

**ADVANCED BANK OF ASIA LIMITED**  
(Registration No. 00010593)

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
30 JUNE 2022**

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022**

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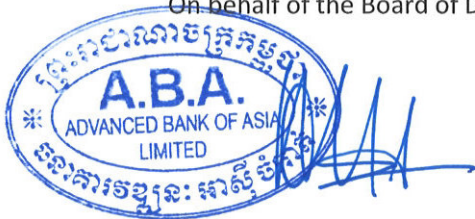
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The condensed interim financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021 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 information present fairly, in all material respects, the financial position of Advanced Bank of Asia Limited (the "Bank") as at 30 June 2022, its financial performance for the three-month and six-month periods then ended, and its cash flows for the six-month period then ended in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*, and at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



Madi Akmambet  
Executive Director

Phnom Penh, Kingdom of Cambodia  
Date: 12 August 2022

### Head Office

No 141, 146, 148, and 148ABCD, Preah Sihanouk Blvd, and  
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## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

To the shareholders of Advanced Bank of Asia Limited

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Advanced Bank of Asia Limited (the "Bank") as at 30 June 2022 and the related condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-month period then ended, and notes to the condensed interim financial information. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information 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 information 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 information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

For Deloitte (Cambodia) Co., Ltd.

  
  
Kimleng Khoy  
Partner

Phnom Penh, Kingdom of Cambodia

Date: 12 August 2022

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Note	30 June 2022		31 December 2021	
		US\$	KHR Million	US\$	KHR Million
<b>ASSETS</b>					
Cash on hand		445,715,407	1,814,062	478,829,834	1,950,753
Balances with the NBC		1,291,594,215	5,256,788	1,353,953,769	5,516,008
Balances with other banks		455,262,867	1,852,920	557,456,114	2,271,076
Loans to customers	4	6,038,308,190	24,575,914	5,278,989,596	21,506,604
Investment securities		37,837,561	153,999	36,839,675	150,085
Property and equipment		53,947,536	219,566	47,643,783	194,101
Right-of-use assets	5	56,156,270	228,556	39,893,238	162,525
Intangible assets		15,161,627	61,708	15,887,348	64,725
Deferred tax assets		4,366,894	17,773	10,875,555	44,307
Other assets	6	65,967,733	268,489	40,691,482	165,777
<b>TOTAL ASSETS</b>		<b>8,464,318,300</b>	<b>34,449,775</b>	<b>7,861,060,394</b>	<b>32,025,961</b>
<b>LIABILITIES</b>					
Deposits from banks and other financial institutions		153,833,368	626,102	95,531,742	389,196
Deposits from customers		6,729,313,598	27,388,306	6,208,198,343	25,292,200
Debt securities in issue	7	21,423,527	87,194	21,310,996	86,821
Borrowings	8	106,097,922	431,819	197,399,626	804,206
Subordinated debts		144,127,212	586,598	148,027,962	603,066
Current tax liabilities		22,337,162	90,912	46,957,236	191,304
Lease liabilities	9	58,849,689	239,518	42,463,355	172,996
Other liabilities		47,950,157	195,156	51,358,645	209,236
<b>TOTAL LIABILITIES</b>		<b>7,283,932,635</b>	<b>29,645,605</b>	<b>6,811,247,905</b>	<b>27,749,025</b>
<b>EQUITY</b>					
Share capital		660,000,000	2,686,200	520,000,000	2,118,480
Regulatory reserves	10	78,676,090	320,212	43,637,909	177,781
Retained earnings		441,709,575	1,790,052	486,174,580	1,970,931
Currency translation differences		-	7,706	-	9,744
<b>TOTAL EQUITY</b>		<b>1,180,385,665</b>	<b>4,804,170</b>	<b>1,049,812,489</b>	<b>4,276,936</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,464,318,300</b>	<b>34,449,775</b>	<b>7,861,060,394</b>	<b>32,025,961</b>

The accompanying notes from pages 9 to 29 form an integral part of this condensed interim financial information.

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2022**

	Note	Three-month period ended 30 June 2022		Three-month period ended 30 June 2021	
		US\$	KHR Million	US\$	KHR Million
Interest income	11	140,363,581	569,315	109,263,583	443,938
Interest expense		(18,659,662)	(75,684)	(16,012,504)	(65,059)
<b>Net interest income</b>		<b>121,703,919</b>	<b>493,631</b>	<b>93,251,079</b>	<b>378,879</b>
Fee and commission income		18,049,161	73,207	12,838,990	52,165
Fee and commission expense		(6,412,833)	(26,010)	(4,819,895)	(19,583)
<b>Net fee and commission income</b>		<b>11,636,328</b>	<b>47,197</b>	<b>8,019,095</b>	<b>32,582</b>
Other operating income		576,107	2,337	1,251,232	5,084
Personnel expenses	12	(25,452,162)	(103,234)	(20,683,259)	(84,036)
Depreciation and amortisation		(5,774,050)	(23,420)	(4,583,017)	(18,621)
Operating expenses		(9,694,742)	(39,322)	(7,973,819)	(32,398)
Net impairment losses on financial assets		(13,333,172)	(54,079)	(11,630,465)	(47,255)
<b>Profit before tax</b>		<b>79,662,228</b>	<b>323,110</b>	<b>57,650,846</b>	<b>234,235</b>
Income tax expense		(16,693,000)	(67,707)	(12,171,000)	(49,451)
<b>Profit for the period</b>		<b>62,969,228</b>	<b>255,403</b>	<b>45,479,846</b>	<b>184,784</b>
Other comprehensive income		-	10,509	-	10,464
<b>Total comprehensive income for the period</b>		<b>62,969,228</b>	<b>265,912</b>	<b>45,479,846</b>	<b>195,248</b>

The accompanying notes from pages 9 to 29 form an integral part of this condensed interim financial information.

