



The First Quarterly Report

31 March 2021

Advanced Bank of Asia Limited
(ABA Bank)

Financial Highlights

| Financial Situation (in KHR million) | Quarter 1 2021 | 31 December 2020 | 31 December 2019 |
|--|-------------------|---------------------|---------------------|
| Total Assets | 26,528,805 | 24,788,906 | 17,909,170 |
| Total Liabilities | 23,231,070 | 21,683,202 | 15,886,421 |
| Total Equity | 3,297,735 | 3,105,704 | 2,022,749 |
| Financial Results (in KHR million) | Quarter 1 2021 | Quarter 1 2020 | Quarter 1 2019 |
| Total Income | 473,818 | 377,429 | 262,637 |
| Profit before Tax | 243,921 | 174,767 | 123,023 |
| Profit after Tax | 192,696 | 136,317 | 99,095 |
| Total Comprehensive Income | 193,641 | 135,280 | 98,920 |
| Financial Ratio (%) | Quarter 1 2021 | 31 December 2020 | 31 December 2019 |
| Solvency Ratio | 19.20 | 18.08 | 19.94 |
| Debt to Equity Ratio | 704.46 | 695.86 | 785.39 |
| Liquidity Coverage Ratio | 153.07 | 166.62 | 162.32 |
| Non-performing Credit Ratio | 0.75 | 0.80 | 0.70 |
| Loan to Deposit Ratio | 80.59 | 78.69 | 81.42 |
| Profitability Ratio (%) | Quarter 1 2021 | Quarter 1 2020 | Quarter 1 2019 |
| Return on Average Assets (ROAA) ^[1] | 0.75 | 0.74 | 0.84 |
| Return on Average Equity (ROAE) ^[1] | 6.02 | 5.84 | 7.45 |
| Interest Coverage Ratio ^[1] | 488.21 | 416.48 | 340.40 |
| Earnings per Share (for equity listed entity) | N/A | N/A | N/A |
| Dividend per Share (for equity listed entity) | N/A | N/A | N/A |
| Other Important Ratios (if any) | N/A | N/A | N/A |

[1] These ratios are not annualized and were calculated using the three-month period of profit or loss figures from 1 January to 31 March of each reporting period.

Graphs of Financial Highlights

TOTAL ASSETS

in KHR Millions

+7%
▲

FROM 2020

26,528,805
Q1 2021

24,788,906
2020

17,909,170
2019

TOTAL LIABILITIES

in KHR Millions

+7.1%
▲

FROM 2020

23,231,070
Q1 2021

21,683,202
2020

15,886,421
2019

TOTAL EQUITY

in KHR Millions

+6.2%
▲

FROM 2020

3,297,735
Q1 2021

3,105,704
2020

2,022,749
2019

TOTAL COMPREHENSIVE INCOME

in KHR Millions

+43.1%
▲

FROM Q1 2020

193,641
Q1 2021

135,280
Q1 2020

98,920
Q1 2019

RETURN ON AVERAGE ASSETS

in percentage

+1 BPS
(basis points)

FROM Q1 2020

0.75
Q1 2021

0.74
Q1 2020

0.84
Q1 2019

RETURN ON AVERAGE EQUITY

in percentage

+18 BPS
(basis points)

FROM Q1 2020

6.02
Q1 2021

5.84
Q1 2020

7.45
Q1 2019

Composition of the Board of Directors



Yves Jacquot
Chairman



Dominic Jacques
Non-Executive Director



Madi Akmambet
Executive Director



Martin Ouellet
Non-Executive Director



Christian St-Arnaud
Non-Executive Director



Paolo Pizzuto
Non-Executive Director



Etienne Chenevier
Independent Director



Henri Calvet
Independent Director



Guy Quaden
Independent Director

Chairman Statement

Dear investors, let me discuss ABA Bank's performance in Q1 2021 following the requirement of the Securities and Exchange Regulator of Cambodia.

