



The First Quarterly Report

For the period ended 31 March 2022

Advanced Bank of Asia Limited
(ABA Bank)

Financial Highlights

Financial Situation (in KHR million)	Quarter 1 2022	31 December 2021	31 December 2020
Total Assets	33,331,066	32,025,961	24,788,906
Total Liabilities	28,805,529	27,749,025	21,683,202
Total Equity	4,525,537	4,276,936	3,105,704
Financial Results (in KHR million)	Quarter 1 2022	Quarter 1 2021	Quarter 1 2020
Total Income	610,337	473,818	377,429
Profit before Tax	347,691	243,921	174,767
Profit for the Period	274,675	192,696	136,317
Total Comprehensive Income for the Period	262,128	193,641	135,280
Financial Ratio (%)	Quarter 1 2022	31 December 2021	31 December 2020
Solvency Ratio	17.58	18.90	18.08
Debt to Equity Ratio	636.51	648.81	695.86
Liquidity Coverage Ratio	136.00	149.32	166.62
Non-performing Credit Ratio	1.41	0.88	0.80
Loan to Deposit Ratio	86.14	84.48	78.69
Profitability Ratio (%)	Quarter 1 2022	Quarter 1 2021	Quarter 1 2020
Return on Average Assets (ROAA) ^[1]	0.84	0.75	0.74
Return on Average Equity (ROAE) ^[1]	6.24	6.02	5.84
Interest Coverage Ratio ^[1]	624.37	488.21	416.48
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

+4.1% ▲

FROM 2021

33,331,066
Q1 2022

32,025,961
2021

24,788,906
2020

TOTAL LIABILITIES

in KHR Millions

+3.8% ▲

FROM 2021

28,805,529
Q1 2022

27,749,025
2021

21,683,202
2020

TOTAL EQUITY

in KHR Millions

+5.8% ▲

FROM 2021

4,525,537
Q1 2022

4,276,936
2021

3,105,704
2020

TOTAL COMPREHENSIVE INCOME

in KHR Millions

+35.4% ▲

FROM Q1 2021

262,128
Q1 2022

193,641
Q1 2021

135,280
Q1 2020

RETURN ON AVERAGE ASSETS

in percentage

+9 BPS
(basis points)

FROM Q1 2021

0.84
Q1 2022

0.75
Q1 2021

0.74
Q1 2020

RETURN ON AVERAGE EQUITY

in percentage

+22 BPS
(basis points)

FROM Q1 2021

6.24
Q1 2022

6.02
Q1 2021

5.84
Q1 2020

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 2022 following the requirement of the Securities and Exchange Regulator of Cambodia.

Cambodia followed its recovery curve from the Covid situation during the reporting period. The country's reopening in November last year was amplified in March 2022 when Cambodia abolished PCR and rapid tests for fully vaccinated passengers. It is believed to improve international tourism and positively impact local businesses, especially in the hospitality sector.

To play its essential part in supporting borrowers affected by the pandemic crisis, ABA restructured the loans following the National Bank of Cambodia guidelines. The Bank also continued distributing new loans to its customers as access to capital is vital for people and businesses. In the quarter, 12,622 loans worth USD 590.3 million were disbursed. It increased the Bank's gross loan portfolio by 8%, amounting to USD 5.8 billion in total. In addition, 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 8.7 million for capital expenditure and working capital with a special interest rate of 7% per annum and a term of up to 7 years.

ABA's deposit portfolio equaled USD 6.7 billion in the first quarter of 2022, representing a 6% increase from the last quarter of 2021. As more customers choose ABA as their bank, the customer base in Q1 2022 grew by another 8% and the number of ABA customers' accounts reached 2.2 million.

