

ADVANCED BANK OF ASIA LIMITED
(Registration No. 00010593)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS
ENDED 31 DECEMBER 2020**

ADVANCED BANK OF ASIA LIMITED

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2020**

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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 December 2020, its financial performance for the three-month and twelve-month periods then ended, and its cash flows for the twelve-month period then ended in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*, and at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



Madi Akmambet
Executive Director

Phnom Penh, Kingdom of Cambodia
Date: 12 February 2021

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of Advanced Bank of Asia Limited

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Advanced Bank of Asia Limited (the "Bank") as at 31 December 2020 and the related condensed interim statement of profit or loss and other comprehensive income for the three-month and twelve-month periods then ended, changes in equity and cash flows for the twelve-month period then ended, and notes to the condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

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

For Deloitte (Cambodia) Co., Ltd.



Ung Kimsopheaktra
Partner

Phnom Penh, Kingdom of Cambodia

Date: 12 February 2021

ADVANCED BANK OF ASIA LIMITED

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31 December 2020		31 December 2019	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand	4	378,101,373	1,529,420,054	251,750,205	1,025,882,085
Balances with the NBC	5	1,481,626,701	5,993,180,006	1,151,654,239	4,692,991,024
Balances with other banks	6	325,956,497	1,318,494,030	93,411,689	380,652,633
Loans to customers	7	3,819,249,414	15,448,863,880	2,758,070,913	11,239,138,970
Investment securities	8	7,434,086	30,070,878	33,285,434	135,638,144
Property and equipment	9	41,731,890	168,805,495	40,448,758	164,828,689
Right-of-use assets	10	33,719,074	136,393,654	34,537,031	140,738,401
Intangible assets	11	8,931,430	36,127,634	7,174,737	29,237,053
Deferred tax assets, net	12	4,821,433	19,502,696	2,191,391	8,929,918
Other assets	13	30,514,392	123,430,716	22,363,972	91,133,185
TOTAL ASSETS		6,132,086,290	24,804,289,043	4,394,888,369	17,909,170,102
LIABILITIES					
Deposits from customers	14	4,871,468,376	19,705,089,581	3,395,343,449	13,836,024,555
Debt securities in issue	15	21,282,088	86,086,046	20,939,337	85,327,798
Borrowings	16	242,004,091	978,906,548	279,856,458	1,140,415,066
Subordinated debts	17	117,023,035	473,358,177	128,000,000	521,600,000
Current tax liabilities		36,662,180	148,298,518	12,231,453	49,843,171
Lease liabilities	18	35,721,902	144,495,094	36,513,407	148,792,134
Other liabilities	19	37,430,075	151,404,653	25,624,103	104,418,220
TOTAL LIABILITIES		5,361,591,747	21,687,638,617	3,898,508,207	15,886,420,944
EQUITY					
Share capital		335,000,000	1,355,075,000	215,000,000	876,125,000
Regulatory reserves		46,791,887	189,273,183	33,661,778	137,171,744
Retained earnings		388,702,656	1,584,665,456	247,718,384	999,343,312
Currency translation differences		-	(12,363,213)	-	10,109,102
TOTAL EQUITY		770,494,543	3,116,650,426	496,380,162	2,022,749,158
TOTAL LIABILITIES AND EQUITY		6,132,086,290	24,804,289,043	4,394,888,369	17,909,170,102

The accompanying notes from pages 9 to 42 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 DECEMBER 2020

	Note	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
		US\$	KHR'000	US\$	KHR'000
Interest income	20	97,424,524	395,933,266	77,176,227	313,567,010
Interest expense	20	(14,788,286)	(60,099,594)	(13,116,364)	(53,291,787)
Net interest income		82,636,238	335,833,672	64,059,863	260,275,223
Fee and commission income	21	12,240,746	49,746,392	11,314,077	45,969,095
Fee and commission expense	21	(4,453,068)	(18,097,268)	(4,206,012)	(17,089,027)
Net fee and commission income		7,787,678	31,649,124	7,108,065	28,880,068
Other operating income	22	1,266,900	5,148,682	451,683	1,835,188
Personnel expenses	23	(19,290,517)	(78,396,661)	(19,396,091)	(78,806,318)
Operating expenses	24	(6,999,661)	(28,446,622)	(8,750,911)	(35,554,951)
Depreciation and amortisation	25	(5,623,255)	(22,852,908)	(4,162,162)	(16,910,864)
Operating profit		59,777,383	242,935,287	39,310,447	159,718,346
Net impairment losses on financial assets	26	(126,933)	(515,856)	(704,881)	(2,863,932)
Profit before tax		59,650,450	242,419,431	38,605,566	156,854,414
Income tax expense		(9,446,587)	(38,390,930)	3,550,848	14,427,095
Profit for the period		50,203,863	204,028,501	42,156,414	171,281,509
Other comprehensive income		-	(20,426,561)	-	(4,026,439)
Total comprehensive income for the period		50,203,863	183,601,940	42,156,414	167,255,070
Profit attributable to shareholders		50,203,863	204,028,501	42,156,414	171,281,509
Total comprehensive income attributable to shareholders		50,203,863	183,601,940	42,156,414	167,255,070

The accompanying notes from pages 9 to 42 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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020

	Note	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
		US\$	KHR'000	US\$	KHR'000
Interest income	20	354,791,877	1,446,486,483	273,280,124	1,108,150,902
Interest expense	20	(58,991,424)	(240,508,036)	(50,986,374)	(206,749,747)
Net interest income		295,800,453	1,205,978,447	222,293,750	901,401,155
Fee and commission income	21	40,439,052	164,870,015	31,684,542	128,480,818
Fee and commission expense	21	(16,108,850)	(65,675,781)	(13,905,227)	(56,385,695)
Net fee and commission income		24,330,202	99,194,234	17,779,315	72,095,123
Other operating income	22	3,383,117	13,792,968	1,702,893	6,905,231
Personnel expenses	23	(72,566,022)	(295,851,672)	(57,847,295)	(234,570,781)
Operating expenses	24	(29,411,234)	(119,909,601)	(24,801,512)	(100,570,131)
Depreciation and amortisation	25	(19,619,284)	(79,987,821)	(14,714,186)	(59,666,024)
Operating profit		201,917,232	823,216,555	144,412,965	585,594,573
Net impairment losses on financial assets	26	(9,048,264)	(36,889,772)	(2,120,225)	(8,597,512)
Profit before tax		192,868,968	786,326,783	142,292,740	576,997,061
Income tax expense		(38,754,587)	(158,002,451)	(14,881,364)	(60,343,931)
Profit for the period		154,114,381	628,324,332	127,411,376	516,653,130
Other comprehensive income		-	(12,363,213)	-	10,109,102
Total comprehensive income for the period		154,114,381	615,961,119	127,411,376	526,762,232
Profit attributable to shareholders		154,114,381	628,324,332	127,411,376	516,653,130
Total comprehensive income attributable to shareholders		154,114,381	615,961,119	127,411,376	526,762,232