In the reporting period, Cambodia experienced a dramatic twist of the Covid situation. The so-called "February 20 community outbreak" resulted in a rapid increase of infections and, regrettably, a death toll. Overall, the pandemic situation, coupled with the dramatic dropdown in international flights and tourists, continued to negatively impact local businesses, especially in the hospitality, garment, and construction sectors.

To play its essential part in supporting borrowers severely affected by the pandemic crisis, ABA continued restructuring the loans following the guidelines from the National Bank of Cambodia. As of the first quarter of 2021, there are 10,498 restructured loans with USD 537million outstanding. The share of restructured loans in the total portfolio is 13%. At the same time, ABA considers the restructured loans to be of high quality, as almost 90% of them requested the grace period for the loan principal only and continue to pay the interest. ABA will continue helping its borrowers to overcome the time of hardship through its Loan Restructuring Policy.

In addition to restructuring, the Bank continued distributing new loans to its customers as access to capital is vital for people and businesses not only in the growing economy but also in times of crisis. In Q1 2021, 11,453 loans worth USD 505.1 million were disbursed. It increased the Bank's gross loan portfolio by 10%, amounting to USD 4.2 billion in total.

ABA kept participating in the SME Co-Financing Scheme 2020 (SCFS), an initiative of the Royal Government of Cambodia to provide affordable loans to SMEs. Under this loan scheme, the Bank disbursed loans worth USD 2.3 million for capital expenditure and working capital with a special interest rate of 7% per annum and a term of up to 7 years.

On the funding side, ABA witnessed the continuous growth of its deposit portfolio that equaled USD 5.2 billion in the first quarter of 2021, representing 7% growth against the last quarter of 2020. As more customers choose ABA as their bank, the customer base in Q1 2021 grew by another 6% and the number of ABA clients reached 1.5 million.

The main financial performance indicators of ABA also showed growth during the reporting period:

- As of the end of Q1 2021, the total assets grew 7.1% compared to Q4 2020 and totaled USD 6.6 billion.
- The shareholder's equity of the Bank also grew and reached USD 815.3 million in the reporting period.
- The Bank managed to secure USD 47.5 million in net profit for the quarter.

These results rest primarily upon the Bank's leverage on its state-of-art digital banking and self-banking platforms. In the period, the Bank continued improving its ABA Mobile banking application by bringing new convenient services and features, such as scheduled payments and transfers, improved bill payments and phone top-ups, enhanced cardless cash withdrawal feature, to name a few. The Bank also made its services even more available to unbanked Cambodians with the help of its mobile banking app by introducing the Instant Account feature. It allows any Cambodian to open their first ABA bank account right on their smartphone and without visiting the bank branch. It became extremely helpful during the Covid outbreak when strict health protocols and social distancing were enhanced, making branch visits challenging. In Q1 alone, more than 53,000 Instant Accounts were opened.

ABA's physical network also expanded and improved. The Bank opened a branch in the Mondulkiri province, launched two new ABA 24/7 self-banking spots in the high-traffic areas in Phnom Penh, and expanded existing premises to bring more self-banking areas as a response to the steadily growing clientele.

In March, Global Finance, one of the world's reputable financial magazines, bestowed the "Best Bank in Cambodia 2021" title upon ABA Bank. This honor was given to ABA for carefully attending to the needs of its customers and achieving better results each year while paving the groundwork for future success despite the global pandemic.

Additionally, ABA received Letter of Appreciation from Samdech Hun Sen for the Bank's contribution to the development of the national economy as one of the top taxpayers for 2020. As the 12th largest national taxpayer, the Bank demonstrated commitment and transparency in good corporate tax governance by meeting its obligations on tax payments.

Being the first Cambodian commercial bank to issue corporate bonds for the total amount of KHR 84.8 billion, ABA also played its role in developing the securities market and promotion of the Khmer Riel.

In February, the Bank fulfilled its obligation and transferred the third coupon payment of Corporate Bond to its bondholders. In total, 3.3 billion Khmer riels were paid in interest for 848,210 bond units.