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

- As of the end of Q1 2022, the total assets grew 5% compared to Q4 2021 and totaled USD 8.2 billion.
- The shareholders' equity of the Bank increased by 6% and reached USD 1.1 billion in the reporting period.
- The Bank managed to secure USD 67.6 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. During the period, the Bank continued improving its ABA Mobile banking application by bringing new convenient services and features, such as

- The ABA ID feature for easier transfers and payments;
- The ABA KHQR service to enable merchants to collect cashless payments from ABA Mobile users and customers of all other banks-members of Project Bakong;
- The Services section to pay for different services while discovering special offers across various categories;
- Mastercard and UnionPay card-to-card transfers.

In February, the Bank introduced the first-in-Cambodia Card Machine. This plastic card self-issuance machine allows ABA customers to issue a card immediately at an ABA branch or 24/7 self-banking spot without any involvement of the Bank staff. Within three months after the launch, the Bank customers have issued 50,000 cards via ABA Card Machines, and the Bank sees continuous demand for this service among customers.

ABA's physical network also expanded and improved. The Bank opened its first branch in the Oddar Meanchey province and introduced five more ABA 24/7 self-banking spots in high-traffic areas in Phnom Penh due to the steadily growing clientele.

In the quarter, the reputable international financial magazine Asiamoney bestowed ABA Bank with the "Best Domestic Bank in Cambodia 2021" title. ABA received the award for its strategic focus on innovations,

standout position in the local market, the boost of the local eCommerce sector, and efforts to meet its customers' needs – all in the context of the Covid pandemic.

Taking part in the socio-economic and infrastructure development, ABA delivered \$56.9 million of taxes in the state budget in Q1 2022. ABA's strong commitment to the country's progress can also be seen in employing almost 7,000 professional local staff at 81 branches and outlets, constantly investing in staff training and development.

ABA shareholders contribute to the economy through the steady growth of the Bank's paid-up capital. I will note here that the shareholders strategically re-invest all profit in the further development of ABA and its staff. In March, the Bank submitted the request to the regulator to convert USD 140 million of its retained earnings to paid-up capital. The National Bank of Cambodia later approved the transaction.

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

In February, the Bank fulfilled its obligation and transferred the fifth coupon payment of Corporate Bond to its bondholders. 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.

Following its Vision, Mission and Values, ABA Bank is dedicated to the further socio-economic development of Cambodia and the Cambodian people in all aspects. While doing business, the Bank understands the importance of its social responsibility to improve the lives of Cambodian communities, as economic growth is not possible without social progress. In line with these values, I'd like to state the ambition of the Board of Directors, with the support of the shareholder, has appointed a CSR Committee to conduct a virtuous Corporate Social Responsibility policy that will define ABA's role to play in harmony with the current needs of the society and a specific permanent yearly budget for such activities.

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

On behalf of the Board, I thank the executive team and the whole staff of the Bank for their dedication to continue serving valued customers on the highest level.

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.

11 May 2022



Yves Jacquot
Chairman

CONTENTS

Financial Highlights	II
Graphs of Financial Highlights	III
Composition of the Board of Directors	IV
Chairman Statement	V
PART 1. GENERAL INFORMATION OF THE LISTED ENTITY	2
A. Identification of the Listed Entity	3
B. Nature of Business	3
C. Quarterly Key Events of Listed Entity	4
PART 2. INFORMATION ON BUSINESS OPERATIONS PERFORMANCE	6
A. Business Operation Performance Including Business Segments Information	7
B. Income Structure	7
PART 3. FINANCIAL STATEMENT REVIEWED BY INDEPENDENT AUDITOR	8
PART 4. MANAGEMENT'S DISCUSSION AND ANALYSIS	10
A. Operational Overview	11
B. Significant Factors Affecting Profit	15
C. Significant Changes in Sale and Revenue	16
D. Impact of Foreign Exchange, Interest Rates and Commodity Prices	16
E. Impact of Inflation	16
F. Economic, Fiscal and Monetary Policy of Royal Government	16
Signature of Directors of the Listed Entity	16

PART 1

GENERAL INFORMATION OF THE LISTED ENTITY

A. IDENTIFICATION OF THE LISTED ENTITY

Entity Name in Khmer	ធនាគារវឌ្ឍនៈអាស៊ី បំរើកម្ពុជា
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 significantly strengthened its position in the market and broke into the country's top commercial banks. Today, ABA offers the entire spectrum of services to customer segments covering individuals, micro-businesses, SMEs, and large entities.