The accompanying notes from pages 9 to 42 form an integral part of these condensed interim financial statements.

ADVANCED BANK OF ASIA LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020**

	Share capital	Regulatory reserves	Retained earnings	Currency translation differences	Total
	US\$	US\$	US\$	US\$	US\$
Twelve-month period ended 31 December 2019					
At 1 January 2019	165,000,000	21,321,874	132,646,912	-	318,968,786
Issuance of share capital	50,000,000	-	-	-	50,000,000
Profit for the period	-	-	127,411,376	-	127,411,376
	<u>215,000,000</u>	<u>21,321,874</u>	<u>260,058,288</u>	<u>-</u>	<u>496,380,162</u>
Transfers from retained earnings to regulatory reserves	-	12,339,904	(12,339,904)	-	-
At 31 December 2019	<u>215,000,000</u>	<u>33,661,778</u>	<u>247,718,384</u>	<u>-</u>	<u>496,380,162</u>
In KHR'000 equivalents	<u>876,125,000</u>	<u>137,171,744</u>	<u>999,343,312</u>	<u>10,109,102</u>	<u>2,022,749,158</u>
Twelve-month period ended 31 December 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	-	-	154,114,381	-	154,114,381
	<u>335,000,000</u>	<u>33,661,778</u>	<u>401,832,765</u>	<u>-</u>	<u>770,494,543</u>
Transfers from retained earnings to regulatory reserves	-	13,130,109	(13,130,109)	-	-
At 31 December 2020	<u>335,000,000</u>	<u>46,791,887</u>	<u>388,702,656</u>	<u>-</u>	<u>770,494,543</u>
In KHR'000 equivalents	<u>1,355,075,000</u>	<u>189,273,183</u>	<u>1,584,665,456</u>	<u>(12,363,213)</u>	<u>3,116,650,426</u>

The accompanying notes from pages 9 to 42 form an integral part of these condensed interim financial statements.

ADVANCED BANK OF ASIA LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020**

	Note	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before income tax		192,868,968	786,326,783	142,292,740	576,997,061
<i>Adjustments for:</i>					
Depreciation and amortisation	25	19,619,284	79,987,821	14,714,186	59,666,024
Net impairment losses on financial assets	26	9,048,264	36,889,772	2,120,225	8,597,512
(Gains)/losses on disposals of property and equipment		(21,726)	(88,577)	79,128	320,864
Net interest income	20	(295,800,453)	(1,205,978,447)	(222,293,750)	(901,401,155)
		(74,285,663)	(302,862,648)	(63,087,471)	(255,819,694)
<i>Changes in:</i>					
Balances with the NBC		(389,805,691)	(1,589,237,802)	(572,508,230)	(2,321,520,873)
Balances with other banks		(196,419,422)	(800,801,983)	(18,090,704)	(73,357,805)
Loans to customers		(1,061,689,608)	(4,328,508,532)	(924,310,219)	(3,748,077,938)
Other assets		(9,381,355)	(38,247,784)	1,894,883	7,683,751
Deposits from customers		1,474,244,412	6,010,494,468	1,207,115,589	4,894,853,713
Other liabilities		11,690,486	47,662,111	10,953,327	44,415,741
Cash used in operations		(245,646,841)	(1,001,502,170)	(358,032,825)	(1,451,823,105)
Interest received		347,121,130	1,415,212,847	266,247,220	1,079,632,476
Interest paid		(54,274,722)	(221,278,042)	(45,792,636)	(185,689,139)
Income tax paid		(16,953,902)	(69,121,058)	(20,748,310)	(84,134,397)
Net cash from/(used in) operating activities		30,245,665	123,311,577	(158,326,551)	(642,014,165)
Cash flows from investing activities					
Purchase of investment securities		(4,238,128)	(17,278,848)	(252,599,231)	(1,024,289,882)
Sale proceeds from investment securities		29,813,431	121,549,358	252,611,049	1,024,337,804
Purchases of property and equipment		(12,993,514)	(52,974,556)	(20,384,963)	(82,661,025)
Purchases of intangible assets		(2,937,580)	(11,976,514)	(5,374,833)	(21,794,948)
Proceeds from disposals of property and equipment		22,882	93,290	57,355	232,575
Net cash from/(used in) investing activities		9,667,091	39,412,730	(25,690,623)	(104,175,476)

ADVANCED BANK OF ASIA LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (continued)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020**

	Note	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Issuance of share capital		120,000,000	489,240,000	50,000,000	202,750,000
Issuance of corporate bond		-	-	20,326,748	82,424,963
Proceeds from borrowings		545,241,602	2,222,950,011	498,527,607	2,021,529,446
Repayments of borrowings		(583,788,033)	(2,380,103,811)	(300,873,417)	(1,220,041,706)
Proceeds from subordinated debts		-	-	40,000,000	162,200,000
Repayments of subordinated debts		(11,000,000)	(44,847,000)	(5,000,000)	(20,275,000)
Principal elements of lease payments		(7,243,776)	(29,532,875)	(6,181,011)	(25,064,000)
Net cash from financing activities		63,209,793	257,706,325	296,799,927	1,203,523,703
Net increase in cash and cash equivalents		103,122,549	420,430,632	112,782,753	457,334,063
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		-	(19,936,126)	-	27,435,828
Cash and cash equivalents at the end of period	27	657,662,713	2,660,245,674	554,540,164	2,259,751,168

The accompanying notes from pages 9 to 42 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 TWELVE-MONTH PERIODS ENDED 31 DECEMBER 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 10 February 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019 and any public announcements made by the Bank during the interim reporting period.