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

	Note	Six-month period ended 30 June 2022		Six-month period ended 30 June 2021	
		US\$	KHR Million	US\$	KHR Million
Interest income	11	271,587,802	1,102,646	212,206,202	861,769
Interest expense		(34,979,098)	(142,015)	(31,492,403)	(127,891)
<b>Net interest income</b>		<b>236,608,704</b>	<b>960,631</b>	<b>180,713,799</b>	<b>733,878</b>
Fee and commission income		34,079,841	138,364	25,464,631	103,412
Fee and commission expense		(11,993,989)	(48,696)	(9,356,016)	(37,995)
<b>Net fee and commission income</b>		<b>22,085,852</b>	<b>89,668</b>	<b>16,108,615</b>	<b>65,417</b>
Other operating income		3,539,502	14,370	2,415,841	9,811
Personnel expenses	12	(48,574,778)	(197,214)	(40,489,714)	(164,429)
Depreciation and amortisation		(11,293,164)	(45,850)	(9,026,470)	(36,656)
Operating expenses		(18,384,794)	(74,642)	(16,186,224)	(65,731)
Net impairment losses on financial assets		(18,744,146)	(76,101)	(15,791,353)	(64,129)
<b>Profit before tax</b>		<b>165,237,176</b>	<b>670,862</b>	<b>117,744,494</b>	<b>478,161</b>
Income tax expense		(34,664,000)	(140,736)	(24,791,000)	(100,675)
<b>Profit for the period</b>		<b>130,573,176</b>	<b>530,126</b>	<b>92,953,494</b>	<b>377,486</b>
Other comprehensive income		-	(2,038)	-	11,409
<b>Total comprehensive income for the period</b>		<b>130,573,176</b>	<b>528,088</b>	<b>92,953,494</b>	<b>388,895</b>

The accompanying notes from pages 9 to 29 form an integral part of this condensed interim financial information.

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

	Share capital		Regulatory reserves		Retained earnings		Currency translation differences	Total	
	US\$	KHR Million	US\$	KHR Million	US\$	KHR Million	KHR Million	US\$	KHR Million
<b>Six-month period ended 30 June 2021</b>									
<b>At 1 January 2021</b>	335,000,000	1,355,075	42,141,887	170,464	390,646,424	1,582,330	(2,165)	767,788,311	3,105,704
Conversion of retained earnings	115,000,000	467,015	-	-	(115,000,000)	(467,015)	-	-	-
	450,000,000	1,822,090	42,141,887	170,464	275,646,424	1,115,315	(2,165)	767,788,311	3,105,704
Profit for the period	-	-	-	-	92,953,494	377,486	-	92,953,494	377,486
Other comprehensive income – currency translation differences	-	-	-	-	-	-	11,409	-	11,409
	-	-	-	-	92,953,494	377,486	11,409	92,953,494	388,895
Transfers from retained earnings to regulatory reserves	-	-	(1,553,417)	(6,330)	1,553,417	6,330	-	-	-
Currency translation difference	-	11,660	-	1,264	-	-	-	-	12,924
<b>At 30 June 2021</b>	450,000,000	1,833,750	40,588,470	165,398	370,153,335	1,499,131	9,244	860,741,805	3,507,523
<b>Six-month period ended 30 June 2022</b>									
<b>At 1 January 2022</b>	520,000,000	2,118,480	43,637,909	177,781	486,174,580	1,970,931	9,744	1,049,812,489	4,276,936
Conversion of retained earnings	140,000,000	568,400	-	-	(140,000,000)	(568,400)	-	-	-
	660,000,000	2,686,880	43,637,909	177,781	346,174,580	1,402,531	9,744	1,049,812,489	4,276,936
Profit for the period	-	-	-	-	130,573,176	530,126	-	130,573,176	530,126
Other comprehensive income – currency translation differences	-	-	-	-	-	-	(2,038)	-	(2,038)
	-	-	-	-	130,573,176	530,126	(2,038)	130,573,176	528,088
Transfers from retained earnings to regulatory reserves	-	-	35,038,181	142,605	(35,038,181)	(142,605)	-	-	-
Currency translation difference	-	(680)	-	(174)	-	-	-	-	(854)
<b>At 30 June 2022</b>	660,000,000	2,686,200	78,676,090	320,212	441,709,575	1,790,052	7,706	1,180,385,665	4,804,170

The accompanying notes from pages 9 to 29 form an integral part of this condensed interim financial information.