ABA continues to implement its business strategy, focusing on digital finance products and productive loans to businesses in real sectors of the economy. While continuously innovating for banking solutions, the Bank applies a robust risk management culture strengthened by audit and compliance functions.

The Board of Directors will keep playing an active role in overseeing the Bank's strategy execution based on the best practices and standards. For that, the Board has the full capacity of its dedicated members who put forth their backgrounds and solid expertise in finance and corporate governance.

On behalf of the Board, I thank the executive team of ABA for their leadership and dedication. I would also like to extend my gratitude to the National Bank of Cambodia and the Securities and Exchange Regulator of Cambodia for their guidance and support.

Ultimately, I thank all customers for their trust in the Bank and other stakeholders for the confidence they demonstrate in ABA at all times.

5 May 2021



Yves Jacquot
Chairman

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PART 1

GENERAL INFORMATION OF THE LISTED ENTITY

A. IDENTIFICATION OF THE LISTED ENTITY

| | |
|--|---|
| Entity Name in Khmer | ធនាគារវឌ្ឍនៈអាស៊ី បំកាត់ |
| In Latin | Advanced Bank of Asia Limited |
| Standard Code | KH2000091986 |
| Address | N°141, 146, 148, and 148 ABCD, Preah Sihanouk Blvd, and N°15 and 153 ABC, Street 278, and N°171, Street Trasak Paem, Phum 4, Sangkat Boeng Keng Kang 1, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia |
| Phone | (+855) 23 225 333 |
| Fax | (+855) 23 216 333 |
| Website | www.ababank.com |
| Email | info@ababank.com |
| Registration Number | 00010593 dated 29 December 2010 |
| License Number | B14 issued by the National Bank of Cambodia dated 25 January 2021 |
| Authorization and registered document number | 155/19 SECC dated 07 August 2019 |
| Name of Listed Entity's Representative | Mr. Askhat Azhikhanov |

B. NATURE OF BUSINESS

ABA Bank is the Cambodian leading private financial institution founded in 1996 as the Advanced Bank of Asia Limited. In 25 years of development and growth, ABA has significantly strengthened its position in the market and broke into the Top 3 commercial banks of the country. Today, ABA offers the entire spectrum of services to customer segments covering SMEs, micro businesses, and individuals.

ABA is a subsidiary of National Bank of Canada (www.nbc.ca), a financial institution with around US\$273 billion in assets as of January 31, 2021, and huge network of correspondent banks all over the world. Being a shareholder of ABA Bank from 2014, National Bank of Canada becomes the first major financial institution from the North American continent to enter the Cambodian banking sector. Headquartered in Montreal, it has branches in almost every Canadian province with 2.7 million personal clients. It is the sixth largest bank in Canada and the leading bank in Quebec where it is the partner of choice among SMEs.

As of 31 March 2021, ABA Bank manages the total assets of US\$ 6.6 billion and serves 1.5 million customers through the extensive network of 79 branches, 600+ self-banking spots, and advanced online banking and mobile banking platforms. The Bank owns the long-term issuer credit rating "B+" with Stable outlook from Standard & Poor's Global Ratings Agency (S&P). The rating was reaffirmed in December 2020.

C. QUARTERLY KEY EVENTS OF LISTED ENTITY

The first quarter of 2021 witnessed the further strengthening of ABA's operations and market position.

SELF-BANKING PLATFORM ENHANCEMENT

ABA Bank continued to improve its self-banking facilities, allowing customers to manage more seamlessly and conveniently at any time of the day. ABA Mobile, the Bank's award-winning mobile banking app, has several new features, including:

- Instant Account opening without visiting any bank branch;
- Cross-currency transactions for the E-Cash service;
- Enhancement of phone top-up and water bill payments;
- Scheduled payments and transfers.