2.2 Critical accounting judgments and key sources of estimation uncertainty

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

In preparing the condensed interim financial statements, significant judgements made by management in applying the Bank’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual financial statements for the year ended 31 December 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 AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 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 NBC.

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

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

	<i>Closing rate</i>	<i>Average rate Twelve-month</i>	<i>Average rate three-month</i>
31 December 2020	4,045	4,077	4,064
31 December 2019	4,075	4,055	4,063

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 33 and for the adoption of new and amended standards as set out below.

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

Amendments to CIFRS 3	<i>Definition of a business</i>
Amendments to CIAS 1 and CIAS 8 Conceptual Framework	<i>Definition of material Amendments to References to the Conceptual Framework in CIFRS Standards</i>
Amendments to CIFRS 16	<i>COVID-19-Related Rent Concessions</i>
Amendments to CIFRS 9, CIAS 39 and CIFRS 7	<i>Interest Rate Benchmark Reform</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 TWELVE-MONTH PERIODS ENDED 31 DECEMBER 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>Classification of Liabilities as Current or Non-current</i>
Amendments to CIAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Amendments to CIFRS 3	<i>Reference to Conceptual Framework</i>
Amendments to CIAS 16,	<i>Property, Plant and Equipment (PPE) – Proceeds before Intended Use</i>
Annual Improvements to CIFRS standards 2018–2020 Cycle	- <i>Amendments to CIFRS 1, First-time Adoption of CIFRSs</i> - <i>Amendments to CIFRS 9, Financial Instruments</i> - <i>Amendments to Illustrative Examples accompanying CIFRS 16</i> - <i>Amendments to CIAS 41 Agriculture</i>

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

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	360,160,946	1,456,851,027	237,592,862	968,190,913
Cash items in process of collection	17,940,427	72,569,027	14,157,343	57,691,172
	<u>378,101,373</u>	<u>1,529,420,054</u>	<u>251,750,205</u>	<u>1,025,882,085</u>

5. BALANCES WITH THE NBC

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Capital guarantee deposit (i)	33,515,158	135,568,814	21,553,770	87,831,613
Reserve requirement (ii)	349,501,480	1,413,733,487	413,991,945	1,687,017,176
Current account	138,612,043	560,685,714	235,691,886	960,444,435
Negotiable Certified Deposits (NCD)	959,998,020	3,883,191,991	480,416,638	1,957,697,800
	<u>1,481,626,701</u>	<u>5,993,180,006</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 TWELVE-MONTH PERIODS ENDED 31 DECEMBER 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 0.06% to 0.47% per annum (2019: 0.48% 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 and non-residential borrowings. It is maintained in compliance with the NBC Prakas No. B7-020-230 dated 18 March 2020 at the rates of 7.00% of customers' deposits in KHR and currency other than KHR. On 19 November 2020, NBC issued a notification letter no. B13-020-868 on the result of 53rd meeting of Monetary Policy Committee confirming on the extension of reserve requirement maintenance at the rates of 7.00% until the end of the first semester of 2021.

6. BALANCES WITH OTHER BANKS

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Balances with other banks at amortised cost	326,725,625	1,321,605,153	93,472,431	380,900,156
Impairment loss allowance	(769,128)	(3,111,123)	(60,742)	(247,523)
	325,956,497	1,318,494,030	93,411,689	380,652,633

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2020

7. LOANS TO CUSTOMERS

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
At amortised cost				
Commercial loans:				
Short-term loans	10,305,471	41,685,630	8,642,654	35,218,815
Long-term loans	3,470,263,818	14,037,217,144	2,631,621,350	10,723,857,001
Overdrafts	288,643,431	1,167,562,678	95,217,125	388,009,784
Consumer loans:				
Housing loans	43,933,942	177,712,795	14,295,649	58,254,770
Vehicle loans	3,813,475	15,425,506	16,060	65,445
Staff loans	14,722,847	59,553,916	12,605,152	51,365,994
Personal Loans	452,047	1,828,530	-	-
Credit cards	1,236,518	5,001,715	2,028,375	8,265,628
Total gross carrying amount	3,833,371,549	15,505,987,914	2,764,426,365	11,265,037,437
Impairment loss allowance	(14,122,135)	(57,124,034)	(6,355,452)	(25,898,467)
Net carrying amount	3,819,249,414	15,448,863,880	2,758,070,913	11,239,138,970

8. INVESTMENT SECURITIES

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Investment securities at amortised cost	7,467,591	30,206,406	33,307,014	135,726,083
Impairment loss allowance	(33,505)	(135,528)	(21,580)	(87,939)
	7,434,086	30,070,878	33,285,434	135,638,144

ADVANCED BANK OF ASIA LIMITED

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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 December 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	99,264	1,905,452	108,560	8,125,932	2,754,306	12,993,514	52,974,556
Transfers	2,636,271	252,142	-	-	(2,888,413)	-	-
Disposals	-	(1,466)	(11,780)	(7,281)	-	(20,527)	(83,689)
Written off	(3,629)	(8,398)	-	(8,449)	-	(20,476)	(83,481)
Currency translation differences	-	-	-	-	-	-	(2,201,375)
At 31 December 2020	25,270,673	14,326,772	1,729,615	31,042,869	145,801	72,515,730	293,326,128
Accumulated depreciation							
At 1 January 2020	5,589,733	4,751,982	992,461	7,780,285	-	19,114,461	77,891,428
Depreciation	3,273,549	2,453,512	210,226	5,771,939	-	11,709,226	47,738,515
Disposals	-	(1,224)	(11,780)	(7,277)	-	(20,281)	(82,686)
Written off	(3,629)	(7,664)	-	(8,273)	-	(19,566)	(79,771)
Currency translation differences	-	-	-	-	-	-	(946,853)
At 31 December 2020	8,859,653	7,196,606	1,190,907	13,536,674	-	30,783,840	124,520,633
Carrying amounts							
At 31 December 2020	16,411,020	7,130,166	538,708	17,506,195	145,801	41,731,890	168,805,495