**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

Note	Six-month period ended 30 June 2022		Six-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
<b>Cash flows from operating activities</b>				
Profit before income tax	165,237,176	670,862	117,744,494	478,161
<i>Adjustments for:</i>				
Depreciation and amortisation	11,293,164	45,850	9,026,470	36,656
Net impairment losses on financial assets	18,744,146	76,101	15,791,353	64,129
Losses/(gains) on disposals of property and equipment	44,627	181	(103,398)	(420)
Gains on lease modification	(24,643)	(100)	(43,604)	(177)
Net interest income	(236,608,704)	(960,631)	(180,713,799)	(733,878)
	(41,314,234)	(167,737)	(38,298,484)	(155,529)
<i>Changes in:</i>				
Balances with the NBC	115,617,388	469,407	121,858,372	494,867
Balances with other banks	2,758,745	11,201	(40,045,463)	(162,625)
Loans to customers	(774,086,330)	(3,142,790)	(648,806,020)	(2,634,801)
Other assets	(25,810,068)	(104,789)	(4,698,128)	(19,079)
Deposits from banks and other financial institutions	58,271,039	236,580	17,092,087	69,411
Deposits from customers	518,846,353	2,106,516	654,271,359	2,656,996
Other liabilities	(3,463,533)	(14,062)	4,394,754	17,846
Net (cash used in)/generated operations	(149,180,640)	(605,674)	65,768,477	267,086
Interest received	264,457,291	1,073,697	205,855,359	835,979
Interest paid	(34,855,123)	(141,512)	(29,262,171)	(118,834)
Income tax paid	(52,775,413)	(214,268)	(39,779,967)	(161,546)
<b>Cash generated from operating activities</b>	<b>27,646,115</b>	<b>112,243</b>	<b>202,581,698</b>	<b>822,685</b>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(11,696,382)	(47,487)	(5,484,656)	(22,274)
Purchases of intangible assets	(588,817)	(2,391)	(5,661,898)	(22,993)
Proceeds on disposals of property and equipment	24,014	97	103,398	420
<b>Net cash used in investing activities</b>	<b>(12,261,185)</b>	<b>(49,781)</b>	<b>(11,043,156)</b>	<b>(44,847)</b>

**ADVANCED BANK OF ASIA LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (continued)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

	Note	Six-month period ended 30 June 2022		Six-month period ended 30 June 2021	
		US\$	KHR Million	US\$	KHR Million
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		135,281,121	549,241	287,464,049	1,167,392
Repayments of borrowings		(222,943,759)	(905,152)	(202,721,922)	(823,254)
Repayments of subordinated debts		(3,900,000)	(15,834)	(3,900,000)	(15,838)
Principal elements of lease payments		(5,324,963)	(21,619)	(4,010,057)	(16,285)
<b>Net cash (used in)/generated from financing activities</b>		<b>(96,887,601)</b>	<b>(393,364)</b>	<b>76,832,070</b>	<b>312,015</b>
Net decrease in cash and cash equivalents		(81,502,671)	(330,902)	268,370,612	1,089,853
Cash and cash equivalents at the beginning of period		955,324,251	3,891,991	595,220,388	2,407,666
Currency translation differences		-	(4,636)	-	21,614
<b>Cash and cash equivalents at the end of period</b>	13	<b>873,821,580</b>	<b>3,556,453</b>	<b>863,591,000</b>	<b>3,519,133</b>

**Significant non-cash transactions**

On 7 April 2022, the National Bank of Cambodia approved the conversion of US\$140 million of the Bank's retained earnings to share capital, bringing the total share capital to US\$660 million, which is equivalent to 660,000 shares with par value of US\$1,000 per share.

The accompanying notes from pages 9 to 29 form an integral part of this condensed interim financial information.

## **ADVANCED BANK OF ASIA LIMITED**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022**

#### **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. 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, and No. 171, Street Preah Trasak Paem, Phum 4, Sangkat Boeng Keng Kang Ti Muoy, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia.

The condensed interim financial information of the Bank was authorised for issue by the Board of Directors on 10 August 2022.

The condensed interim financial information for the three-month and six-month period ended 30 June 2022 has been reviewed, not audited.

#### **2. BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

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

The condensed interim financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021 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 information 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 information, 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 2021.

## ADVANCED BANK OF ASIA LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

#### 2. BASIS OF PREPARATION (continued)

##### 2.3 Presentation in Khmer Riel

The translation of the US\$ amounts into Khmer Riel (“KHR”) is presented in the condensed interim financial information 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 information presented in KHR are based on the following applicable exchange rates per US\$1:

	<i>Closing rate</i>	<i>Average rate Six-month</i>	<i>Average rate three-month</i>
30 June 2022	4,070	4,060	4,056
31 December 2021	4,074	N/A	N/A
30 June 2021	4,075	4,061	4,063

##### Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest dollar and million Khmer Riel (“KHR Million”) for US\$ and KHR amounts, respectively.