In January, with the introduction of the Instant Account in its mobile banking app, the Bank made its service even more accessible to unbanked people. This helps Cambodians who do not have a bank account to easily open their first account through their smartphone in just a few steps and without visiting a bank branch. Upon successfully creating Instant Account, customers can check their account balance, receive and transfer funds, settle all bills, pay with ABA PAY at shops, restaurants, or online, and receive notifications on every transaction. The Instant Account can be topped up easily via any Cash-in Machine (CiM) and Cash Recycling Machine (CRM) of ABA Bank or by receiving funds from any ABA account, other local banks, or e-wallets. More than 50,000 Instant Accounts were opened in the first quarter alone.

The physical network of ABA has also grown and strengthened. As a response to the continued growth of the customer base, the Bank opened its inaugural branch in the Mondulkiri province, expanded existing premises to add more self-banking machines, and introduced two new ABA 24/7 self-banking spots in the high-traffic areas in Phnom Penh. ABA 24/7 is one of the Bank's core components to provide extensive banking services around-the-clock and seven days a week that help customers perform cash deposits and cash withdrawals without having to wait in line at bank branches. ABA 24/7 also offers Check Deposit service through a self-service machine. The machine accepts ABA checks as well as checks from other local banks.

DEVELOPMENT OF INTERNET BANKING FOR BUSINESS PLATFORM

In Q1 2021, the Bank's Internet Banking for Business (IBB) platform was significantly upgraded. It was redesigned and rethought with the latest business landscape changes in mind.

One of the introduced changes, the Host-to-Host solution, was designed for a fully automated bulk payment file submission and account reconciliation. The host-to-host solution optimizes the manual workflow and minimizes human errors. This feature is extremely convenient and time-saving for big enterprises and large corporate entities who already appreciated it.

Another enhancement, the Virtual Accounts service, brings a smart and cost-effective solution for business owners. Virtual Accounts are non-physical bank accounts created under a single business bank account, thus eliminating the need to hold multiple accounts. This saves operational cost of managing cash across multiple accounts.

To enhance the security and flexibility of the Platform, the DigiGuard app was introduced for IBB users. It is a One-Time Password generator application for the two-factor authentication. The ABA DigiGuard app removes all the hassle of using the hard token device for the two-factor authentication on the IBB platform, allowing users to authenticate themselves easier and more convenient with just their smartphone while using the IBB service.

Also in Q1, the Bank announced that business owners can link their ABA business accounts to their QuickBooks Online accounts in ABA Internet Banking for Business platform to reconcile their transactions automatically. There will be more features to help businesses in any side in the future.

CORPORATE BOND INTEREST PAYMENT

In February, ABA Bank fulfilled its obligation and transferred in full the third coupon payment of Corporate Bond to its bondholders through ACLEDA Bank Plc. acting as the Paying Agent. In total, 3.3 billion Khmer riels were paid in interest for 848,210 bond units.

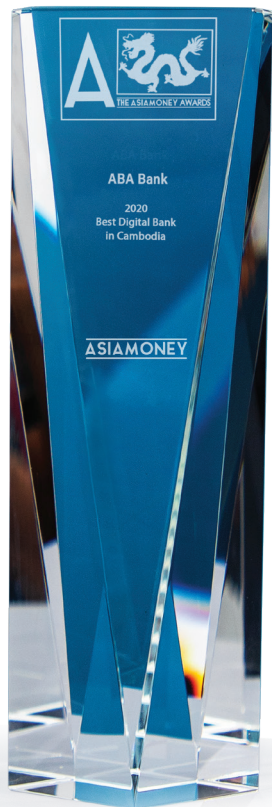
NATIONAL AND INTERNATIONAL RECOGNITION

ABA Bank's ongoing efforts to bring modern financial solutions have been lauded by the national and international communities.

ABA Bank received the Letter of Appreciation from Samdech Hun Sen, Prime Minister of Cambodia that praises the Bank's contribution to the development of the national economy for being one of the top taxpayers in the country for 2020. As the 12th largest taxpayer, the Bank demonstrated commitment and transparency in good corporate tax governance by meeting its obligations on tax payments.