ADVANCED BANK OF ASIA LIMITED

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10. RIGHT-OF-USE ASSETS

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

	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 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>
31 December 2020				
Cost				
At 1 January 2020	42,560,267	1,583,956	44,144,223	179,887,709
Additions	5,291,966	619,248	5,911,214	24,100,019
Currency translation differences	-	-	-	(1,513,485)
At 31 December 2020	<u>47,852,233</u>	<u>2,203,204</u>	<u>50,055,437</u>	<u>202,474,243</u>
Accumulated depreciation				
At 1 January 2020	8,558,382	1,048,810	9,607,192	39,149,308
Depreciation	6,137,055	592,116	6,729,171	27,434,830
Currency translation differences	-	-	-	(503,549)
At 31 December 2020	<u>14,695,437</u>	<u>1,640,926</u>	<u>16,336,363</u>	<u>66,080,589</u>
Carrying amount				
At 31 December 2020	<u>33,156,796</u>	<u>562,278</u>	<u>33,719,074</u>	<u>136,393,654</u>

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10. RIGHT-OF-USE ASSETS (continued)

Amount recognised in profit and loss

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Depreciation expense on right-of-use assets	2,241,906	9,111,106	1,508,945	6,130,843
Interest expense on lease liabilities	581,516	2,363,281	443,655	1,802,570
Expense relating to leases of low value assets	161,171	654,999	936,828	3,806,332
	<u>2,984,593</u>	<u>12,129,386</u>	<u>2,889,428</u>	<u>11,739,745</u>
	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Depreciation expense on right-of-use assets	6,729,171	27,434,830	5,626,627	22,815,972
Interest expense on lease liabilities	1,776,338	7,242,130	1,665,643	6,754,183
Expense relating to leases of low value assets	3,350,576	13,660,298	2,834,393	11,493,464
	<u>11,856,085</u>	<u>48,337,258</u>	<u>10,126,663</u>	<u>41,063,619</u>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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11. INTANGIBLE ASSETS

	31 December 2019	
	US\$	KHR'000
Software		
Cost	9,916,259	40,408,755
Accumulated amortisation	2,741,522	11,171,702
Carrying amounts	7,174,737	29,237,053
	31 December 2020	
	US\$	KHR'000
Software		
Cost		
At 1 January	9,916,259	40,408,755
Additions	2,937,580	11,976,514
Currency translation differences	-	(391,490)
	12,853,839	51,993,779
Accumulated amortisation		
At 1 January	2,741,522	11,171,702
Amortisation	1,180,887	4,814,476
Currency translation differences	-	(120,033)
	3,922,409	15,866,145
Carrying amounts	8,931,430	36,127,634

ADVANCED BANK OF ASIA LIMITED

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12. DEFERRED TAX ASSETS, NET

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

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Deferred tax assets	7,037,003	28,464,677	4,792,722	19,530,342
Deferred tax liabilities	(2,215,570)	(8,961,981)	(2,601,331)	(10,600,424)
Net deferred tax assets	<u>4,821,433</u>	<u>19,502,696</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

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Deposits and advance payments Master/Visa Card and MoneyGram and other receivables	13,333,496	53,933,991	12,199,827	49,714,295
Prepayment	10,108,141	40,887,430	3,918,470	15,967,764
Card supplies	3,961,188	16,023,005	4,347,116	17,714,498
Investment – Credit Bureau	3,085,979	12,482,787	1,872,971	7,632,357
	25,588	103,503	25,588	104,271
	<u>30,514,392</u>	<u>123,430,716</u>	<u>22,363,972</u>	<u>91,133,185</u>

14. DEPOSITS FROM CUSTOMERS

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Demand deposits	868,648,938	3,513,684,954	613,709,129	2,500,864,701
Savings deposits	3,038,599,194	12,291,133,740	2,036,708,869	8,299,588,641
Fixed deposits	964,147,674	3,899,977,341	744,922,130	3,035,557,680
Margin deposits	72,570	293,546	3,321	13,533
	<u>4,871,468,376</u>	<u>19,705,089,581</u>	<u>3,395,343,449</u>	<u>13,836,024,555</u>

ADVANCED BANK OF ASIA LIMITED

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15. DEBT SECURITIES IN ISSUE

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Corporate bonds	21,282,088	86,086,046	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 amounting to KHR84,821 billion (approximately US\$20,969,345) with tenor of 3 years and coupon rate at 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 twelve-month period ended 31 December 2020, the Bank has interest expense on debt securities to investors in aggregate amounting to KHR6,513 million (approximately US\$1,610,150). Interest expense for the three-month period ended 31 December 2020 amounting to KHR1,577 million (approximately US\$406,179).

ADVANCED BANK OF ASIA LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2020****16. BORROWINGS**

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Borrowings	242,004,091	978,906,548	279,856,458	1,140,415,066

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

- Includes 28 renewed Liquidity-Providing Collateralised Operations (LPCOs) provided by the National Bank of Cambodia for US\$216,973,264 (equivalent to KHR884.6 billion) and 28 new LPCOs for US\$193,161,638 (equivalent to KHR787.5 billion). By the reporting date, 34 LPCOs for the total amount to US\$240,274,712 (equivalent to KHR979.6 billion) matured. The principal and interest are payable on maturities with 3 to 12 months term.
- The amount above represents the long-term loan obtained from DEG-Deutsche Investitions und Entwicklungsgesellschaft Mbh. The bank has schedule repayment of the principal amount US\$3,125,005 on 15 June 2020 and US\$625,000 on 14 December 2020. The interest is payable semi-annually from the date of each drawdown.
- The bank repaid part of the International Finance Corporation (IFC) loan for amount of US\$714,286 on 15 June 2020 and repaid the outstanding loan US\$2,857,143 on 24 August 2020.
- The amount above shows the short-term loan from AfrAsia Bank Limited, Mauritius, for amount of US\$10,000,000 drawn on 31 December 2020. The principal and interest are payable on maturity.
- The amount above includes the short-term loan from RHB Bank Cambodia Plc, with the loan amount to KHR12,000,000,000 (equivalent to US\$2,966,625) received on 30 December 2020. The principal and interest are payable on maturity.
- The amount above represents the long-term loan obtained from SME Bank of Cambodia for US\$2,000,000. The Bank has drawn KHR400,000,000 on 5 October 2020 and paid principal KHR8,576,200. As of 31 December 2020, the bank has drawn US\$1,362,500 and paid principal amount to US\$158,012. The principal and interest are payable on a monthly basis.