#### 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 2021 except 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 CIAS 37	<i>Onerous Contracts – Cost of fulfilling a contract</i>
Annual Improvements to CIFRS standards 2018–2020 Cycle	<i>- Amendments to CIFRS 1, First-time Adoption of CIFRSs - Amendments to CIFRS 9, Financial Instruments - Amendments to Illustrative Examples accompanying CIFRS 16 - Amendments to CIAS 41 Agriculture</i>
Amendments to CIAS 16	<i>Property, Plant and Equipment (PPE) – Proceeds before Intended Use</i>
Amendments to CIFRS 3	<i>Reference to Conceptual Framework</i>

The adoption of these amended standards does not have any significant impact on the financial information of the Bank.

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022**

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting period and have not been early adopted by the Bank. These standards, amendments or interpretations are not expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

**4. LOANS TO CUSTOMERS**

	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
<b>At amortised cost</b>				
Commercial loans	5,176,539,151	21,068,514	4,602,348,015	18,749,966
Overdrafts	792,248,767	3,224,452	608,488,971	2,478,984
Consumer loans:				
Housing loans	103,929,108	422,991	87,125,933	354,951
Vehicle loans	9,747,904	39,674	8,003,563	32,607
Staff loans	17,665,720	71,899	16,747,084	68,228
Personal Loans	1,644,015	6,691	1,224,577	4,989
Credit cards	1,624,423	6,613	1,467,264	5,977
Total gross carrying amount	<u>6,103,399,088</u>	<u>24,840,834</u>	<u>5,325,405,407</u>	<u>21,695,702</u>
Impairment loss allowance	<u>(65,090,898)</u>	<u>(264,920)</u>	<u>(46,415,811)</u>	<u>(189,098)</u>
	<u>6,038,308,190</u>	<u>24,575,914</u>	<u>5,278,989,596</u>	<u>21,506,604</u>

**ADVANCED BANK OF ASIA LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022**

**5. RIGHT-OF-USE ASSETS**

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

	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Total</b>	
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR Million</b>
<b>31 December 2021</b>				
Cost	60,512,705	3,147,646	63,660,351	259,352
Accumulated depreciation	21,474,846	2,292,267	23,767,113	96,827
<b>Carrying amounts</b>	<b>39,037,859</b>	<b>855,379</b>	<b>39,893,238</b>	<b>162,525</b>
<b>30 June 2022</b>				
<b>Cost</b>				
At 1 January 2022	60,512,705	3,147,646	63,660,351	259,352
Additions	20,623,794	439,015	21,062,809	85,515
Lease modification	(92,574)	(52,565)	(145,139)	(589)
Currency translation differences	-	-	-	(45)
At 30 June 2022	81,043,925	3,534,096	84,578,021	344,233
<b>Accumulated depreciation</b>				
At 1 January 2022	21,474,846	2,292,267	23,767,113	96,827
Depreciation	4,183,750	406,191	4,589,941	18,635
Lease modification	61,232	3,465	64,697	263
Currency translation differences	-	-	-	(48)
At 30 June 2022	25,719,828	2,701,923	28,421,751	115,677
<b>Carrying amounts</b>				
At 30 June 2022	55,324,097	832,173	56,156,270	228,556

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**6. OTHER ASSETS**

	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Deposits and advance payments Master/Visa Card and MoneyGram and other receivables	35,925,819	146,218	20,685,279	84,272
Prepayment	20,554,509	83,657	13,495,518	54,981
Card supplies	8,062,976	32,816	4,021,096	16,382
Other investments	2,400,690	9,771	3,465,532	14,119
Other investments	76,185	310	76,185	310
Impairment allowance of deposits and other receivables	(1,052,446)	(4,283)	(1,052,128)	(4,287)
	<u>65,967,733</u>	<u>268,489</u>	<u>40,691,482</u>	<u>165,777</u>

**7. DEBT SECURITIES IN ISSUE**

	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Corporate bonds	<u>21,423,527</u>	<u>87,194</u>	<u>21,310,996</u>	<u>86,821</u>

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 Regulator of Cambodia ("SERC") (previously known as Securities and Exchange Commission of Cambodia) on the Single Submission Form and the Disclosure Document for its Public Offering of the Bank's Corporate Bond. The Bond was issued to 65 investors on 14 August 2019 in aggregate principal amount KHR 84,821 billion (approximately US\$20,820,079) with tenor 3 years and coupon rate 7.75% per annum. The interest is payable semi-annually.

The Bank did not have any defaults of principal or interest or others breaches with respect to its debt securities during the period.

For the six-month period ended 30 June 2022, the Bank incurred interest expenses on debt securities to investors in aggregate amounting to KHR 3,294 million or approximately US\$809,387 (2021: KHR 3,295 million or approximately US\$808,614). The bonds will be matured on 14 August 2022.

ADVANCED BANK OF ASIA LIMITED

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8. BORROWINGS

	30 June 2022		31 December 2021	
	US\$	KHR Million	US\$	KHR Million
<i>Borrowings at amortised cost</i>				
LPCO (i)	51,720,471	210,502	167,276,789	681,486
Bank loans (ii)	54,377,451	221,317	30,122,837	122,720
	<u>106,097,922</u>	<u>431,819</u>	<u>197,399,626</u>	<u>804,206</u>

- (i) This represents 35 Liquidity-Providing Collateralised Operations (LPCOs) provided by the NBC (2021: 30 LPCOs). The principal and interest are payable on maturities with terms ranging from 3 to 12 months (2021: 3 to 12 months).
- (ii) This represents bank loans obtained from various banks with terms ranging from 3 months to 7 years (2021: 3 months to 7 years).

