	(397,531,861)
Repayments of subordinated debts		(2,700,000)	(11,005,200)	(1,500,000)	(6,043,500)
Principal elements of lease payments		(2,878,285)	(11,731,890)	(2,964,528)	(11,944,083)
<b>Net cash from financing activities</b>		<b>73,680,130</b>	<b>300,320,210</b>	<b>87,933,404</b>	<b>354,283,685</b>
Net increase in cash and cash equivalents		289,038,369	1,178,120,394	25,670,715	103,427,311
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		-	14,895,374	-	22,154,172
<b>Cash and cash equivalents at the end of period</b>	27	<b>843,578,533</b>	<b>3,452,766,936</b>	<b>467,428,126</b>	<b>1,900,562,760</b>

The accompanying notes from pages 9 to 39 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 AND SIX-MONTH PERIODS ENDED 30 JUNE 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 12 August 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 and six-month periods ended 30 June 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 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 32.

##### **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 32.

## ADVANCED BANK OF ASIA LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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 six-month</i>	<i>Average rate three-month</i>
30 June 2020	4,093	4,076	4,087
31 December 2019	4,075	N/A	N/A
30 June 2019	4,066	4,029	4,052

#### 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 as disclosed in Note 32 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

Amendments to CIFRS 3	<i>Definition of a business</i>
Amendments 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>
Amendments to CIFRS 16	<i>COVID-19-Related Rent Concessions</i>

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

# ADVANCED BANK OF ASIA LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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>
Amendments to CIAS 1	<i>Presentation of Financial Statements</i>
Amendments to CIAS 37	<i>Provisions, Contingent Liabilities and Contingent Assets</i>
Further amendments to CIFRS 3	<i>Business Combinations</i>
Amendments to CIAS 16,	<i>Property, Plant and Equipment (PPE) – Proceeds before Intended Use</i>
Annual Improvements to CIFRS standards 2018–2020 Cycle	<ul style="list-style-type: none"> <li>- Amendments to CIFRS 1, First-time Adoption of IFRS</li> <li>- Amendments to CIFRS 9, Financial Instruments</li> <li>- Amendments to Illustrative Examples accompanying CIFRS 16</li> <li>- Amendments to CIAS 41 Agriculture</li> </ul>

The Bank determined that there will be no material adjustments expected from the initial application for Amendments to CIAS 1, CIAS 37, CIAS 16, CIFRS 1, CIFRS 9, and CIFRS 16. CIFRS 17, CIFRS 10, CIFRS 3, CIAS 41 and CIAS 28 are not applicable to the Bank.

### 4. CASH ON HAND

	30 June 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	290,229,033	1,187,907,432	237,592,862	968,190,913
Cash items in process of collection	14,243,107	58,297,037	14,157,343	57,691,172
	<u>304,472,140</u>	<u>1,246,204,469</u>	<u>251,750,205</u>	<u>1,025,882,085</u>

### 5. BALANCES WITH THE NBC

	30 June 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Capital guarantee deposit (i)	33,577,062	137,430,915	21,553,770	87,831,613
Reserve requirement (ii)	260,120,958	1,064,675,081	413,991,945	1,687,017,176
Current account	124,704,891	510,417,119	235,691,886	960,444,435
Negotiable Certified Deposits (NCD)	755,599,936	3,092,670,538	480,416,638	1,957,697,800
	<u>1,174,002,847</u>	<u>4,805,193,653</u>	<u>1,151,654,239</u>	<u>4,692,991,024</u>

**ADVANCED BANK OF ASIA LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020****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 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.

**6. BALANCES WITH OTHER BANKS**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Balances with other banks at amortised cost	263,188,820	1,077,231,840	93,472,431	380,900,156
Impairment loss allowance	(781,066)	(3,196,903)	(60,742)	(247,523)
	<u>262,407,754</u>	<u>1,074,034,937</u>	<u>93,411,689</u>	<u>380,652,633</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**7. LOANS TO CUSTOMERS**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<b>At amortised cost</b>				
Commercial loans:				
Short-term loans	10,146,289	41,528,761	8,642,654	35,218,815
Long-term loans	2,931,131,848	11,997,122,654	2,631,621,350	10,723,857,001
Overdrafts	157,282,525	643,757,375	95,217,125	388,009,784
Consumer loans:				
Housing loans	15,722,850	64,353,625	14,295,649	58,254,770
Vehicle loans	49,630	203,136	16,060	65,445
Staff loans	13,095,054	53,598,056	12,605,152	51,365,994
Credit cards	1,903,751	7,792,053	2,028,375	8,265,628
<b>Total gross carrying amount</b>	<b>3,129,331,947</b>	<b>12,808,355,660</b>	<b>2,764,426,365</b>	<b>11,265,037,437</b>
Impairment loss allowance	(10,323,958)	(42,255,961)	(6,355,452)	(25,898,467)
<b>Net carrying amount</b>	<b>3,119,007,989</b>	<b>12,766,099,699</b>	<b>2,758,070,913</b>	<b>11,239,138,970</b>