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17. SUBORDINATED DEBTS

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
National Bank of Canada	117,023,035	473,358,177	128,000,000	521,600,000

18. LEASE LIABILITIES

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Maturity Analysis				
Year 1	759,675	3,072,885	212,559	866,178
Year 2	1,264,619	5,115,384	1,133,181	4,617,713
Year 3	540,288	2,185,465	1,263,585	5,149,109
Year 4	2,885,464	11,671,702	745,657	3,038,552
Year 5	2,036,299	8,236,829	3,484,059	14,197,540
Year 6 onwards	35,107,408	142,009,465	37,251,232	151,798,771
	42,593,753	172,291,730	44,090,273	179,667,863
Less: Discounted value using IBR	(6,871,851)	(27,796,636)	(7,576,866)	(30,875,729)
	<u>35,721,902</u>	<u>144,495,094</u>	<u>36,513,407</u>	<u>148,792,134</u>

19. OTHER LIABILITIES

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Accrued expenses	28,384,063	114,813,535	17,980,104	73,268,924
Master/Visa Card and MoneyGram and other payables	3,790,716	15,333,446	4,236,999	17,265,771
Unearned income	2,814,586	11,385,000	2,261,643	9,216,195
Remittance in process	1,592,606	6,442,091	269,195	1,096,970
Other tax payable	713,705	2,886,937	857,246	3,493,277
Provision for off-balance sheets	134,399	543,644	18,916	77,083
	<u>37,430,075</u>	<u>151,404,653</u>	<u>25,624,103</u>	<u>104,418,220</u>

ADVANCED BANK OF ASIA LIMITED

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20. NET INTEREST INCOME

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Interest income from:				
Loans to customers	95,469,085	387,986,361	74,249,034	301,673,825
Balances with the NBC and other banks	1,760,321	7,153,945	2,545,588	10,342,724
Investment securities	150,789	612,806	381,605	1,550,461
Others	44,329	180,153	-	-
	<u>97,424,524</u>	<u>395,933,266</u>	<u>77,176,227</u>	<u>313,567,010</u>
Interest expense on:				
Deposits from customers	9,653,507	39,231,852	8,235,207	33,459,646
Subordinated debts	2,390,703	9,715,817	2,155,708	8,758,642
Borrowings	1,756,381	7,137,932	1,877,425	7,627,978
Lease liabilities	581,516	2,363,281	443,655	1,802,570
Debt securities in issue	406,179	1,650,712	404,369	1,642,951
	<u>14,788,286</u>	<u>60,099,594</u>	<u>13,116,364</u>	<u>53,291,787</u>
Net interest income	<u>82,636,238</u>	<u>335,833,672</u>	<u>64,059,863</u>	<u>260,275,223</u>
	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Interest income from:				
Loans to customers	345,374,334	1,408,091,160	262,898,484	1,066,053,352
Balances with the NBC and other banks	8,552,516	34,868,608	8,539,276	34,626,764
Investment securities	567,647	2,314,297	1,842,364	7,470,786
Others	297,380	1,212,418	-	-
	<u>354,791,877</u>	<u>1,446,486,483</u>	<u>273,280,124</u>	<u>1,108,150,902</u>
Interest expense on:				
Deposits from customers	37,112,808	151,308,918	34,750,213	140,912,114
Subordinated debts	10,069,606	41,053,784	8,016,020	32,504,961
Borrowings	8,422,522	34,338,622	5,940,602	24,089,141
Lease liabilities	1,776,338	7,242,130	1,665,643	6,754,183
Debt securities in issue	1,610,150	6,564,582	613,896	2,489,348
	<u>58,991,424</u>	<u>240,508,036</u>	<u>50,986,374</u>	<u>206,749,747</u>
Net interest income	<u>295,800,453</u>	<u>1,205,978,447</u>	<u>222,293,750</u>	<u>901,401,155</u>

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21. NET FEE AND COMMISSION INCOME

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Fee and commission income				
Loan commissions	1,691,477	6,874,163	778,184	3,161,762
Inward and outward remittances	2,227,260	9,051,585	1,792,798	7,284,138
MasterCard, Visa and UPI cards	4,320,777	17,559,638	6,354,227	25,817,224
Cable charges	215,000	873,760	199,510	810,609
Pin-less top up	920,500	3,740,912	531,700	2,160,297
Commission fee from insurance	457,631	1,859,812	986,854	4,009,588
Special account number fees	775,199	3,150,409	-	-
E-wallet	361,275	1,468,222	58,133	236,194
Other fees	1,271,627	5,167,891	612,671	2,489,283
	<u>12,240,746</u>	<u>49,746,392</u>	<u>11,314,077</u>	<u>45,969,095</u>
Fee and commission expense				
MasterCard	1,091,741	4,436,835	1,463,597	5,946,595
Visa card	2,538,066	10,314,700	2,348,583	9,542,293
Fees and commission paid to other banks and FIs	651,002	2,645,672	375,633	1,526,197
UnionPay (UPI) card	15,732	63,935	18,178	73,857
Others	156,527	636,126	21	85
	<u>4,453,068</u>	<u>18,097,268</u>	<u>4,206,012</u>	<u>17,089,027</u>
Net fee and commission income	<u>7,787,678</u>	<u>31,649,124</u>	<u>7,108,065</u>	<u>28,880,068</u>

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21. NET FEE AND COMMISSION INCOME (continued)