In January, ABA Bank received the "Best Digital Bank in Cambodia 2020" award from Asiamoney, the regional arm of the premier financial magazine Euromoney. The title from Asiamoney marks the excellence of ABA's digital platform for the second year in a row. The experts recognize ABA Bank's digital banking platform helped it acquire, understand, and serve its customers.

In March, ABA got the "Best Bank in Cambodia 2021" accolade from Global Finance, one of the world's reputable financial magazines. This recognition became the seventh award of the Bank from Global Finance. This top honor was given to ABA Bank for carefully attending to the needs of its customers and achieving better results each year while paving the ground works for future success despite the global pandemic.



PART 2

INFORMATION ON BUSINESS
OPERATIONS PERFORMANCE

A. BUSINESS OPERATION PERFORMANCE INCLUDING BUSINESS SEGMENTS INFORMATION

| Key Achievement | Quarter 1 2021 | 31 December 2020 | 31 December 2019 |
|---------------------------------------|-------------------|---------------------|---------------------|
| Loan | | | |
| Loan Accounts | 84,517 | 81,568 | 66,513 |
| Total Gross Loans (in KHR million) | 17,048,855 | 15,505,988 | 11,265,037 |
| Deposit | | | |
| Deposit Accounts | 1,466,247 | 1,382,401 | 828,651 |
| Total Deposits (in KHR million) | 21,153,765 | 19,705,090 | 13,836,025 |
| Others | | | |
| Operating Branches | 79 | 79 | 77 |
| Number of Staffs | 6,372 | 6,266 | 6,410 |
| ATMs | 490 | 471 | 418 |
| POS Terminals | 1,925 | 1,627 | 1,214 |

B. INCOME STRUCTURE

| No | Source of Income | Quarter 1 2021 | | Quarter 1 2020 | | Quarter 1 2019 | |
|---------------------|---------------------------------|----------------------------|-------------------|----------------------------|-------------------|----------------------------|-------------------|
| | | Amount (in KHR million) | Percentage (%) | Amount (in KHR million) | Percentage (%) | Amount (in KHR million) | Percentage (%) |
| 1 | Interest Income | 417,844 | 88.19 | 335,432 | 88.87 | 231,480 | 88.14 |
| 2 | Fee and Commission Income | 51,247 | 10.82 | 38,872 | 10.30 | 28,928 | 11.01 |
| 3 | Other Income | 4,727 | 1.00 | 3,125 | 0.83 | 2,229 | 0.85 |
| Total Income | | 473,818 | 100 | 377,429 | 100 | 262,637 | 100 |

PART 3

FINANCIAL STATEMENT REVIEWED BY
INDEPENDENT AUDITOR

Please refer to the Annex for Interim Financial Statements
reviewed by Independent Auditor

PART 4

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussions and analyses focus on the operational and financial results based on Interim Financial Statement as of 31 March 2021 reviewed by Independent Auditors. The Interim Financial Statements have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”) and follows regulations and guidelines of National Bank of Cambodia. Only the key components of the Interim Financial Statements and key factors that affect ABA’s profitability are discussed and analysed.

A. OPERATIONAL OVERVIEW

1. INCOME ANALYSIS

ABA Bank has three main types of income including Interest Income, Fees and Commissions Income and Other Income.

- **Interest Income** includes the interest income from loan to customers, deposit with banks and investment securities.
- **Fee and Commission Income** mainly includes loan commission, inward and outward remittance and card income.
- **Other Income** includes foreign exchange gains and other income.