**8. INVESTMENT SECURITIES**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Investment securities at amortised cost	3,407,397	13,946,476	33,307,014	135,726,083
Impairment loss allowance	(20,845)	(85,319)	(21,580)	(87,939)
	<b>3,386,552</b>	<b>13,861,157</b>	<b>33,285,434</b>	<b>135,638,144</b>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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
<b>31 December 2019</b>							
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
<b>30 June 2020</b>							
<b>Cost</b>							
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	67,890	1,429,803	66,660	6,190,491	1,663,408	9,418,252	38,388,795
Transfers	1,493,008	119,719	-	-	(1,612,727)	-	-
Disposals	-	(1,466)	(11,780)	(7,281)	-	(20,527)	(83,668)
Written off	(6,987)	(34,111)	-	(5,789)	-	(46,887)	(191,112)
Currency translation differences	-	-	-	-	-	-	1,231,103
At 30 June 2020	24,092,678	13,692,987	1,687,715	29,110,088	330,589	68,914,057	282,065,235
<b>Accumulated depreciation</b>							
At 1 January 2020	5,589,733	4,751,982	992,461	7,780,285	-	19,114,461	77,891,428
Depreciation	1,583,272	1,205,329	104,137	2,755,234	-	5,647,972	23,021,134
Disposals	-	(1,224)	(11,780)	(7,276)	-	(20,280)	(82,661)
Written off	(3,629)	(1,642)	-	(5,743)	-	(11,014)	(44,893)
Currency translation differences	-	-	-	-	-	-	439,544
At 30 June 2020	7,169,376	5,954,445	1,084,818	10,522,500	-	24,731,139	101,224,552
<b>Carrying amounts</b>							
At 30 June 2020	16,923,302	7,738,542	602,897	18,587,588	330,589	44,182,918	180,840,683



**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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.

	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Total</b>	
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR'000</b>
<b>31 December 2019</b>				
Cost	42,560,267	1,583,956	44,144,223	179,887,709
Accumulated depreciation	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>
<b>30 June 2020</b>				
<b>Cost</b>				
At 1 January 2020	42,560,267	1,583,956	44,144,223	179,887,709
Additions	2,472,006	231,622	2,703,628	11,019,988
Currency translation differences	-	-	-	840,557
At 30 June 2020	<u>45,032,273</u>	<u>1,815,578</u>	<u>46,847,851</u>	<u>191,748,254</u>
<b>Accumulated depreciation</b>				
At 1 January 2020	8,558,382	1,048,810	9,607,192	39,149,308
Depreciation	2,609,387	245,415	2,854,802	11,636,174
Currency translation differences	-	-	-	221,459
At 30 June 2020	<u>11,167,769</u>	<u>1,294,225</u>	<u>12,461,994</u>	<u>51,006,941</u>
<b>Carrying amount</b>				
At 30 June 2020	<u>33,864,504</u>	<u>521,353</u>	<u>34,385,857</u>	<u>140,741,313</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

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

Amount recognised in profit and loss

	<b>30 June 2020</b>		<b>30 June 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
			(Unaudited and unreviewed)	
Depreciation expense on right-of-use assets	2,854,802	11,636,174	2,685,383	10,819,408
Interest expense on lease liabilities	738,667	3,010,807	803,040	3,235,448
Expense relating to leases of low value assets	2,340,052	9,538,052	1,185,007	4,774,393
	<u>5,933,521</u>	<u>24,185,033</u>	<u>4,673,430</u>	<u>18,829,249</u>

**11. INTANGIBLE ASSETS**

	<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>
<b>Software</b>		
Cost	9,916,259	40,408,755
Accumulated amortisation	<u>2,741,522</u>	<u>11,171,702</u>
Carrying amounts	<u>7,174,737</u>	<u>29,237,053</u>