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Fee and commission income				
Loan commissions	4,968,814	20,257,855	2,287,081	9,274,113
Inward and outward remittances	7,270,828	29,643,166	5,934,114	24,062,832
MasterCard, Visa and UPI cards	16,542,097	67,442,129	17,451,688	70,766,595
Cable charges	760,210	3,099,376	570,977	2,315,312
Pin-less top up	3,076,550	12,543,094	1,581,200	6,411,766
Commission fee from insurance	1,559,625	6,358,591	1,600,455	6,489,845
Special account number fees	2,269,542	9,252,923	-	-
E-wallet	1,082,246	4,412,317	117,717	477,342
Other fees	2,909,140	11,860,564	2,141,310	8,683,013
	<u>40,439,052</u>	<u>164,870,015</u>	<u>31,684,542</u>	<u>128,480,818</u>
Fee and commission expense				
MasterCard	4,705,138	19,182,848	4,924,688	19,969,610
Visa card	9,231,539	37,636,985	7,389,895	29,966,024
Fees and commission paid to other banks and FIs	1,924,175	7,844,861	1,520,394	6,165,198
UnionPay (UPI) card	91,171	371,704	70,229	284,779
Others	156,827	639,383	21	84
	<u>16,108,850</u>	<u>65,675,781</u>	<u>13,905,227</u>	<u>56,385,695</u>
Net fee and commission income	<u>24,330,202</u>	<u>99,194,234</u>	<u>17,779,315</u>	<u>72,095,123</u>

22. OTHER OPERATING INCOME

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Foreign exchange gains, net	1,265,450	5,142,789	440,705	1,790,584
Other income	1,450	5,893	10,978	44,604
	<u>1,266,900</u>	<u>5,148,682</u>	<u>451,683</u>	<u>1,835,188</u>

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22. OTHER OPERATING INCOME (continued)

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Foreign exchange gains, net	3,350,197	13,658,753	1,556,422	6,311,291
Other income	32,920	134,215	146,471	593,940
	<u>3,383,117</u>	<u>13,792,968</u>	<u>1,702,893</u>	<u>6,905,231</u>

23. PERSONNEL EXPENSES

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Salaries and bonuses	18,375,028	74,676,114	18,128,463	73,655,945
Seniority payments	597,718	2,429,126	535,750	2,176,753
Other personnel expenses	317,771	1,291,421	731,878	2,973,620
	<u>19,290,517</u>	<u>78,396,661</u>	<u>19,396,091</u>	<u>78,806,318</u>

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Salaries and bonuses	67,867,687	276,696,560	54,716,214	221,874,248
Seniority payments	3,106,271	12,664,267	889,080	3,605,219
Other personnel expenses	1,592,064	6,490,845	2,242,001	9,091,314
	<u>72,566,022</u>	<u>295,851,672</u>	<u>57,847,295</u>	<u>234,570,781</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2020**

24. OPERATING EXPENSES

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Repairs and maintenance	2,154,499	8,755,884	1,819,997	7,394,648
Office supplies	1,139,078	4,629,213	1,224,476	4,975,046
Rental expenses	161,171	654,999	936,828	3,806,332
Security expenses	579,983	2,357,051	607,793	2,469,463
Utilities expenses	409,487	1,664,155	517,202	2,101,392
Marketing and advertising	619,814	2,518,924	569,800	2,315,097
Communication	468,412	1,903,626	300,974	1,222,857
Professional fees	388,803	1,580,095	620,414	2,520,742
Insurance expenses	232,002	942,856	161,839	657,552
Motor vehicle operation expenses	177,692	722,140	223,634	908,625
License fees	179,690	730,260	187,673	762,515
Board of Director fees	85,625	347,980	86,679	352,177
Travelling	88,204	358,461	161,904	657,816
Credit report (CBC) expenses	89,052	361,907	85,992	349,385
Business meal and entertainment	20,476	83,214	211,534	859,463
Membership fees	24,680	100,300	87,032	353,611
Other expenses	180,993	735,557	947,140	3,848,230
	<u>6,999,661</u>	<u>28,446,622</u>	<u>8,750,911</u>	<u>35,554,951</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2020**

24. OPERATING EXPENSES (continued)

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Repairs and maintenance	8,012,250	32,665,943	4,685,679	19,000,428
Office supplies	4,831,982	19,699,991	3,882,125	15,742,017
Rental expenses	3,350,576	13,660,298	2,834,393	11,493,464
Security expenses	2,332,186	9,508,322	1,940,035	7,866,842
Utilities expenses	2,013,432	8,208,762	1,863,387	7,556,034
Marketing and advertising	2,010,479	8,196,723	1,907,638	7,735,472
Communication	1,622,215	6,613,771	1,153,731	4,678,379
Professional fees	1,363,376	5,558,484	1,581,463	6,412,832
Insurance expenses	839,555	3,422,866	526,527	2,135,067
Motor vehicle operation expenses	752,911	3,069,618	716,177	2,904,098
License fees	703,201	2,866,950	676,041	2,741,346
Board of Director fees	343,235	1,399,369	191,385	776,066
Travelling	336,735	1,372,869	468,605	1,900,193
Credit report (CBC) expenses	327,750	1,336,237	315,735	1,280,305
Business meal and entertainment	123,030	501,593	423,125	1,715,772
Membership fees	66,888	272,702	201,611	817,533
Other expenses	381,433	1,555,103	1,433,855	5,814,283
	<u>29,411,234</u>	<u>119,909,601</u>	<u>24,801,512</u>	<u>100,570,131</u>

25. DEPRECIATION AND AMORTISATION

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Property and equipment	3,051,121	12,399,756	2,393,929	9,726,534
Right-of-use assets	2,241,906	9,111,106	1,508,945	6,130,843
Intangible assets	330,228	1,342,046	259,288	1,053,487
	<u>5,623,255</u>	<u>22,852,908</u>	<u>4,162,162</u>	<u>16,910,864</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2020**

25. DEPRECIATION AND AMORTISATION (continued)

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Property and equipment	11,709,226	47,738,514	8,240,393	33,414,794
Right-of-use assets	6,729,171	27,434,830	5,626,627	22,815,972
Intangible assets	1,180,887	4,814,477	847,166	3,435,258
	<u>19,619,284</u>	<u>79,987,821</u>	<u>14,714,186</u>	<u>59,666,024</u>

26. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Loans to customers	(1,867)	(7,587)	803,642	3,265,198
Balances with other banks	33,342	135,502	(48,220)	(195,918)
Investment securities	2,401	9,758	(53,747)	(218,374)
Rental deposit	4,127	16,772	1,671	6,789
Loan commitments and financial guarantee contracts	88,930	361,411	1,535	6,237
	<u>126,933</u>	<u>515,856</u>	<u>704,881</u>	<u>2,863,932</u>

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Loans to customers	8,216,813	33,499,947	2,196,254	8,905,810
Balances with other banks	708,385	2,888,086	(26,085)	(105,775)
Investment securities	11,925	48,618	(61,953)	(251,219)
Rental deposit	(4,345)	(17,715)	3,183	12,907
Loan commitments and financial guarantee contracts	115,486	470,836	8,826	35,789
	<u>9,048,264</u>	<u>36,889,772</u>	<u>2,120,225</u>	<u>8,597,512</u>

ADVANCED BANK OF ASIA LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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27. CASH AND CASH EQUIVALENTS

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

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	378,101,373	1,529,420,054	251,750,205	1,025,882,085
Balances with the NBC	229,826,504	929,648,209	289,221,482	1,178,577,539
Balances with other banks	49,734,836	201,177,411	13,568,477	55,291,544
	<u>657,662,713</u>	<u>2,660,245,674</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.

28. RELATED PARTIES

(a) Related party balances

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Borrowings from National Bank of Canada	<u>117,023,035</u>	<u>473,358,177</u>	<u>128,000,000</u>	<u>521,600,000</u>
Deposits and placements by shareholders, directors and key management	<u>3,415,916</u>	<u>13,817,380</u>	<u>5,257,192</u>	<u>21,423,057</u>

(b) Other related party transactions

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Interest expenses to National Bank of Canada	<u>2,390,703</u>	<u>9,715,817</u>	<u>2,155,709</u>	<u>8,758,646</u>
Interest expenses to shareholders, directors and key management	<u>9,462</u>	<u>38,454</u>	<u>33,570</u>	<u>136,395</u>

ADVANCED BANK OF ASIA LIMITED

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28. RELATED PARTIES (continued)

(b) Other related party transactions (continued)

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Interest expenses to National Bank of Canada	10,069,606	41,053,784	8,016,021	32,504,965
Interest expenses to shareholders, directors and key management	91,407	372,666	101,325	410,873

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

	Three-month period ended 31 December 2020		Three-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Salaries and benefits	5,942,979	24,152,267	2,268,868	9,218,411

	Twelve-month period ended 31 December 2020		Twelve-month period ended 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Salaries and benefits	17,942,902	73,153,211	14,415,907	58,456,503

ADVANCED BANK OF ASIA LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Unused portion of overdrafts	116,567,480	471,515,457	50,342,438	205,145,435
Performance bonds	13,635,793	55,156,783	15,367,603	62,622,982
Letter of credits	10,455,894	42,294,091	8,724,349	35,551,722
Unused portion of credit cards	9,693,537	39,210,357	9,430,316	38,428,538
Securities	4,400,000	17,798,000	4,400,000	17,930,000
Payment guarantees	8,903,461	36,014,500	5,897,103	24,030,695
Bid bonds	2,214,644	8,958,235	5,213,899	21,246,638
Warranty bonds	176,593	714,319	15,201	61,944
Other guarantees	237,000	958,665	330,402	1,346,388
	<u>166,284,402</u>	<u>672,620,407</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 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 CONDENSED INTERIM FINANCIAL STATEMENTS
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31. FINANCIAL RISK MANAGEMENT (continued)

Loss allowance - movement of ECL for loans to customers

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

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Total	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	US\$	KHR'000
	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	5,213	(5,213)	-	-	-
Transfer to stage 2	(10,641)	10,641	-	-	-
Transfer to stage 3	(8,242)	(227,994)	236,236	-	-
Net remeasurement of loss allowances (*)	780,419	2,712,889	2,636,001	6,129,309	24,793,055
New financial assets originated	2,962,641	37,385	35,473	3,035,499	12,278,593
Financial asset that has been derecognised	(610,851)	(50,727)	(422,916)	(1,084,494)	(4,386,778)
Other changes	(58,653)	(49,303)	(205,675)	(313,631)	(1,268,637)
Currency translation differences	-	-	-	-	(190,666)
Loss allowance as at 31 December 2020	<u>4,633,767</u>	<u>2,993,995</u>	<u>6,494,373</u>	<u>14,122,135</u>	<u>57,124,034</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

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31. 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\$	KHR'000
	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	-	-	-	-	276,969
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

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31. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Maturity analysis for financial assets and financial liabilities

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

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31. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Maturity analysis for financial assets and financial liabilities (continued)

	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2020								
Financial assets by type								
Non-derivative assets								
Cash on hand	378,101,373	378,101,373	378,101,373	-	-	-	-	-
Balances with the NBC	1,481,626,701	1,482,463,671	227,602,290	140,897,102	730,962,799	-	-	383,001,480
Balances with other banks	325,956,497	329,159,013	62,531,584	28,085,945	238,541,484	-	-	-
Loans to customers	3,819,249,414	4,925,131,069	74,208,223	134,659,696	635,309,114	2,763,621,205	1,317,332,831	-
Investment securities	7,434,086	8,921,826	-	-	-	8,921,826	-	-
Other assets	17,347,962	17,347,962	6,433,942	18,025	6,906,760	837,270	3,151,965	-
	<u>6,029,716,033</u>	<u>7,141,124,914</u>	<u>748,877,412</u>	<u>303,660,768</u>	<u>1,611,720,157</u>	<u>2,773,380,301</u>	<u>1,320,484,796</u>	<u>383,001,480</u>
In US\$ equivalents	<u>6,029,716,033</u>	<u>7,141,124,914</u>	<u>748,877,412</u>	<u>303,660,768</u>	<u>1,611,720,157</u>	<u>2,773,380,301</u>	<u>1,320,484,796</u>	<u>383,001,480</u>
In KHR'000 equivalents	<u>24,390,201,353</u>	<u>28,885,850,277</u>	<u>3,029,209,132</u>	<u>1,228,307,807</u>	<u>6,519,408,035</u>	<u>11,218,323,318</u>	<u>5,341,361,000</u>	<u>1,549,240,987</u>

