

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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## **Report on review of interim financial information**

To the shareholders of Phnom Penh Commercial Bank Plc.

### **Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of Phnom Penh Commercial Bank Plc. (the 'Bank') and its subsidiary, J&A (Cambodia) Investment Co., Ltd. (the 'Group') as at 30 June 2020, condensed separate statement of financial position of the Bank as at 30 June 2020, and the related condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and condensed consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information of the Group and condensed separate interim financial information of the Bank in accordance with Cambodian International Accounting Standard 34, "Interim financial reporting". Our responsibility is to express a conclusion on this condensed consolidated and separate 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 accompanying condensed consolidated and separate interim financial information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, "Interim financial reporting".



**Other matter**

The comparative information for the condensed consolidated and separate statements of financial position is based on the audited consolidated and separate financial statements as at 31 December 2019. The comparative information for the condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, condensed consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and related explanatory notes for the three-month and six-month periods ended 30 June 2019 has not been audited or reviewed.

For PricewaterhouseCoopers (Cambodia) Ltd.

By Kuy Lim  
Partner

Phnom Penh, Kingdom of Cambodia  
31 July 2020

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	Notes	30 June 2020		31 December 2019	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand		38,374,579	157,067,152	35,393,946	144,230,330
Balances with the central bank		71,590,166	293,018,549	93,903,019	382,654,802
Balances with other banks and financial institutions		96,195,926	393,729,925	36,800,649	149,962,645
Statutory deposits with the central bank		54,191,628	221,806,333	83,033,615	338,361,982
Loans to customers	6	687,956,684	2,815,806,708	648,753,833	2,643,671,869
Investment securities		3,129,058	12,807,234	3,178,194	12,951,141
Intangible assets		8,606,907	35,228,070	8,451,311	34,439,092
Property and equipment		15,749,642	64,463,285	15,905,545	64,815,096
Right of use assets	7	8,540,918	34,957,977	6,078,035	24,767,993
Deferred tax assets		4,343	17,776	500,163	2,038,164
Other assets		4,890,047	20,014,962	4,287,783	17,472,716
<b>TOTAL ASSETS</b>		<b>989,229,898</b>	<b>4,048,917,971</b>	<b>936,286,093</b>	<b>3,815,365,830</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from other banks		103,744,508	424,626,271	64,182,658	261,544,330
Deposits from non-bank customers		647,707,640	2,651,067,371	646,275,606	2,633,573,094
Current income tax liabilities		1,580,731	6,469,932	4,412,840	17,982,323
Deferred tax liabilities		158,655	649,375	-	-
Borrowings		47,770,976	195,526,605	52,198,004	212,706,866
Subordinated debts		19,996,809	81,846,939	20,037,128	81,651,297
Debt securities issued	8	9,878,595	40,433,089	-	-
Lease liabilities	7	8,852,946	36,235,108	6,743,741	27,480,745
Employee benefit obligations		302,243	1,237,081	302,243	1,231,640
Other liabilities		2,704,868	11,071,023	3,634,390	14,810,140
<b>TOTAL LIABILITIES</b>		<b>842,697,971</b>	<b>3,449,162,794</b>	<b>797,786,610</b>	<b>3,250,980,435</b>
<b>EQUITY</b>					
Share capital	9	92,000,000	376,556,000	80,000,000	326,000,000
Regulatory reserve		11,026,284	46,514,182	8,252,811	35,209,506
Retained earnings	9	43,505,643	175,699,455	50,246,672	203,175,889
Other reserves		-	985,540	-	-
<b>TOTAL EQUITY</b>		<b>146,531,927</b>	<b>599,755,177</b>	<b>138,499,483</b>	<b>564,385,395</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>989,229,898</b>	<b>4,048,917,971</b>	<b>936,286,093</b>	<b>3,815,365,830</b>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020