	<b>30 June 2020</b>	
	<b>US\$</b>	<b>KHR'000</b>
<b>Software</b>		
<b>Cost</b>		
At 1 January	9,916,259	40,408,755
Additions	924,032	3,766,354
Currency translation differences	-	194,202
	<u>10,840,291</u>	<u>44,369,311</u>

<b>Accumulated amortisation</b>		
At 1 January	2,741,522	11,171,702
Amortisation	545,164	2,222,088
Currency translation differences	-	58,616
	<u>3,286,686</u>	<u>13,452,406</u>
<b>Carrying amounts</b>	<u>7,553,605</u>	<u>30,916,905</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**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>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Deferred tax assets	5,027,597	20,577,955	4,792,722	19,530,342
Deferred tax liabilities	(2,494,345)	(10,209,355)	(2,601,331)	(10,600,424)
Net deferred tax assets	<u>2,533,252</u>	<u>10,368,600</u>	<u>2,191,391</u>	<u>8,929,918</u>

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

**13. OTHER ASSETS**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Deposits and advance payments	10,762,357	44,050,327	12,199,827	49,714,295
Prepayment	6,007,212	24,587,519	4,347,116	17,714,498
Master/Visa Card and MoneyGram and receivable	2,664,520	10,905,880	3,240,124	13,203,504
Investment – Credit Bureau	25,588	104,732	25,588	104,271
Card supplies	4,168,911	17,063,353	1,872,971	7,632,357
Others	410,944	1,681,993	678,346	2,764,260
	<u>24,039,532</u>	<u>98,393,804</u>	<u>22,363,972</u>	<u>91,133,185</u>

**14. DEPOSITS FROM CUSTOMERS**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Demand deposits	746,009,505	3,053,416,904	613,709,129	2,500,864,701
Savings deposits	2,198,903,361	9,000,111,457	2,036,708,869	8,299,588,641
Fixed deposits	877,678,990	3,592,340,106	744,922,130	3,035,557,680
Margin deposits	313,569	1,283,438	3,321	13,533
	<u>3,822,905,425</u>	<u>15,647,151,905</u>	<u>3,395,343,449</u>	<u>13,836,024,555</u>

**ADVANCED BANK OF ASIA LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020****15. DEBT SECURITIES IN ISSUE**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Corporate bonds	20,937,379	85,696,692	20,939,337	85,327,798

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 (approximately USD 20.723 million) 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. For the six-month period ended 30 June 2020, the Bank paid interest expenses on debt securities to investors in aggregate amounting to KHR 3,287 million (approximately US\$806,428). Interest expense for the three-month period ended 30 June 2020 amounted to KHR 1,643 million (approximately US\$399,248).

**ADVANCED BANK OF ASIA LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020****16. BORROWINGS**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Borrowing	238,842,197	977,581,112	279,856,458	1,140,415,066

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

- 27 Liquidity-Providing Collateralised Operation (LPCO) provided by the National Bank of Cambodia of US\$217,026,497 (equivalent to KHR884.6 billion) has been renewed and there were 10 new LPCO with total fund of US\$50,274,779 (equivalent to KHR205 billion). There were 15 LPCO with total repayment amount of US\$106,378,803 (equivalent to KHR433.6 billion) reaching maturity date. The principal and interest are payable on maturities with 3 to 12 months term.
- The amount above included new short term loan obtained from AfrAsia Bank Limited, Mauritius, with the loan amounting to US\$20,000,000 received on 19 May 2020. The principle and interest are payable on maturities.
- The amount above included new long term loan obtained from SME Bank of Cambodia with the committed limit loan amounting to US\$2,000,000. The first drawdown amounting to US\$150,000 was received on 19 June 2020 with 84 months term. The principle and interest are payable on a monthly basis.
- The amount above included Long term loan obtained from DEG-Deutsche Investitions und Entwicklungsgesellschaft MbH with repayment amount US\$3,125,005 on 15 June 2020. The interest is payable semi-annually from the date of each drawdown.