As of 31 March 2022, ABA Bank manages total assets of USD 8.2 billion and serves 2.2 million customers' accounts through the extensive network of 81 branches, 900+ self-banking machines, and advanced mobile banking and online banking platforms.

ABA Bank is a subsidiary of the National Bank of Canada (www.nbc.ca), a financial institution with around USD 287 billion USD in assets as of 31 January 2022 and a vast network of correspondent banks worldwide.

Being a shareholder of ABA Bank since 2014, the National Bank of Canada has become 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.

C. QUARTERLY KEY EVENTS OF LISTED ENTITY

ABA's market position strengthened further in the first quarter of 2022 due to the continuous work of the Bank on introducing convenient financial solutions to its customers.

ONLINE BANKING AND SELF-SERVICE PLATFORM ENHANCEMENT

Through its digital platforms, ABA Bank continued to offer customers the opportunity to manage their finances seamlessly and conveniently at any time of the day. ABA Mobile, the Bank's flagship mobile banking app, received several new features and enhancements:

- With the new ABA ID feature, users can receive money via a personalized unique QR code, which a sender can scan with their ABA Mobile app. A receiver can also share the QR code as a link in a chat or messenger, automatically launching the sender's ABA Mobile app when tapped.
- The ABA Services feature enhances the user experience by bringing some of ABA Bank's partner's payment services to a standalone section on the app's main screen. Users can now conveniently pay for different services while discovering special offers across various categories.
- Mastercard and UnionPay International cardholders can now send and receive money with more countries and territories in the Asia-Pacific region and domestically using the Transfer to Cards feature in ABA Mobile. Transfers will be directly credited into the recipient's account linked to the card in almost real-time. Cardholders can transfer up to US\$2,500 in a single transaction at competitive fees, while the monthly limit goes as high as US\$10,000 for Mastercard Send and US\$20,000 for UnionPay MoneyExpress.

In a move to develop further its self-banking service, ABA Bank introduced the first-in-Cambodia Card Machine in February. This plastic card self-issuance machine allows customers to order their international debit card in ABA Mobile and then issue it in two minutes in ABA Card Machine at an ABA branch or 24/7 self-banking spot. Within three months after the launch, the Bank customers issued 50,000 cards via ABA Card Machines.

To expand the physical network, ABA Bank opened its first branch in the Oddar Meanchey province and introduced five more ABA 24/7 self-banking spots in high-traffic areas in Phnom Penh. ABA 24/7 provides extensive banking services around-the-clock, allowing consumers to make cash deposits/withdrawals, deposit checks from any local bank, and issue bank cards without queueing at bank branches.

PROMOTING KHMER RIEL

Continuing to promote the national currency, the Bank fully enabled the KHQR payment service, an initiative led by the National Bank of Cambodia to encourage the broader use of mobile retail payments, in its ABA PAY payment system.

This integration allows ABA merchants and businesses to accept cashless payments from clients of many banks-members of Bakong via a single KHQR code. Users of mobile applications of such banks or MFIs will be able to make payments by scanning ABA PAY KHQR codes at more than 150,000 merchants across the country.

CONTRIBUTION TO KHMER ENTERPRISE TO SUPPORT SME IN CAMBODIA

In February, ABA Bank became a sponsor of the Khmer Enterprise Investment Readiness Program initiated by Khmer Enterprise (KE), a unit under the Ministry of Economy and Finance (MEF) in charge of implementing support programs for startups and SMEs in Cambodia.

The Bank donated US\$5,000 to the program designed to help high-potential SMEs from any sector be ready to secure the necessary capital for scaling up their businesses through practical training, coaching, and consulting.