2. INCOME BY SEGMENT ANALYSIS

| No | Income Category | Quarter 1 2021 | | Quarter 1 2020 | | Quarter 1 2019 | |
|---------------------|---------------------------|----------------------------|-------------------|----------------------------|-------------------|----------------------------|-------------------|
| | | Amount (in KHR million) | Percentage (%) | Amount (in KHR million) | Percentage (%) | Amount (in KHR million) | Percentage (%) |
| 1 | Interest Income | 417,844 | 88.19 | 335,432 | 88.87 | 231,480 | 88.14 |
| 2 | Fee and Commission Income | 51,247 | 10.82 | 38,872 | 10.30 | 28,928 | 11.01 |
| 3 | Other Income | 4,727 | 1.00 | 3,125 | 0.83 | 2,229 | 0.85 |
| Total Income | | 473,818 | 100 | 377,429 | 100 | 262,637 | 100 |

ABA Bank earns most income from interest income representing 88% of total income in the first quarter of 2021, among which 89% of the interest income are from the loans to customers.

3. GROSS PROFIT MARGIN ANALYSIS

ABA Bank prepares its Statement of Profit or Loss and Other Comprehensive Income in which the format did not present the gross profit margin, but it presented the net interest income which resulted from the total interest income less interest expenses discussed under the next section on the *Profit before Tax Analysis*.

4. PROFIT BEFORE TAX ANALYSIS

i) Profit Before Tax For The Period Analysis

| Statement of Profit before Tax | Quarter 1 2021 (in KHR million) | Quarter 1 2020 (in KHR million) | Variance (in KHR million) | Variance (%) |
|--|------------------------------------|------------------------------------|------------------------------|--------------|
| Interest Income | 417,844 | 335,432 | 82,412 | 24.57 |
| Interest Expense | (62,833) | (55,222) | (7,611) | 13.78 |
| Net Interest Income | 355,011 | 280,210 | 74,801 | 26.69 |
| Fee and Commission Income | 51,247 | 38,872 | 12,375 | 31.84 |
| Fee and Commission Expense | (18,412) | (18,042) | (370) | 2.05 |
| Net Fee and Commission Income | 32,835 | 20,830 | 12,005 | 57.63 |
| Other operating income | 4,727 | 3,125 | 1,602 | 51.26 |
| Personal expenses | (80,394) | (73,315) | (7,079) | 9.66 |
| Depreciation and Amortization | (18,036) | (16,303) | (1,733) | 10.63 |
| Other expenses | (33,333) | (31,799) | (1,534) | 4.82 |
| Net impairment losses on financial instruments | (16,889) | (7,981) | (8,908) | 111.62 |
| Profit before Tax | 243,921 | 174,767 | 69,154 | 39.57 |

In Q1 2021, the profit before tax reached KHR243,921 million with 40% increment compared to Q1 2020 equivalent to KHR69,154 million. This significant increase of the profit is mainly from the Interest Income with 25% growth and Fee and Commission Income with 32% growth compared to Q1 2020.

ii) Profit Before Tax For The Prior Period Analysis

| Statement of Profit before Tax | Quarter 1 2020 (in KHR million) | Quarter 1 2019 (in KHR million) | Variance (in KHR million) | Variance (%) |
|--|------------------------------------|------------------------------------|------------------------------|--------------|
| Interest Income | 335,432 | 231,480 | 103,952 | 44.91 |
| Interest Expense | (55,222) | (51,174) | (4,048) | 7.91 |
| Net Interest Income | 280,210 | 180,306 | 99,904 | 55.41 |
| Fee and Commission Income | 38,872 | 28,928 | 9,944 | 34.38 |
| Fee and Commission Expense | (18,042) | (12,023) | (6,019) | 50.06 |
| Net Fee and Commission Income | 20,830 | 16,905 | 3,925 | 23.22 |
| Other operating income | 3,125 | 2,229 | 896 | 40.20 |
| Personal expenses | (73,315) | (40,901) | (32,414) | 79.25 |
| Depreciation and Amortization | (16,303) | (12,963) | (3,340) | 25.77 |
| Other expenses | (31,799) | (19,217) | (12,582) | 65.47 |
| Net impairment losses on financial instruments | (7,981) | (3,336) | (4,645) | 139.24 |
| Profit before tax | 174,767 | 123,023 | 51,744 | 42.06 |

In Q1 2020, the profit before tax reached KHR 174,767 million with 42% increment compared to Q1 2019 equivalent to KHR 51,744 million. This significant increase of the profit is mainly from the Interest Income with 45% growth and Fee and Commission Income with 34% growth compared to Q1 2019.