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**17. SUBORDINATED DEBTS**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
National Bank of Canada	125,302,582	512,863,468	128,000,000	521,600,000

**18. LEASE LIABILITIES**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Maturity Analysis				
Year 1	783,746	3,207,872	212,559	866,178
Year 2	1,597,732	6,539,517	1,133,181	4,617,713
Year 3	338,766	1,386,569	1,263,585	5,149,109
Year 4	1,926,733	7,886,118	745,657	3,038,552
Year 5	2,873,574	11,761,538	3,484,059	14,197,540
Year 6 onwards	34,904,322	142,863,391	37,251,232	151,798,771
	42,424,873	173,645,005	44,090,273	179,667,863
Less: Discounted value using IBR	(6,509,186)	(26,642,098)	(7,576,866)	(30,875,729)
	35,915,687	147,002,907	36,513,407	148,792,134

**19. OTHER LIABILITIES**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Accrued expenses	17,489,543	71,584,699	18,023,504	73,445,779
Unearned income	2,604,470	10,660,096	2,218,243	9,039,341
Other tax payable	798,577	3,268,576	857,246	3,493,277
Provision for off-balance sheets	32,055	131,201	18,916	77,083
Remittance in process	7,663,484	31,366,641	269,195	1,096,970
Others	4,101,758	16,788,493	4,236,999	17,265,770
	32,689,887	133,799,706	25,624,103	104,418,220

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**20. NET INTEREST INCOME**

	<b>Three-month period ended 30 June 2020</b>		<b>Three-month period ended 30 June 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
	<b>(Unaudited and unreviewed)</b>			
<b>Interest income from:</b>				
Loans to customers	79,485,637	324,857,798	60,152,207	243,736,743
Balances with banks	2,153,619	8,801,841	1,694,925	6,867,836
Investment securities	94,757	387,272	479,340	1,942,286
Unwinding of interest income	223,344	912,807	-	-
	<u>81,957,357</u>	<u>334,959,718</u>	<u>62,326,472</u>	<u>252,546,865</u>
<b>Interest expense on:</b>				
Deposits from customers	9,239,910	37,763,512	8,423,407	34,131,645
Subordinated debts	2,567,496	10,493,356	1,961,823	7,949,307
Borrowings	2,427,255	9,920,191	1,363,655	5,525,530
Lease liabilities	447,612	1,829,390	407,929	1,652,928
Debt securities in issue	399,248	1,631,727	-	-
	<u>15,081,521</u>	<u>61,638,176</u>	<u>12,156,814</u>	<u>49,259,410</u>
<b>Net interest income</b>	<u>66,875,836</u>	<u>273,321,542</u>	<u>50,169,658</u>	<u>203,287,455</u>
	<b>Six-month period ended 30 June 2020</b>		<b>Six-month period ended 30 June 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
	<b>(Unaudited and unreviewed)</b>			
<b>Interest income from:</b>				
Loans to customers	156,506,249	637,919,471	114,916,038	462,996,717
Balances with banks	4,923,763	20,069,258	2,918,725	11,759,543
Investment securities	315,698	1,286,785	922,238	3,715,697
Unwinding of interest income	223,344	910,350	-	-
	<u>161,969,054</u>	<u>660,185,864</u>	<u>118,757,001</u>	<u>478,471,957</u>
<b>Interest expense on:</b>				
Deposits from customers	17,164,494	69,962,478	17,925,578	72,222,154
Subordinated debts	5,220,666	21,279,435	3,911,612	15,759,885
Borrowings	4,742,802	19,331,661	2,290,909	9,230,072
Lease liabilities	738,667	3,010,807	803,040	3,235,448
Debt securities in issue	803,033	3,273,161	-	-
	<u>28,669,662</u>	<u>116,857,542</u>	<u>24,931,139</u>	<u>100,447,559</u>
<b>Net interest income</b>	<u>133,299,392</u>	<u>543,328,322</u>	<u>93,825,862</u>	<u>378,024,398</u>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020

21. NET FEE AND COMMISSION INCOME

	Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
<b>Fee and commission income</b>				
Loan commitment fees	2,914,979	11,913,519	2,668,974	10,814,683
Inward and outward remittances	1,576,503	6,443,168	1,378,539	5,585,840
MasterCard, Visa and UPI cards	3,350,703	13,694,323	3,536,899	14,331,515
Cable charges	167,110	682,979	113,352	459,302
Pin-less top up	709,000	2,897,683	348,000	1,410,096
Commission fee from insurance	159,828	653,217	178,385	722,816
Other fees	889,437	3,635,129	431,875	1,749,957
	<u>9,767,560</u>	<u>39,920,018</u>	<u>8,656,024</u>	<u>35,074,209</u>
<b>Fee and commission expense</b>				
MasterCard	1,015,665	4,151,023	1,069,869	4,335,109
Visa card	1,884,988	7,703,946	1,647,918	6,677,364
Fees and commission paid to other banks and FIs	365,809	1,495,061	443,957	1,798,914
UnionPay (UPI) card	8,838	36,121	18,711	75,817
Others	100	409	590	2,390
	<u>3,275,400</u>	<u>13,386,560</u>	<u>3,181,045</u>	<u>12,889,594</u>
<b>Net fee and commission income</b>	<u>6,492,160</u>	<u>26,533,458</u>	<u>5,474,979</u>	<u>22,184,615</u>