The Negotiable Certificate of Deposit (“NCD”) in US dollars fully collateralise the LPCOs acquired from the NBC. Other borrowings are unsecured. All the borrowings bear fixed interest rates ranging from 1.67% to 6.15% per annum (2021: 0.63% to 6.84%)



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**9. LEASE LIABILITIES**

	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Maturity analysis:				
Year 1	10,509,764	42,775	8,763,586	35,703
Year 2	9,951,144	40,501	7,926,335	32,292
Year 3	9,488,826	38,620	7,511,021	30,600
Year 4	9,044,566	36,811	6,802,752	27,714
Year 5	7,991,341	32,525	6,022,372	24,535
Onwards	24,948,922	101,542	13,207,817	53,809
	71,934,563	292,774	50,233,883	204,653
Less: Unearned interest	(13,084,874)	(53,256)	(7,770,528)	(31,657)
	<b>58,849,689</b>	<b>239,518</b>	<b>42,463,355</b>	<b>172,996</b>

**10. REGULATORY RESERVES**

	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Balance at beginning of the period	43,637,909	177,781	42,141,887	170,464
Transfer from retained earnings	35,038,181	142,605	1,496,022	6,095
Currency translation differences	-	(174)	-	1,222
Balance at end of the period	<b>78,676,090</b>	<b>320,212</b>	<b>43,637,909</b>	<b>177,781</b>

During the period, the Bank has made additional provision as a result of new National Bank of Cambodia circular no. B7-021-2314 on the Classification and Provision Requirement on Restructured Loans dated 28 December 2021.

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**11. NET INTEREST INCOME**

	Three-month period ended 30 June 2022		Three-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
<b>Interest income from:</b>				
Loans to customers	136,276,402	552,737	107,177,381	435,462
Balances with the NBC and other banks	3,466,375	14,060	1,891,986	7,687
Investment securities	569,598	2,310	165,243	671
Others	51,206	208	28,973	118
	<u>140,363,581</u>	<u>569,315</u>	<u>109,263,583</u>	<u>443,938</u>
	Six-month period ended 30 June 2022		Six-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
<b>Interest income from:</b>				
Loans to customers	263,989,771	1,071,798	208,152,705	845,308
Balances with the NBC and other banks	6,370,993	25,866	3,668,992	14,900
Investment securities	1,127,604	4,578	319,917	1,299
Others	99,434	404	64,588	262
	<u>271,587,802</u>	<u>1,102,646</u>	<u>212,206,202</u>	<u>861,769</u>

**12. PERSONNEL EXPENSES**

	Three-month period ended 30 June 2022		Three-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
Salaries and bonuses	22,944,839	93,064	18,795,088	76,364
Seniority payments	1,446,693	5,868	1,079,158	4,385
Other personnel expenses	1,060,630	4,302	809,013	3,287
	<u>25,452,162</u>	<u>103,234</u>	<u>20,683,259</u>	<u>84,036</u>
	Six-month period ended 30 June 2022		Six-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
Salaries and bonuses	43,775,466	177,728	36,752,639	149,252
Seniority payments	2,873,289	11,666	2,228,851	9,051
Other personnel expenses	1,926,023	7,820	1,508,224	6,126
	<u>48,574,778</u>	<u>197,214</u>	<u>40,489,714</u>	<u>164,429</u>

**ADVANCED BANK OF ASIA LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
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For the purpose of the statement of cash flows, cash and cash equivalents comprise:

	<b>30 June 2022</b>		<b>30 June 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Cash on hand	445,715,407	1,814,062	506,438,749	2,063,738
Balances with the NBC	248,859,417	1,012,858	147,652,614	601,684
Balances with other banks	179,246,756	729,533	209,499,637	853,711
	<u>873,821,580</u>	<u>3,556,453</u>	<u>863,591,000</u>	<u>3,519,133</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.

**14. RELATED PARTIES****(a) Related parties and relationships**

The related parties of and their relationships with the Bank are as follows:

<b>Related parties</b>	<b>Relationships</b>
National Bank of Canada	Ultimate parent shareholder
Key management personnel	Executive management team of the Bank who make critical decisions in relation to the strategic direction of the Bank.
Advanced Technology Asia IT Limited	Affiliate

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**14. RELATED PARTIES (continued)**

**(b) Related party balances**

	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Loans to management	<u>6,206,831</u>	<u>25,262</u>	<u>5,252,542</u>	<u>21,399</u>
Deposits and placements by directors and management	<u>3,919,227</u>	<u>15,951</u>	<u>3,363,984</u>	<u>13,705</u>
Subordinated debts from National Bank of Canada	<u>144,127,212</u>	<u>586,598</u>	<u>148,027,962</u>	<u>603,066</u>
Deposits and placements with National Bank of Canada	<u>156,147,786</u>	<u>635,521</u>	<u>185,703,301</u>	<u>756,555</u>