INTERNATIONAL RECOGNITION

In January, Asiamoney, the regional arm of Euromoney's reputable international financial magazine, bestowed ABA Bank the "Best Domestic Bank in Cambodia 2021" title.

ABA received the award for its strategic focus on innovations, standout position in the local market, the boost of the local eCommerce sector, and efforts to meet its customers' needs – all in the context of the Covid pandemic.



The "Best Domestic Bank in Cambodia 2021" award from the Asiamoney

PART 2

INFORMATION ON BUSINESS
OPERATIONS PERFORMANCE

A. BUSINESS OPERATION PERFORMANCE INCLUDING BUSINESS SEGMENTS INFORMATION

Key Achievement	Quarter 1 2022	31 December 2021	31 December 2020
Loan			
Loan Accounts	94,231	91,235	81,568
Total Gross Loans (in KHR million)	23,399,354	21,695,702	15,505,988
Deposit			
Deposit Accounts	3,074,356	2,085,172	1,382,401
Total Deposits (in KHR million)	27,164,411	25,681,396	19,705,090
Others			
Operating Branches	81	81	79
Number of Staffs	7,007	6,797	6,266
ATMs	634	570	471
POS Terminals	3,697	3,290	1,627

B. INCOME STRUCTURE

No	Source of Income	Quarter 1 2022		Quarter 1 2021		Quarter 1 2020	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest Income	533,164	87.36	417,844	88.18	335,432	88.87
2	Fee and Commission Income	65,133	10.67	51,247	10.82	38,872	10.30
3	Other Income	12,040	1.97	4,727	1.00	3,125	0.83
Total Income		610,337	100	473,818	100	377,429	100

PART 3

FINANCIAL STATEMENT REVIEWED BY
INDEPENDENT AUDITOR

Please refer to the Annex for the 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 2022 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 2022		Quarter 1 2021		Quarter 1 2020	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest Income	533,164	87.36	417,844	88.18	335,432	88.87
2	Fee and Commission Income	65,133	10.67	51,247	10.82	38,872	10.30
3	Other Income	12,040	1.97	4,727	1.00	3,125	0.83
Total Income		610,337	100	473,818	100	377,429	100

ABA Bank earns most income from interest income representing 87.36% of total income in the first quarter of 2022, among which 97.32% 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 2022 (in KHR million)	Quarter 1 2021 (in KHR million)	Variance (in KHR million)	Variance (%)
Interest Income	533,164	417,844	115,320	27.60
Interest Expense	(66,306)	(62,833)	(3,473)	5.53
Net Interest Income	466,858	355,011	111,847	31.51
Fee and Commission Income	65,133	51,247	13,886	27.10
Fee and Commission Expense	(22,676)	(18,412)	(4,264)	23.16
Net Fee and Commission Income	42,457	32,835	9,622	29.30
Other Operating Income	12,040	4,727	7,313	154.71
Personal Expenses	(93,947)	(80,394)	(13,553)	16.86
Depreciation and Amortization	(22,424)	(18,036)	(4,388)	24.33
Other Expenses	(35,308)	(33,333)	(1,975)	5.93
Net Impairment Losses on Financial Instruments	(21,985)	(16,889)	(5,096)	30.17
Profit before Tax	347,691	243,921	103,770	42.54

In Q1 2022, the profit before tax reached KHR347,691 million with 42.54% increment compared to Q1 2021 equivalent to KHR103,770 million. This significant increase of the profit is mainly from the Interest Income with 27.60% growth and Fee and Commission Income with 27.10% growth compared to Q1 2021.

ii) Profit Before Tax For The Prior 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 39.57% increment compared to Q1 2020 equivalent to KHR69,154 million. This significant increase of the profit is mainly from the Interest Income with 24.57% growth and Fee and Commission Income with 31.84% growth compared to Q1 2020.