**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**21. NET FEE AND COMMISSION INCOME (continued)**

	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
<b>Fee and commission income</b>				
Loan commitment fees	6,681,230	27,232,693	5,625,369	22,664,612
Inward and outward remittances	3,189,329	12,999,705	2,537,087	10,221,924
MasterCard, Visa and UPI cards	8,196,449	33,408,726	7,045,057	28,384,535
Cable charges	354,170	1,443,597	190,187	766,263
Pin-less top up	1,330,000	5,421,080	618,400	2,491,534
Commission fee from insurance	414,961	1,691,381	387,569	1,561,516
Other fees	1,692,189	6,897,363	826,170	3,328,638
	<u>21,858,328</u>	<u>89,094,545</u>	<u>17,229,839</u>	<u>69,419,022</u>
<b>Fee and commission expense</b>				
MasterCard	2,520,136	10,272,074	2,276,698	9,172,816
Visa card	4,332,367	17,658,728	3,129,161	12,607,390
Fees and commission paid to other banks and FIs	836,286	3,408,702	739,102	2,977,842
UnionPay (UPI) card	25,887	105,516	35,517	143,098
Others	200	815	1,784	7,188
	<u>7,714,876</u>	<u>31,445,835</u>	<u>6,182,262</u>	<u>24,908,334</u>
<b>Net fee and commission income</b>	<u>14,143,452</u>	<u>57,648,710</u>	<u>11,047,577</u>	<u>44,510,688</u>

**22. OTHER OPERATING INCOME**

	Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Foreign exchange gains, net	614,940	2,513,260	197,439	800,023
Other income	10,630	43,445	360	1,459
	<u>625,570</u>	<u>2,556,705</u>	<u>197,799</u>	<u>801,482</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**22. OTHER OPERATING INCOME (continued)**

	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Foreign exchange gains, net	1,382,896	5,636,684	622,029	2,506,155
Other income	11,730	47,812	132,163	532,485
	<u>1,394,626</u>	<u>5,684,496</u>	<u>754,192</u>	<u>3,038,640</u>

**23. PERSONNEL EXPENSES**

	Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Salaries and bonuses	16,536,988	67,586,670	13,595,565	55,089,230
Seniority payments	893,767	3,652,826	530,883	2,151,138
Other personnel expenses	435,812	1,781,163	556,104	2,253,333
	<u>17,866,567</u>	<u>73,020,659</u>	<u>14,682,552</u>	<u>59,493,701</u>

  

	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Salaries and bonuses	33,130,076	135,038,190	24,217,247	97,571,288
Seniority payments	1,823,819	7,433,886	(214,747)	(865,216)
Other personnel expenses	952,845	3,883,796	889,934	3,585,545
	<u>35,906,740</u>	<u>146,355,872</u>	<u>24,892,434</u>	<u>100,291,617</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**24. OPERATING EXPENSES**

	Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Repairs and maintenance	2,012,146	8,223,641	929,981	3,768,283
Office supplies	1,264,733	5,168,964	751,974	3,046,999
Security expenses	607,240	2,481,790	456,096	1,848,101
Vehicle rental expenses	601,766	2,459,418	392,092	1,588,757
Utilities expenses	573,531	2,344,021	467,472	1,894,197
Marketing and advertising	391,572	1,600,355	478,377	1,938,384
Communication	378,187	1,545,650	300,949	1,219,445
Professional fees	312,509	1,277,224	259,459	1,051,328
Office rental	256,656	1,048,953	210,532	853,076
Insurance expenses	192,185	785,460	127,085	514,948
License fees	169,703	693,576	160,560	650,589
Motor vehicle operation expenses	165,133	674,899	165,967	672,498
Board of Director fees	85,625	349,949	35,089	142,181
Travelling	62,506	255,462	116,556	472,285
Credit report (CBC) expenses	55,696	227,630	59,711	241,949
Business meal and entertainment	16,196	66,193	24,964	101,154
Membership fees	12,650	51,701	2,571	10,418
Other expenses	70,457	287,957	151,858	615,327
	<u>7,228,491</u>	<u>29,542,843</u>	<u>5,091,293</u>	<u>20,629,919</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**24. OPERATING EXPENSES (continued)**