Notes	For the three-month period ended				For the six-month period ended			
	30 June 2020		30 June 2019		30 June 2020		30 June 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>
Interest income	16,820,288	68,744,517	15,166,824	61,471,138	33,125,714	135,020,410	28,787,660	115,999,876
Interest expense	(6,885,799)	(28,142,261)	(4,890,600)	(19,821,602)	(13,135,792)	(53,541,488)	(9,813,397)	(39,543,083)
<b>Net interest income</b>	<b>9,934,489</b>	<b>40,602,256</b>	<b>10,276,224</b>	<b>41,649,536</b>	<b>19,989,922</b>	<b>81,478,922</b>	<b>18,974,263</b>	<b>76,456,793</b>
Fees and commission income	1,225,262	5,007,646	690,055	2,796,793	1,883,751	7,678,169	1,395,374	5,622,660
Fees and commission expense	(279,796)	(1,143,526)	(118,831)	(481,622)	(596,707)	(2,432,178)	(222,226)	(895,460)
<b>Net fees and commission income</b>	<b>945,466</b>	<b>3,864,120</b>	<b>571,224</b>	<b>2,315,171</b>	<b>1,287,044</b>	<b>5,245,991</b>	<b>1,173,148</b>	<b>4,727,200</b>
Impairment losses on financial assets	10 (269,771)	(1,102,554)	(479,379)	(1,942,923)	(509,098)	(2,075,083)	(191,090)	(769,997)
Other losses - net	(324,869)	(1,327,740)	(128,358)	(520,235)	(4,453)	(18,150)	(75,758)	(305,267)
Other operating income	9,922	40,551	25,618	103,829	20,418	83,224	123,682	498,376
<b>Net other operating loss</b>	<b>(584,718)</b>	<b>(2,389,743)</b>	<b>(582,119)</b>	<b>(2,359,329)</b>	<b>(493,133)</b>	<b>(2,010,009)</b>	<b>(143,166)</b>	<b>(576,888)</b>
Personnel expenses	(1,822,241)	(7,447,499)	(1,788,736)	(7,249,747)	(3,956,023)	(16,124,750)	(3,342,789)	(13,469,768)
Depreciation and amortisation	(1,301,142)	(5,317,767)	(1,248,428)	(5,059,879)	(3,069,038)	(12,509,399)	(2,359,519)	(9,507,682)
General and administrative expenses	(1,822,363)	(7,447,998)	(1,757,281)	(7,122,259)	(3,334,979)	(13,593,374)	(2,682,193)	(10,807,896)
<b>Profit before income tax</b>	<b>5,349,491</b>	<b>21,863,369</b>	<b>5,470,884</b>	<b>22,173,493</b>	<b>10,423,793</b>	<b>42,487,381</b>	<b>11,619,744</b>	<b>46,821,759</b>
Income tax expense	(1,185,039)	(4,843,254)	(1,393,983)	(5,649,813)	(2,391,349)	(9,747,139)	(2,653,508)	(10,692,310)
<b>Profit for the period</b>	<b>4,164,452</b>	<b>17,020,115</b>	<b>4,076,901</b>	<b>16,523,680</b>	<b>8,032,444</b>	<b>32,740,242</b>	<b>8,966,236</b>	<b>36,129,449</b>
<b>Other comprehensive income</b>								
<i>Items that will not be reclassified to profit or loss</i>								
Currency translation differences	-	1,254,831	-	2,476,468	-	985,540	-	1,627,751
	-	1,254,831	-	2,476,468	-	985,540	-	1,627,751
<b>Total comprehensive income for the period</b>	<b>4,164,452</b>	<b>18,274,946</b>	<b>4,076,901</b>	<b>19,000,148</b>	<b>8,032,444</b>	<b>33,725,782</b>	<b>8,966,236</b>	<b>37,757,200</b>
<b>Profit attributable to owners of the Group</b>	<b>4,164,452</b>	<b>17,020,115</b>	<b>4,076,901</b>	<b>16,523,680</b>	<b>8,032,444</b>	<b>32,740,242</b>	<b>8,966,236</b>	<b>36,129,449</b>
<b>Total comprehensive income attributable to owners of the Group</b>	<b>4,164,452</b>	<b>18,274,946</b>	<b>4,076,901</b>	<b>19,000,148</b>	<b>8,032,444</b>	<b>33,725,782</b>	<b>8,966,236</b>	<b>37,757,200</b>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