5. NET PROFIT ANALYSIS

i) Net Profit For The Period Analysis

| Statement of Net Profit | Quarter 1 2021 <i>(in KHR million)</i> | Quarter 1 2020 <i>(in KHR million)</i> | Variance <i>(in KHR million)</i> | Variance (%) |
|----------------------------------|--|--|-------------------------------------|-----------------|
| Profit Before Tax | 243,921 | 174,767 | 69,154 | 39.57 |
| Income Tax Expense | (51,225) | (38,450) | (12,775) | 33.22 |
| Net Profit for the Period | 192,696 | 136,317 | 56,379 | 41.36 |

In Q1 2021, the net profit for the period was KHR192,696 million with 41% higher than Q1 2020 showing rapid growth of ABA Bank. As a result, ABA Bank achieved the Return on Average Equity of 6.02% and the Return on Average Assets of 0.75% as of 31 March 2021.

ii) Net Profit For The Prior Period Analysis

| Statement of Net Profit | Quarter 1 2020 <i>(in KHR million)</i> | Quarter 1 2019 <i>(in KHR million)</i> | Variance <i>(in KHR million)</i> | Variance (%) |
|----------------------------------|--|--|-------------------------------------|-----------------|
| Profit before tax | 174,767 | 123,023 | 51,744 | 42.06 |
| Income tax expense | (38,450) | (23,928) | (14,522) | 60.69 |
| Net profit for the period | 136,317 | 99,095 | 37,222 | 37.56 |

In Q1 2020, the net profit for the period was KHR136,317 million with 38% higher than Q1 2019 showing rapid growth of ABA Bank. As a result, ABA Bank achieved the Return on Average Equity of 5.84% and the Return on Average Assets of 0.74% as of 31 March 2020.

6. TOTAL COMPREHENSIVE INCOME ANALYSIS

i) Total Comprehensive Income For The Period Analysis

| Statement of Total Comprehensive Income | Quarter 1 2021 <i>(in KHR million)</i> | Quarter 1 2020 <i>(in KHR million)</i> | Variance <i>(in KHR million)</i> | Variance (%) |
|---|--|--|-------------------------------------|-----------------|
| Net profit for the period | 192,696 | 136,317 | 56,379 | 41.36 |
| Other comprehensive income/(loss) | 945 | (1,037) | 1,982 | -191.13 |
| Total comprehensive income | 193,641 | 135,280 | 58,361 | 43.14 |

ii) Total Comprehensive Income For The Prior Period Analysis

| Statement of Total Comprehensive Income | Quarter 1 2020 <i>(in KHR million)</i> | Quarter 1 2019 <i>(in KHR million)</i> | Variance <i>(in KHR million)</i> | Variance (%) |
|---|--|--|-------------------------------------|-----------------|
| Net profit for the period | 136,317 | 99,095 | 37,222 | 37.56 |
| Other comprehensive income/(loss) | (1,037) | (175) | (862) | 492.57 |
| Total comprehensive income | 135,280 | 98,920 | 36,360 | 36.76 |

7. FACTORS AND TRENDS ANALYSIS AFFECTING FINANCIAL CONDITIONS AND RESULTS

As at 31 March 2021, the management acknowledges that ABA Bank did not have any significant factors and trends that would affect ABA financial situation and results.

B. SIGNIFICANT FACTORS AFFECTING PROFIT

1. DEMAND AND SUPPLY CONDITIONS ANALYSIS

ABA considers the following key factors successfully affecting its profitability:

- The growth of funding due to demand in the market for the Bank's deposits and other transactional products and services;
- The growth of loan portfolio due to high demand in the market for the Bank's loan products especially in the MSME segment.