	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Repairs and maintenance	3,783,730	15,422,483	1,735,900	6,993,941
Office supplies	2,519,026	10,267,550	1,557,447	6,274,954
Vehicle rental expenses	1,238,203	5,046,915	763,452	3,075,948
Security expenses	1,183,603	4,824,366	879,648	3,544,102
Office rental	1,101,849	4,491,137	421,555	1,698,445
Utilities expenses	1,078,812	4,397,238	872,069	3,513,566
Marketing and advertising	912,959	3,721,221	886,778	3,572,829
Communication	762,902	3,109,589	536,124	2,160,044
Professional fees	633,748	2,583,157	476,447	1,919,605
Motor vehicle operation expenses	382,237	1,557,998	313,088	1,261,432
Insurance expenses	378,316	1,542,016	244,534	985,227
License fees	354,792	1,446,132	320,184	1,290,021
Board of Director fees	171,985	701,011	69,685	280,761
Travelling	158,748	647,057	183,115	737,770
Credit report (CBC) expenses	146,930	598,887	140,322	565,357
Business meal and entertainment	69,878	284,823	186,269	750,478
Membership fees	31,390	127,946	19,359	77,997
Other expenses	143,930	586,657	282,291	1,137,351
	<u>15,053,038</u>	<u>61,356,183</u>	<u>9,888,267</u>	<u>39,839,828</u>

**25. DEPRECIATION AND AMORTISATION**

	Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
	(Unaudited and unreviewed)			
Property and equipment	2,908,875	11,888,572	1,959,511	7,939,939
Right-of-use assets	1,848,295	7,553,982	1,368,556	5,545,389
Intangible assets	279,170	1,140,968	209,131	847,398
	<u>5,036,340</u>	<u>20,583,522</u>	<u>3,537,198</u>	<u>14,332,726</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**25. DEPRECIATION AND AMORTISATION (continued)**

	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Property and equipment	5,647,972	23,021,134	3,734,043	15,044,459
Right-of-use assets	2,854,802	11,636,174	2,685,383	10,819,408
Intangible assets	545,164	2,222,088	353,655	1,424,876
	<u>9,047,938</u>	<u>36,879,396</u>	<u>6,773,081</u>	<u>27,288,743</u>

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

	Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Loans to customers	2,697,984	11,026,661	901,265	3,651,926
Balances with other banks	129,415	528,919	98,794	400,313
Investment securities	586	2,395	57,232	231,904
Rental deposit	(9,124)	(37,290)	(253)	(1,025)
Loan commitments and financial guarantee contracts	3,004	12,277	(17,948)	(72,725)
	<u>2,821,865</u>	<u>11,532,962</u>	<u>1,039,090</u>	<u>4,210,393</u>

  

	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Loans to customers	4,062,017	16,556,781	802,632	3,233,804
Balances with other banks	720,324	2,936,041	1,083,264	4,364,471
Investment securities	(734)	(2,992)	(5,525)	(22,260)
Rental deposit	(8,955)	(36,501)	274	1,104
Loan commitments and financial guarantee contracts	13,142	53,567	(8,837)	(35,605)
	<u>4,785,794</u>	<u>19,506,896</u>	<u>1,871,808</u>	<u>7,541,514</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**27. CASH AND CASH EQUIVALENTS**

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

	<b>30 June 2020</b>		<b>30 June 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Cash on hand	304,472,140	1,246,204,469	199,750,531	812,185,659
Balances with the NBC	370,953,103	1,518,311,051	222,830,739	906,029,785
Balances with other banks	168,153,290	688,251,416	44,846,856	182,347,316
	<u>843,578,533</u>	<u>3,452,766,936</u>	<u>467,428,126</u>	<u>1,900,562,760</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.

**28. RELATED PARTIES**

**(a) Related party balances**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Borrowings from National Bank of Canada	<u>125,302,582</u>	<u>512,863,468</u>	<u>128,000,000</u>	<u>521,600,000</u>
Deposits and placements by shareholders, directors and key management	<u>3,711,699</u>	<u>15,191,983</u>	<u>3,803,202</u>	<u>15,498,048</u>

**(b) Other related party transactions**

	<b>Three-month period ended 30 June 2020</b>		<b>Three-month period ended 30 June 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
			(Unaudited and unreviewed)	
Interest expenses to National Bank of Canada	<u>2,567,496</u>	<u>10,493,356</u>	<u>1,961,823</u>	<u>7,949,307</u>
Interest expenses to shareholders, directors and key management	<u>18,801</u>	<u>76,839</u>	<u>29,502</u>	<u>119,543</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**28. RELATED PARTIES (continued)**