**(c) Related party transactions**

	<b>Three-month period ended 30 June 2022</b>		<b>Three-month period ended 30 June 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Interest income on loans to management	<u>58,274</u>	<u>236</u>	<u>69,397</u>	<u>282</u>
Interest expenses on deposits and placements to directors and management	<u>4,130</u>	<u>17</u>	<u>11,761</u>	<u>48</u>
Interest expenses to National Bank of Canada	<u>2,880,772</u>	<u>11,684</u>	<u>2,292,777</u>	<u>9,316</u>
Interest income from National Bank of Canada	<u>377,759</u>	<u>1,532</u>	<u>130,141</u>	<u>529</u>
Service charged from affiliate	<u>296,488</u>	<u>1,203</u>	<u>343,617</u>	<u>1,396</u>

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**14. RELATED PARTIES (continued)**

**(c) Related party transactions (continued)**

	Six-month period ended 30 June 2022		Six-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
Interest income on loans to management	126,398	513	135,255	549
Interest expenses on deposits and placements to directors and management	12,717	52	25,851	105
Interest expenses to National Bank of Canada	5,756,996	23,373	4,586,572	18,626
Interest income from National Bank of Canada	576,979	2,343	130,141	529
Deposit for purchases of property and equipment from affiliate	677,822	2,752	-	-
Service charged from affiliate	604,949	2,456	549,929	2,233

**(d) Directors and key management personnel remuneration**

	Three-month period ended 30 June 2022		Three-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
Salaries and benefits	6,447,698	26,152	5,505,766	22,370

	Six-month period ended 30 June 2022		Six-month period ended 30 June 2021	
	US\$	KHR Million	US\$	KHR Million
Salaries and benefits	13,268,533	53,870	10,004,142	40,627

**ADVANCED BANK OF ASIA LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
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	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>US\$</b>	<b>KHR Million</b>	<b>US\$</b>	<b>KHR Million</b>
Unused portion of overdrafts	279,845,316	1,138,970	240,711,292	980,658
Payment guarantees	13,320,223	54,213	10,544,301	42,957
Performance bonds	12,855,266	52,321	12,164,233	49,557
Letter of credits	11,950,518	48,639	7,945,590	32,370
Unused portion of credit cards	10,291,402	41,886	9,860,070	40,170
Securities	4,400,000	17,908	4,400,000	17,926
Bid bonds	665,904	2,710	408,844	1,666
Warranty bonds	387,702	1,578	782,048	3,186
Other guarantees	237,000	965	237,000	966
	<u>333,953,331</u>	<u>1,359,190</u>	<u>287,053,378</u>	<u>1,169,456</u>

**16. SEGMENT REPORTING**

The Bank's majority of income is from the same business segment, which is credit and lending, and all activities are carried out in the Kingdom of Cambodia.

**17. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Fair value represents the amount at which an asset could be exchanged or a liability settled on an arm's length basis. Market prices are not available for a significant proportion of the Company's financial assets and liabilities. Fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. Management believes that the carrying amounts of the financial assets and liabilities included in the statement of financial position are a reasonable estimation of their fair values. In making this assessment, management assumes that loans to customers are mainly held to maturity with fair values equal to the book value of loans to customers adjusted for provision for loan losses, if any.

**18. FINANCIAL RISK MANAGEMENT**

The Bank's financial risk management policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2021.

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

**Loss allowance - movement of expected credit losses (“ECL”) for loans to customers**

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

	<b>30 June 2022</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	
	<b>12-month</b>	<b>Lifetime</b>	<b>Lifetime</b>		
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>US\$</b>	<b>KHR Million</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR Million</b>
Loss allowance as at 1 January 2022	32,027,418	4,118,882	10,269,511	46,415,811	189,098
Changes in the loss allowance					
Transfer to stage 1	1,639,509	(1,355,161)	(284,348)	-	-
Transfer to stage 2	(259,164)	297,300	(38,136)	-	-
Transfer to stage 3	(448,644)	(2,048,784)	2,497,428	-	-
Net remeasurement of loss allowances <sup>(1)</sup>	1,162,988	3,982,016	7,706,613	12,851,617	52,306
New financial assets originated	1,531,696	156,350	1,863,358	3,551,404	14,454
Financial assets that have been derecognised	(786,300)	(296,197)	(949,368)	(2,031,865)	(8,270)
Write off	(658)	(10,946)	(84,465)	(96,069)	(391)
Other changes	4,400,000 <sup>(2)</sup>	-	-	4,400,000	17,908
Currency translation differences	-	-	-	-	(185)
Loss allowance as at 30 June 2022	<u>39,266,845</u>	<u>4,843,460</u>	<u>20,980,593</u>	<u>65,090,898</u>	<u>264,920</u>

<sup>(1)</sup> Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volume and in the credit quality of existing loans.

<sup>(2)</sup> This represents additional management overlay for the period ended 30 June 2022. Refer to Note 19(i) for more details.