	Attributable to owners of the Group									
	Share capital		Regulatory reserve		Retained earnings		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Balance at 1 January 2019</b>	80,000,000	321,440,000	8,200,983	32,951,553	34,515,434	139,432,914	-	-	122,716,417	493,824,467
Profit for the period	-	-	-	-	8,966,236	36,129,449	-	-	8,966,236	36,129,449
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,627,751	-	1,627,751
<b>Total comprehensive income for the period</b>	-	-	-	-	8,966,236	36,129,449	-	1,627,751	8,966,236	37,757,200
<b>Transactions with owners in their capacity as owners:</b>										
Transfers from retained earnings to regulatory reserve	-	-	138,086	556,487	(138,086)	(556,487)	-	-	-	-
Currency translation differences	-	3,840,000	-	-	-	-	-	-	-	3,840,000
<b>Total transactions with owners</b>	-	3,840,000	138,086	556,487	(138,086)	(556,487)	-	-	-	3,840,000
<b>Balance at 30 June 2019 (un-reviewed)</b>	<u>80,000,000</u>	<u>325,280,000</u>	<u>8,339,069</u>	<u>33,508,040</u>	<u>43,343,584</u>	<u>175,005,876</u>	<u>-</u>	<u>1,627,751</u>	<u>131,682,653</u>	<u>535,421,667</u>
<b>Balance at 1 January 2020</b>	80,000,000	326,000,000	8,252,811	35,209,506	50,246,672	203,175,889	-	-	138,499,483	564,385,395
Profit for the period	-	-	-	-	8,032,444	32,740,242	-	-	8,032,444	32,740,242
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	985,540	-	985,540
<b>Total comprehensive income for the period</b>	-	-	-	-	8,032,444	32,740,242	-	985,540	8,032,444	33,725,782
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 9)	12,000,000	48,912,000	-	-	(12,000,000)	(48,912,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	2,773,473	11,304,676	(2,773,473)	(11,304,676)	-	-	-	-
Currency translation differences	-	1,644,000	-	-	-	-	-	-	-	1,644,000
<b>Total transactions with owners</b>	<u>12,000,000</u>	<u>50,556,000</u>	<u>2,773,473</u>	<u>11,304,676</u>	<u>(14,773,473)</u>	<u>(60,216,676)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,644,000</u>
<b>Balance at 30 June 2020</b>	<u>92,000,000</u>	<u>376,556,000</u>	<u>11,026,284</u>	<u>46,514,182</u>	<u>43,505,643</u>	<u>175,699,455</u>	<u>-</u>	<u>985,540</u>	<u>146,531,927</u>	<u>599,755,177</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