**(b) Other related party transactions (continued)**

	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Interest expenses to National Bank of Canada	5,220,666	21,279,435	3,911,612	15,759,885
Interest expenses to shareholders, directors and key management	74,719	304,555	64,076	258,162

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

	Three-month period ended 30 June 2020		Three-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Salaries and benefits	4,088,892	16,711,302	4,078,405	16,525,697
	Six-month period ended 30 June 2020		Six-month period ended 30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			(Unaudited and unreviewed)	
Salaries and benefits	7,780,742	31,714,304	5,522,808	22,251,393

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

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

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Unused portion of overdrafts	78,767,370	322,394,845	50,342,438	205,145,435
Performance bonds	12,154,094	49,746,707	15,367,603	62,622,982
Letter of credits	6,081,195	24,890,331	8,724,349	35,551,722
Unused portion of credit cards	9,966,154	40,791,468	9,430,316	38,428,538
Securities	4,400,000	18,009,200	4,400,000	17,930,000
Payment guarantees	8,401,254	34,386,333	5,897,103	24,030,695
Bid bonds	4,317,690	17,672,305	5,213,899	21,246,638
Warranty bonds	3,162	12,942	15,201	61,944
Other guarantees	330,402	1,352,335	330,402	1,346,388
	<u>124,421,321</u>	<u>509,256,466</u>	<u>99,721,311</u>	<u>406,364,342</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 32, 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 CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**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.

	<b>30 June 2020</b>				
	<b>Stage 1 12-month ECL</b>	<b>Stage 2 Lifetime ECL</b>	<b>Stage 3 Lifetime ECL</b>	<b>Total</b>	
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR'000</b>
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	13,589	(13,589)	-	-	-
Transfer to stage 2	(8,833)	8,833	-	-	-
Transfer to stage 3	(3,339)	(203,956)	207,295	-	-
Net remeasurement of loss allowances (*)	80,652	883,764	2,974,745	3,939,161	16,122,986
New financial assets originated	436,422	-	-	436,422	1,786,275
Financial asset that has been derecognised	(164,030)	(17,390)	(55,337)	(236,757)	(969,046)
Other changes	(23)	(10,017)	(160,280)	(170,320)	(697,120)
Currency translation differences	-	-	-	-	114,399
Loss allowance as at 30 June 2020	<u>1,928,319</u>	<u>1,213,962</u>	<u>7,181,677</u>	<u>10,323,958</u>	<u>42,255,961</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 CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

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

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

	<b>31 December 2019</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	
	<b>12-month</b>	<b>Lifetime</b>	<b>Lifetime</b>		
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>		
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR'000</b>
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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**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  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

