

## **S&P upgrades ABA Bank's credit rating to 'B+'**

Advanced Bank of Asia (ABA Bank), the third largest commercial bank in Cambodia and a subsidiary of National Bank of Canada, announces that its long-term issuer credit rating from Standard&Poor's Global Ratings Agency (S&P) was raised from 'B' to 'B+' with the stable outlook.

"We are glad to receive the credit rating upgrade from S&P as it reflects our excellent performance and confirms ABA's strong positions in the market," commented Zhiger Atchabarov, Chief International Operations Officer of ABA Bank. "This is the result of the implementation of our sound business strategy that benefits customers and shareholders," he added.

The S&P experts view ABA's digital platform and management capabilities as the bank's competitive advantage, supported by oversight from its parent, National Bank of Canada.

"We raised our rating on ABA based on the bank's material and growing market share of loans and deposits, with above-average profitability. ABA is currently the third-largest bank in Cambodia and its business franchise covers urban and rural customers, and has a market-leading digital platform. In our view, the bank's competitive advantage will likely continue to support long-term business stability," states the Research Update of S&P.

"ABA's growing customer franchise across the country and its strong presence in the micro and small and midsize enterprise (MSME) lending segment will continue to support its business position. ABA has been expanding its operations rapidly since 2010, especially in the MSME segment. We estimate ABA's market share to be about 10 percent for loans and about 12 percent for deposits as at June 30, 2019," S&P analysts added.

The stable outlook reflects the view that ABA will sustainably manage rapid loan and deposit growth and will continue to report good asset quality in Cambodia's high-risk operating environment.

S&P assigned 'B' credit rating to ABA Bank in 2017 and reaffirmed it in 2018.

Phnom Penh, 12 December 2019  
ABA Bank

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