These two factors are coupled with the continuous development of the Bank's digital platform that provides customers with innovative and modern financial products and services. The Bank also significantly invested in the enhancement of its self-banking facilities by installing additional ATMs, CRMs, Cash-in Machines, Check Deposit Machines, POS-terminals, and expanding its network of QR code payments.

2. FLUCTUATIONS IN PRICES OF RAW MATERIALS ANALYSIS

ABA Bank operates in the service industry, therefore, the fluctuations on raw material price are not applicable to the Bank.

3. TAX ANALYSIS

ABA Bank is under the governance of Commercial Law on Taxation; therefore, the Bank is obligated to pay taxes as determined by the General Department of Taxation.

Paying relevant taxes to the General Department of Taxation also plays a role as a contributor to Cambodian society and economic growth. For good practice on tax compliance, ABA Bank was awarded "GOLD" certificate of tax compliance from GDT on 25 December 2020 with 2-year validity period for the tax year 2021 and 2022.

4. EXCEPTIONAL AND EXTRAORDINARY ITEMS ANALYSIS

As at 31 March 2021, the management acknowledged that ABA did not experience any items, transactions or events of a material and unusual nature except the impact of the pandemic Coronavirus (COVID-19).

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 characterized 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). The Bank has performed assessment of COVID-19 impact in light of the available guidance of the NBC and CIFRs and estimated expected credit losses based on the reviewed and enhanced ECL Model. The Bank will continue to monitor the potential impact of COVID-19 and will take all steps to mitigate any effects on the Bank's operations in future.

C. SIGNIFICANT CHANGES IN SALE AND REVENUE

In Q1 2021, ABA Bank recorded significant growth in revenue, securing 335 billion KHR in net interest income, which represents 27% growth compared to the same period in 2020.

D. IMPACT OF FOREIGN EXCHANGE, INTEREST RATES AND COMMODITY PRICES

ABA adheres to the strategy of not exposing itself to large foreign exchange positions. Any foreign currency exchange open positions are monitored and managed against the customers' foreign exchange needs and the bank's balance sheet management, ensuring the sustainability of profits to the Bank.

In terms of interest rates, the Bank maintains the policy of fixed interest rates for its deposits and loans. Therefore, it didn't experience significant changes in interest rates during the reporting period. The impact of commodity prices is not applicable to the Bank.

E. IMPACT OF INFLATION

The Cambodia's inflation rate stood at 2.9% in the year of 2020 according to Annual report 2020 from the National Bank of Cambodia. Therefore, in Q1 2021, there was no material impact of inflation on the Bank's operational expenses.

F. ECONOMIC, FISCAL AND MONETARY POLICY OF ROYAL GOVERNMENT

In the reporting period, Cambodian economy continued experiencing the impact of the Covid-19 outbreak. Among the others, tourism, garment manufacturing, and construction sectors of the economy were primarily affected.

To minimize the impact on society and economy, the Royal Government has continuously launched the measures to support the prioritized sectors:

- Direct money support of unemployed garment and tourism workers and for the most disadvantaged population.
- Tax holidays for garment, tourism, and airlines.

- Simplification of rules for logistics, import and export; discount on electricity bills for the most impacted industries.
- Stimulation of a wide restructuring of loan to borrowers affected by the COVID-19 crisis.
- Prudential support of banks in order to further stimulate the financial support to the economy via capital ratio, minimum reserve requirements and loan restructuring.
- Launch of the national SME Bank and Agriculture Bank to support impacted borrowers by providing loans with special conditions.

These measures, along with other initiatives of the Royal Government of Cambodia, aimed to support the economy and the financial sector in particular.

Signatures of Directors of the Listed Entity

May 13, 2021

Seen and Agreed



Madi Akmambet
Executive Director

For Dominic Jacques

Non-Executive Director



Madi Akmambet
Executive Director



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