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

**Loss allowance - movement of expected credit losses (“ECL”) for loans to customers** (continued)

	<b>30 June 2021</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	
	<b>12-month</b>	<b>Lifetime</b>	<b>Lifetime</b>		
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>US\$</b>	<b>KHR Million</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>KHR Million</b>
Loss allowance as at 1 January 2021	9,283,767	2,993,995	6,494,373	18,772,135	75,933
Change in loss allowance					
Transfer to stage 1	82,990	(82,990)	-	-	-
Transfer to stage 2	(45,924)	69,822	(23,898)	-	-
Transfer to stage 3	(40,929)	(838,607)	879,536	-	-
Net remeasurement of loss allowance <sup>(1)</sup>	2,715,422	913,966	946,500	4,575,888	18,647
New financial assets originated	1,288,415	407	156,954	1,445,776	5,892
Financial assets that have been derecognised	(495,875)	(202,569)	(753,373)	(1,451,817)	(5,916)
Write off	-	(3,809)	(57,561)	(61,370)	(250)
Other changes	11,000,000 <sup>(2)</sup>	-	-	11,000,000	44,825
Currency translation differences	-	-	-	-	562
Loss allowance as at 30 June 2021	<u>23,787,866</u>	<u>2,850,215</u>	<u>7,642,531</u>	<u>34,280,612</u>	<u>139,693</u>

<sup>(1)</sup> Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volume and in the credit quality of existing loans.

<sup>(2)</sup> This represents additional management overlay for the period ended 30 June 2021. Refer to Note 19(i) for more details.



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**18. 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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18. 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\$
<b>30 June 2022</b>								
<b>Financial assets by types</b>								
Non-derivative assets								
Cash on hand	445,715,407	445,715,407	445,715,407	-	-	-	-	-
Balances with the NBC	1,291,594,215	1,293,464,035	262,590,529	203,518,984	289,762,999	-	-	537,591,523
Balances with other banks	455,262,867	459,016,507	201,196,534	85,459,768	172,360,205	-	-	-
Loans to customers	6,038,308,190	8,117,389,459	217,236,646	318,025,715	1,469,327,337	3,872,404,443	2,240,395,318	-
Investment securities	37,837,561	40,830,968	3,086,425	-	1,034,360	36,710,183	-	-
Other assets	34,000,196	34,000,196	19,603,541	100,787	100,192	1,786,721	4,394,978	8,013,977
<b>In US\$ equivalents</b>	<b>8,302,718,436</b>	<b>10,390,416,572</b>	<b>1,149,429,082</b>	<b>607,105,254</b>	<b>1,932,585,093</b>	<b>3,910,901,347</b>	<b>2,244,790,296</b>	<b>545,605,500</b>
<b>In KHR Million equivalents</b>	<b>33,792,064</b>	<b>42,288,995</b>	<b>4,678,177</b>	<b>2,470,918</b>	<b>7,865,621</b>	<b>15,917,368</b>	<b>9,136,297</b>	<b>2,220,614</b>

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18. 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\$
<b>30 June 2022</b>								
<b>Financial liabilities by type</b>								
Non-derivative liabilities								
Deposits from banks and other financial institutions	(153,833,368)	(156,776,695)	(45,388,747)	(44,211,338)	(61,487,796)	(5,688,814)	-	-
Deposits from customers	(6,729,313,598)	(6,771,006,222)	(5,681,421,219)	(248,019,264)	(791,849,454)	(49,716,285)	-	-
Debt securities in issue	(21,423,527)	(21,621,549)	-	(21,621,549)	-	-	-	-
Borrowings	(106,097,922)	(109,096,409)	(14,247,704)	(63,811,385)	(26,144,732)	(514,542)	(4,378,046)	-
Subordinated debts	(144,127,212)	(188,180,795)	-	-	(3,657,436)	(113,512,482)	(71,010,877)	-
Lease liabilities	(58,849,689)	(71,934,563)	(907,017)	(2,602,552)	(7,000,195)	(36,475,877)	(24,948,922)	-
Other liabilities	(42,512,549)	(42,512,549)	-	(21,980,511)	(9,844,410)	(10,250,761)	(436,867)	-
	<u>(7,256,157,865)</u>	<u>(7,361,128,782)</u>	<u>(5,741,964,687)</u>	<u>(402,246,599)</u>	<u>(899,984,023)</u>	<u>(216,158,761)</u>	<u>(100,774,712)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(329,316,332)	(19,591,922)	(57,945,049)	(238,404,877)	(13,364,987)	(9,497)	-
<b>In US\$ equivalents</b>	<u>(7,256,157,865)</u>	<u>(7,690,445,114)</u>	<u>(5,761,556,609)</u>	<u>(460,191,648)</u>	<u>(1,138,388,900)</u>	<u>(229,523,748)</u>	<u>(100,784,209)</u>	<u>-</u>
<b>In KHR Million equivalents</b>	<u>(29,532,563)</u>	<u>(31,300,112)</u>	<u>(23,449,535)</u>	<u>(1,872,980)</u>	<u>(4,633,243)</u>	<u>(934,162)</u>	<u>(410,192)</u>	<u>-</u>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