ADVANCED BANK OF ASIA LIMITED

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31. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Maturity analysis for financial assets and financial liabilities (continued)

	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2020								
Financial liabilities by type								
Non-derivative liabilities								
Deposits from customers	4,871,468,376	(4,904,949,197)	(4,026,303,308)	(212,310,676)	(622,882,632)	(43,452,581)	-	-
Debt securities in issue	21,282,088	(24,041,289)	-	(806,580)	(806,580)	(22,428,129)	-	-
Borrowings	242,004,091	(260,392,244)	(3,830,605)	(65,192,233)	(183,997,232)	(6,117,277)	(1,254,897)	-
Subordinated debts	117,023,035	(156,286,668)	-	-	-	(100,381,437)	(55,905,231)	-
Lease liabilities	35,721,902	(42,593,752)	(1,072,941)	(2,132,460)	(8,952,046)	(27,375,900)	(3,060,405)	-
Other liabilities	34,481,091	(34,481,091)	(713,705)	(28,032,080)	(5,383,728)	(14,495)	(337,083)	-
	<u>5,321,980,583</u>	<u>(5,422,744,241)</u>	<u>(4,031,920,559)</u>	<u>(308,474,029)</u>	<u>(822,022,218)</u>	<u>(199,769,819)</u>	<u>(60,557,616)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(161,647,403)	(10,471,284)	(19,474,031)	(120,369,486)	(11,332,602)	-	-
In US\$ equivalents	<u>5,321,980,583</u>	<u>(5,584,391,644)</u>	<u>(4,042,391,843)</u>	<u>(327,948,060)</u>	<u>(942,391,704)</u>	<u>(211,102,421)</u>	<u>(60,557,616)</u>	<u>-</u>
In KHR'000 equivalents	<u>21,527,411,458</u>	<u>(22,588,864,200)</u>	<u>(16,351,475,005)</u>	<u>(1,326,549,903)</u>	<u>(3,811,974,443)</u>	<u>(853,909,293)</u>	<u>(244,955,557)</u>	<u>-</u>

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31. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Maturity analysis for financial assets and financial liabilities (continued)

	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
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	2,780,292,847	59,607,316	79,529,495	376,344,461	1,505,372,298	759,439,277	-
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>4,325,630,121</u>	<u>699,202,542</u>	<u>260,328,257</u>	<u>655,701,831</u>	<u>1,512,605,114</u>	<u>762,246,662</u>	<u>435,545,715</u>
In US\$ equivalents	<u>4,297,604,550</u>	<u>4,325,630,121</u>	<u>699,202,542</u>	<u>260,328,257</u>	<u>655,701,831</u>	<u>1,512,605,114</u>	<u>762,246,662</u>	<u>435,545,715</u>
In KHR'000 equivalents	<u>17,512,738,541</u>	<u>17,626,942,743</u>	<u>2,849,250,359</u>	<u>1,060,837,647</u>	<u>2,671,984,961</u>	<u>6,163,865,840</u>	<u>3,106,155,148</u>	<u>1,774,848,789</u>

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31. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Maturity analysis for financial assets and financial liabilities (continued)

	Carrying amount	Gross nominal inflow/(outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No specified Maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
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>

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32. COMPARATIVE INFORMATION

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

33. IMPACT OF COVID-19

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

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

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

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

i) Expected credit losses

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

Probability of Default (PD)

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

Loss Given Default (LGD)

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

Probability weighted outcome

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

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33. IMPACT OF COVID-19 (continued)

i) Expected credit losses (continued)

Forward-looking information

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

Main macroeconomic factors

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

PD segment	Macroeconomic Factor⁽¹⁾
Agriculture	GDP Growth on Agriculture, Fisheries and Forestry
Construction and Real Estate	Industry Contribution to GDP Growth
Real Estate Rentals	Private Consumption Growth
Manufacturing	Foreign Direct Investment Growth
Wholesale and Retail	Industry Contribution to GDP Growth
Services	Private Consumption Growth
Personal Loan	Unemployment Rate

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

The forecasted macroeconomic factors in anticipation of the base, upside and downsides scenarios are as below.

GDP Growth on Agriculture, Fisheries and Forestry - Agriculture

Forecasted MEV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base scenario	-0.10%	-0.18%	-0.21%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Upside scenario	1.00%	0.92%	0.89%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Downside scenario	-1.20%	-1.28%	-1.31%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%

Industry Contribution to GDP Growth - Construction and Real Estate

Forecasted MEV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base scenario	0.16%	0.16%	0.16%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
Upside scenario	0.18%	0.18%	0.18%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
Downside scenario	0.14%	0.14%	0.14%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

Private Consumption Growth - Real Estate Rentals

Forecasted MEV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base scenario	0.04%	0.04%	0.04%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Upside scenario	0.15%	0.15%	0.15%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
Downside scenario	-0.07%	-0.07%	-0.07%	-0.09%	-0.09%	-0.09%	-0.09%	-0.09%	-0.09%	-0.09%

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33. IMPACT OF COVID-19 (continued)

i) Expected credit losses (continued)

Main macroeconomic factors (continued)

Foreign Direct Investment Growth - Manufacturing

Forecasted MEV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base scenario	0.04%	0.04%	0.04%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Upside scenario	0.12%	0.12%	0.12%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Downside scenario	-0.05%	-0.05%	-0.05%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%

Industry Contribution to GDP Growth - Wholesale and Retail

Forecasted MEV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base scenario	0.16%	0.16%	0.16%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
Upside scenario	0.18%	0.18%	0.18%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
Downside scenario	0.14%	0.14%	0.14%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

Private Consumption Growth - Services

Forecasted MEV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base scenario	6.35%	6.40%	6.42%	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%
Upside scenario	7.41%	7.46%	7.49%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
Downside scenario	5.28%	5.33%	5.35%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%

Unemployment Rate - Personal Loan

Forecasted MEV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base scenario	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Upside scenario	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Downside scenario	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

In addition, 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.

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33. IMPACT OF COVID-19 (continued)

ii) Accounting for modified financial assets

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

iii) Valuations estimates and judgements

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