5. PROFIT ANALYSIS

i) Profit For The Period Analysis

Statement of Profit	Quarter 1 2022 <i>(in KHR million)</i>	Quarter 1 2021 <i>(in KHR million)</i>	Variance <i>(in KHR million)</i>	Variance (%)
Profit before Tax	347,691	243,921	103,770	42.54
Income Tax Expense	(73,016)	(51,225)	(21,791)	42.54
Profit for the Period	274,675	192,696	81,979	42.54

In Q1 2022, the profit for the period was KHR 274,675 million with 42.54% higher than Q1 2021 showing rapid growth of ABA Bank. As a result, ABA Bank achieved the Return on Average Equity of 6.24% and the Return on Average Assets of 0.84% for the first quarter as of 31 March 2022.

ii) Profit For The Prior Period Analysis

Statement of 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
Profit for the Period	192,696	136,317	56,379	41.36

In Q1 2021, the profit for the period was KHR192,696 million with 41.36% 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% for the first quarter as of 31 March 2021.

6. TOTAL COMPREHENSIVE INCOME ANALYSIS

i) Total Comprehensive Income for the Period Analysis

Statement of Total Comprehensive Income	Quarter 1 2022 <i>(in KHR million)</i>	Quarter 1 2021 <i>(in KHR million)</i>	Variance <i>(in KHR million)</i>	Variance (%)
Profit for the Period	274,675	192,696	81,979	42.54
Other Comprehensive Income	(12,547)	945	(13,492)	(1,427.72)
Total Comprehensive Income for the Period	262,128	193,641	68,487	35.37

ii) Total Comprehensive Income For The Prior Period Analysis

Statement of Total Comprehensive Income	Quarter 1 2021 (in KHR million)	Quarter 1 2020 (in KHR million)	Variance (in KHR million)	Variance (%)
Profit for the Period	192,696	136,317	56,379	41.36
Other Comprehensive Income	945	(1,037)	1,982	(191.13)
Total Comprehensive Income for the Period	193,641	135,280	58,361	43.14

7. FACTORS AND TRENDS ANALYSIS AFFECTING FINANCIAL CONDITIONS AND RESULTS

As at 31 March 2022, 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 the 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, Card Embossing Machine, 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 2022, 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

In the reporting period, the Covid-19 pandemic continued to impact the country and economy. At the same time, the fourth quarter of 2021 witnessed the start of the country's reopening after quarantine requirements for fully vaccinated travellers were lifted in November 2021. A certain rebound of the local economy following this decision of the Royal Government is expected, which should help restore the tourism and other sectors.

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

ABA 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 its operations in future.

C. SIGNIFICANT CHANGES IN SALE AND REVENUE

In Q1 2022, ABA Bank recorded significant growth in revenue, securing 467 billion KHR in net interest income, which represents 31.51% growth compared to the same period in 2021.

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 2021 according to Annual report 2021 from the National Bank of Cambodia. Therefore, in Q1 2022, there was no material impact of inflation on the Bank's operational expenses.

F. ECONOMIC, FISCAL AND MONETARY POLICY OF ROYAL GOVERNMENT

Since COVID-19 remains the main factor to shape the Cambodian economy, the Royal Government has continuously launched the measures to support the prioritized sectors to minimize the impact of the pandemic on society and economy:

- Direct money support of unemployed garment and tourism workers and for the most disadvantaged population.
- 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 SME Co-Financing Scheme 2020 (SCFS) to support impacted borrowers by providing loans with special conditions.

- Tax holidays for garment, tourism, and airlines.
- Simplification of rules for logistics, import and export; discount on electricity bills for the most impacted industries.

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 12, 2022

Seen and Agreed



Madi Akmambet

Executive Director

For Dominic Jacques

Non-Executive Director



Madi Akmambet

Executive Director



No. 141, 146, 148, and 148 ABCD, Preah Sihanouk Blvd,
and No. 15 and 153 ABC, Street 278, and N°171, Street Trasak Paem,
Sangkat Boeung Keng Kang I, Khan Boeung Keng Kang,
Phnom Penh, Kingdom of Cambodia

(+855) 23 225 333 | Fax: (+855) 23 216 333
info@ababank.com | www.ababank.com