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

**Liquidity risk (continued)**

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

	Carrying amount US\$	Gross nominal inflow/ (outflow) US\$	Up to 1 month US\$	> 1 – 3 months US\$	> 3 – 12 months US\$	> 1 – 5 years US\$	Over 5 years US\$	No maturity US\$
<b>30 June 2020</b>								
<b>Financial assets by type</b>								
Non-derivative assets								
Cash on hand	304,472,140	304,472,140	304,472,140	-	-	-	-	-
Balances with the NBC	1,174,002,847	1,174,739,466	265,661,544	230,043,574	385,336,328	-	-	293,698,020
Balances with other banks	262,407,754	264,939,418	119,610,028	70,285,982	75,043,408	-	-	-
Loans to customers	3,119,007,989	4,318,315,999	220,390,327	118,932,939	525,697,279	2,396,326,992	1,056,968,462	-
Investment securities	3,386,552	4,086,460	-	-	-	4,086,460	-	-
Other assets	9,993,539	9,993,539	7,271,281	21,181	78,688	692,126	1,930,263	-
	<u>4,873,270,821</u>	<u>6,076,547,022</u>	<u>917,405,320</u>	<u>419,283,676</u>	<u>986,155,703</u>	<u>2,401,105,578</u>	<u>1,058,898,725</u>	<u>293,698,020</u>
<b>In US\$ equivalents</b>	<u>4,873,270,821</u>	<u>6,076,547,022</u>	<u>917,405,320</u>	<u>419,283,676</u>	<u>986,155,703</u>	<u>2,401,105,578</u>	<u>1,058,898,725</u>	<u>293,698,020</u>
<b>In KHR'000 equivalents</b>	<u>19,946,297,470</u>	<u>24,871,306,961</u>	<u>3,754,939,975</u>	<u>1,716,128,086</u>	<u>4,036,335,292</u>	<u>9,827,725,131</u>	<u>4,334,072,481</u>	<u>1,202,105,996</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**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 maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>30 June 2020</b>								
<b>Financial liabilities by type</b>								
Non-derivative liabilities								
Deposits from customers	3,822,905,425	(3,855,738,922)	(3,074,375,863)	(179,722,629)	(559,681,565)	(41,958,865)	-	-
Debt securities in issue	20,937,379	(25,654,450)	(806,580)	(806,580)	(806,580)	(23,234,710)	-	-
Borrowings	238,842,197	(260,334,670)	(14,919,991)	(29,430,321)	(200,688,425)	(15,124,858)	(171,075)	-
Subordinated debts	125,302,582	(170,723,011)	-	-	-	(64,892,847)	(105,830,164)	-
Lease liabilities	35,915,687	(43,270,816)	(1,064,765)	(2,106,530)	(8,955,445)	(27,355,287)	(3,788,789)	-
Other liabilities	22,389,878	(22,389,878)	(4,900,335)	(16,934,185)	-	(44,685)	(510,673)	-
	<u>4,266,293,148</u>	<u>(4,378,111,747)</u>	<u>(3,096,067,534)</u>	<u>(229,000,245)</u>	<u>(770,132,015)</u>	<u>(172,611,252)</u>	<u>(110,300,701)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(94,814,719)	(10,149,326)	(11,629,963)	(63,715,772)	(9,319,658)	-	-
<b>In US\$ equivalents</b>	<u>4,266,293,148</u>	<u>(4,472,926,466)</u>	<u>(3,106,216,860)</u>	<u>(240,630,208)</u>	<u>(833,847,787)</u>	<u>(181,930,910)</u>	<u>(110,300,701)</u>	<u>-</u>
<b>In KHR'000 equivalents</b>	<u>17,461,937,855</u>	<u>(18,307,688,025)</u>	<u>(12,713,745,608)</u>	<u>(984,899,441)</u>	<u>(3,412,938,992)</u>	<u>(744,643,215)</u>	<u>(451,460,769)</u>	<u>-</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**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 maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2019</b>								
<b>Financial assets by type</b>								
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>
<b>In US\$ equivalents</b>	<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>
<b>In KHR'000 equivalents</b>	<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 AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

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

**Liquidity risk (continued)**

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

	Carrying amount US\$	Gross nominal inflow/(outflow) US\$	Up to 1 month US\$	> 1 – 3 months US\$	> 3 – 12 months US\$	> 1 – 5 years US\$	Over 5 years US\$	No Maturity US\$
<b>31 December 2019</b>								
<b>Financial liabilities by type</b>								
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)	-	-
<b>In US\$ equivalents</b>	<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>
<b>In KHR'000 equivalents</b>	<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>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**32. IMPACT OF COVID-19**

The impact of Coronavirus (“COVID-19”) pandemic has spread across various geographies globally. On January 30 2020, the World Health Organisation (“WHO”) declared an international health emergency due to the outbreak of COVID-19 virus. Since March 11, the WHO has characterised 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 analysed 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 30 June 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.

As of 30 June 2020, there were loan restructured cases due to impact of COVID-19 which resulted in staging downgrade of certain exposures and recognition of relevant ECLs and impairment allowances are disclosed in note 31 to the condensed interim financial statements.

Management has further leveraged on industry delinquency data as of 31 May 2020 based on the overall industry report from Credit Bureau of Cambodia (“CBC”) and performed additional analysis on the Bank’s level of ECL. Industry delinquent loans from CBC database over 30 days are assumed under Stage 2 and over 90 days overdue are assumed under Stage 3. The Bank’s ECL is linearly scaled based on industry delinquency proportion of loans under stage 2 and 3. With this analysis the management decided to provide additional ECL of US\$1,000,000 in addition to existing ECL due to the impact of COVID-19. Management will continue to provide additional ECL if deemed necessary.

Management is under the process of refining ECL model with the help of external consultant wherein the major revisions on Probability of Default, Loss Given Default and Forward-Looking element incorporating Macro Economic Variables will be made.



**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020**

**32. IMPACT OF COVID-19 (continued)**

**i) Expected credit losses (continued)**

Management expects ECL calculation to be performed under refined model from October 2020 onwards.

**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 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.