	For the six-month period ended			
	30 June 2020		30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<b>Cash flows from operating activities</b>				
Profit before income tax	10,423,793	42,487,381	11,619,744	46,821,759
<i>Adjustments for:</i>				
Provision for employee benefit obligations	-	-	37,331	150,425
Depreciation and amortisation	3,069,038	12,509,399	2,359,519	9,507,682
Impairment losses on financial assets	509,098	2,075,083	191,090	769,997
Unrealised exchange losses on investment securities	48,322	196,960	-	-
Unrealised exchange gains on borrowings and debt securities	(140,724)	(573,591)	-	-
Interest income	(33,125,714)	(135,020,410)	(28,787,660)	(115,999,876)
Interest expense	13,135,792	53,541,488	9,813,397	39,543,083
<i>Changes in working capital:</i>				
Reserve requirement with the central bank	28,810,396	117,431,174	(19,458,720)	(78,408,912)
Loans to customers	(39,316,173)	(160,252,721)	(51,062,656)	(205,756,972)
Other assets	(602,264)	(2,454,828)	(804,430)	(3,241,451)
Deposits from other banks	39,808,042	162,257,579	37,778,420	152,228,143
Deposit from non-bank customers	277,158	1,129,696	(30,442,551)	(122,668,259)
Other liabilities	67,423	274,816	976,755	3,935,834
Cash generated from/(used in) operations	22,964,187	93,602,026	(67,779,761)	(273,118,547)
Interest received	32,418,981	132,139,767	27,984,266	112,762,600
Interest paid	(12,068,975)	(49,193,142)	(9,979,681)	(40,213,125)
Income tax paid	(4,568,983)	(18,623,175)	(3,761,688)	(15,157,723)
<b>Net cash generated from/(used in) operating activities</b>	<b>38,745,210</b>	<b>157,925,476</b>	<b>(53,536,864)</b>	<b>(215,726,795)</b>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(1,292,821)	(5,269,538)	(1,775,147)	(7,152,955)
Purchases of intangible assets	(1,118,071)	(4,557,257)	(2,053,416)	(8,274,240)
Payment for acquisition of investment securities	-	-	(2,939,981)	(11,846,653)
Placements of Negotiable Certificate of Deposits with the central bank	6,970,000	28,409,720	-	-
Balances with other banks and financial institutions	(40,500,535)	(165,080,181)	6,539,900	26,352,527
<b>Net cash used in investing activities</b>	<b>(35,941,427)</b>	<b>(146,497,256)</b>	<b>(228,644)</b>	<b>(921,321)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(1,000,000)	(4,076,000)	-	-
Proceeds from borrowings	17,664,377	72,000,001	12,239,640	49,319,629
Repayment of borrowings	(22,080,471)	(90,000,000)	-	-
Proceeds from issuance of debt securities	9,809,933	39,985,287	-	-
Principal elements of lease payments	(1,011,517)	(4,122,943)	(732,161)	(2,950,243)
<b>Net cash generated from financing activities</b>	<b>3,382,322</b>	<b>13,786,345</b>	<b>11,507,479</b>	<b>46,369,386</b>
Net increase/(decrease) in cash and cash equivalents	6,186,105	25,214,565	(42,258,029)	(170,278,730)
Cash and cash equivalents at beginning of period	98,262,036	400,417,797	101,559,780	408,067,196
Currency translation differences	-	1,873,879	-	3,332,454
Cash and cash equivalents at end of period	<b>104,448,141</b>	<b>427,506,241</b>	<b>59,301,751</b>	<b>241,120,920</b>

**Non-cash investing activities**

Retained earnings amounting to US\$12,000,000 of the Bank was converted to be share capital during the period (see note 9).

Negotiable Certificate of Deposits of US\$13,700,000 (2019: nil) was rolled over from the year ended 31 December 2019.

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.



**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	Notes	30 June 2020		31 December 2019	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand		38,374,579	157,067,152	35,393,946	144,230,330
Balances with the central bank		71,590,166	293,018,549	93,903,019	382,654,802
Balances with other banks and financial institutions		96,195,926	393,729,925	36,800,649	149,962,645
Statutory deposits with the central bank		54,191,628	221,806,333	83,033,615	338,361,982
Loans to customers	6	694,187,698	2,841,310,248	654,986,167	2,669,068,631
Investment securities		3,129,058	12,807,234	3,178,194	12,951,141
Investment in subsidiary		490,000	2,005,570	490,000	1,996,750
Intangible assets		8,606,907	35,228,070	8,451,311	34,439,092
Property and equipment		9,100,666	37,249,026	9,250,510	37,695,828
Right of use assets	7	18,810,883	76,992,944	11,874,357	48,388,005
Deferred tax assets		-	-	602,239	2,454,124
Other assets		4,885,983	19,998,326	4,281,128	17,445,597
<b>TOTAL ASSETS</b>		<b>999,563,494</b>	<b>4,091,213,377</b>	<b>942,245,135</b>	<b>3,839,648,927</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from other banks		103,744,508	424,626,271	64,182,658	261,544,332
Deposits from non-bank customers		647,662,920	2,650,884,332	646,314,238	2,633,730,520
Current income tax liabilities		1,586,819	6,494,850	4,414,012	17,987,099
Deferred tax liabilities		158,655	649,375	-	-
Borrowings		47,770,976	195,526,605	52,198,004	212,706,866
Subordinated debts		19,996,809	81,846,939	20,037,128	81,651,297
Debt securities issued	8	9,878,595	40,433,089	-	-
Lease liabilities	7	19,161,884	78,429,591	13,112,451	53,433,238
Employee benefit obligations		302,243	1,237,081	302,243	1,231,640
Other liabilities		2,704,847	11,070,935	3,576,592	14,574,613
<b>TOTAL LIABILITIES</b>		<b>852,968,256</b>	<b>3,491,199,068</b>	<b>804,137,326</b>	<b>3,276,859,605</b>
<b>EQUITY</b>					
Share capital	9	92,000,000	376,556,000	80,000,000	326,000,000
Regulatory reserve		11,086,973	46,744,653	8,314,820	35,445,357
Retained earnings	9	43,508,265	175,727,430	49,792,989	201,343,965
Other reserves		-	986,226	-	-
<b>TOTAL EQUITY</b>		<b>146,595,238</b>	<b>600,014,309</b>	<b>138,107,809</b>	<b>562,789,322</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>999,563,494</b>	<b>4,091,213,377</b>	<b>942,245,135</b>	<b>3,839,648,927</b>