18. 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\$
<b>31 December 2021</b>								
<b>Financial assets by type</b>								
Non-derivative assets								
Cash on hand	478,829,834	478,829,834	478,829,834	-	-	-	-	-
Balances with the NBC	1,353,953,769	1,354,356,035	248,392,089	199,509,292	422,179,126	-	-	484,275,528
Balances with other banks	557,456,114	562,531,669	273,665,344	39,827,626	249,038,699	-	-	-
Loans to customers	5,278,989,596	7,143,073,051	166,193,708	258,320,645	1,272,725,458	3,514,561,500	1,931,271,740	-
Investment securities	36,839,675	41,007,191	-	-	3,112,938	37,894,253	-	-
Other assets	24,530,382	24,530,382	12,593,703	104,380	172,630	1,526,490	4,302,225	5,830,954
<b>In US\$ equivalents</b>	<b>7,730,599,370</b>	<b>9,604,328,162</b>	<b>1,179,674,678</b>	<b>497,761,943</b>	<b>1,947,228,851</b>	<b>3,553,982,243</b>	<b>1,935,573,965</b>	<b>490,106,482</b>
<b>In KHR Million equivalents</b>	<b>31,494,462</b>	<b>39,128,033</b>	<b>4,805,995</b>	<b>2,027,882</b>	<b>7,933,010</b>	<b>14,478,924</b>	<b>7,885,528</b>	<b>1,996,694</b>

ADVANCED BANK OF ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

18. 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\$
<b>31 December 2021</b>								
<b>Financial liabilities by type</b>								
Non-derivative liabilities								
Deposits from banks and other financial institutions	(95,531,742)	(96,604,923)	(72,329,937)	-	(22,760,845)	(1,514,141)	-	-
Deposits from customers	(6,208,198,343)	(6,239,416,185)	(5,362,432,528)	(219,759,974)	(617,624,461)	(39,599,222)	-	-
Debt securities in issue	(21,310,996)	(22,428,129)	-	(806,580)	(21,621,549)	-	-	-
Borrowings	(197,399,626)	(205,268,414)	(63,522,423)	(30,883,195)	(105,708,740)	(475,089)	(4,678,967)	-
Subordinated debts	(148,027,962)	(197,725,156)	-	-	(2,131,801)	(122,981,219)	(72,612,136)	-
Lease liabilities	(42,463,355)	(50,233,883)	(780,721)	(1,487,122)	(6,495,743)	(28,262,480)	(13,207,817)	-
Other liabilities	(46,543,425)	(46,543,425)	(2,817)	(22,863,579)	(6,354,199)	(16,290,355)	(1,032,475)	-
	<u>(6,759,475,449)</u>	<u>(6,858,220,115)</u>	<u>(5,499,068,426)</u>	<u>(275,800,450)</u>	<u>(782,697,338)</u>	<u>(209,122,506)</u>	<u>(91,531,395)</u>	<u>-</u>
Loan commitments and financial guarantee contracts	-	(282,416,378)	(14,729,856)	(37,726,242)	(217,530,519)	(12,429,761)	-	-
<b>In US\$ equivalents</b>	<u>(6,759,475,449)</u>	<u>(7,140,636,493)</u>	<u>(5,513,798,282)</u>	<u>(313,526,692)</u>	<u>(1,000,227,857)</u>	<u>(221,552,267)</u>	<u>(91,531,395)</u>	<u>-</u>
<b>In KHR Million equivalents</b>	<u>(27,538,103)</u>	<u>(29,090,953)</u>	<u>(22,463,214)</u>	<u>(1,277,308)</u>	<u>(4,074,928)</u>	<u>(902,604)</u>	<u>(372,899)</u>	<u>-</u>

## ADVANCED BANK OF ASIA LIMITED

### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

#### 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 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 is consistent with the calculation as of 31 December 2021, which have resulted in the following:

##### i) **Expected credit losses**

###### 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.

###### 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.

## ADVANCED BANK OF ASIA LIMITED

### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

#### 19. IMPACT OF COVID-19 (continued)

##### i) Expected credit losses (continued)

###### Main macroeconomic factors

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

PD segment	Macroeconomic Factor <sup>(1)</sup>
Agriculture	Cambodia CPI - (cpi_2010_100)
Construction and Real Estate	GDP at Current Price, Industry (YOY,%) – (gdp_industry)
Real Estate Rentals	Cambodia GDP at Constant 2000 Price – (gdp_constant2000)
Manufacturing	FDI Net Inflow - (fdi)
Wholesale and Retail	Cambodia CPI - (cpi_2010_100)
Services	GDP at Current Price, Industry (YOY,%) – (gdp_industry)
Personal Loan	GDP at Current Price, Industry (YOY,%) – (gdp_industry)

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

The Bank has also incorporated ECL overlay of US\$30 million as at 30 June 2022 (2021: US\$25.6 million). This represents additional ECL under stressed scenario if certain portion of restructured portfolio defaulted based on the migration rate of the restructured portfolio which has passed the exemption period, due to economic uncertainties under COVID-19 environment, increase in global inflation and negative spillovers from the war in Ukraine.

##### 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.