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020

Notes	For the three-month period ended				For the six-month period ended			
	30 June 2020		30 June 2019		30 June 2020		30 June 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>
Interest income	16,921,467	69,158,036	15,297,864	62,002,243	33,357,912	135,966,849	29,048,300	117,050,125
Interest expense	(7,182,175)	(29,353,549)	(4,946,120)	(20,046,624)	(13,489,419)	(54,982,872)	(9,924,654)	(39,991,393)
<b>Net interest income</b>	<b>9,739,292</b>	<b>39,804,487</b>	<b>10,351,744</b>	<b>41,955,619</b>	<b>19,868,493</b>	<b>80,983,977</b>	<b>19,123,646</b>	<b>77,058,732</b>
Fees and commission income	1,225,262	5,007,646	609,156	2,468,909	1,883,751	7,678,169	1,395,374	5,622,660
Fees and commission expense	(279,764)	(1,143,395)	(118,826)	(481,602)	(596,675)	(2,432,047)	(222,221)	(895,440)
<b>Net fees and commission income</b>	<b>945,498</b>	<b>3,864,251</b>	<b>490,330</b>	<b>1,987,307</b>	<b>1,287,076</b>	<b>5,246,122</b>	<b>1,173,153</b>	<b>4,727,220</b>
Impairment losses on financial assets	10 (270,808)	(1,106,792)	(479,467)	(1,943,280)	(510,418)	(2,080,464)	(191,142)	(770,207)
Other gains/(losses) - net	435,830	1,781,237	(128,358)	(520,235)	756,246	3,082,459	(75,758)	(305,267)
Other operating income	9,922	40,551	6,717	27,224	20,418	83,224	123,681	498,373
<b>Net other operating income/(loss)</b>	<b>174,944</b>	<b>714,996</b>	<b>(601,108)</b>	<b>(2,436,291)</b>	<b>266,246</b>	<b>1,085,219</b>	<b>(143,219)</b>	<b>(577,101)</b>
Personnel expenses	(1,822,241)	(7,447,499)	(1,807,636)	(7,326,349)	(3,956,023)	(16,124,750)	(3,380,589)	(13,622,083)
Depreciation and amortisation	(1,512,764)	(6,182,666)	(1,338,975)	(5,426,866)	(3,374,237)	(13,753,390)	(2,546,672)	(10,261,815)
General and administrative expenses	(1,698,166)	(6,940,404)	(1,357,953)	(5,503,784)	(3,106,358)	(12,661,515)	(2,567,781)	(10,346,874)
<b>Profit before income tax</b>	<b>5,826,563</b>	<b>23,813,165</b>	<b>5,736,402</b>	<b>23,249,636</b>	<b>10,985,197</b>	<b>44,775,663</b>	<b>11,658,538</b>	<b>46,978,079</b>
Income tax expense	(1,297,785)	(5,304,047)	(1,436,790)	(5,823,310)	(2,497,768)	(10,180,902)	(2,682,033)	(10,807,252)
<b>Profit for the period</b>	<b>4,528,778</b>	<b>18,509,118</b>	<b>4,299,612</b>	<b>17,426,326</b>	<b>8,487,429</b>	<b>34,594,761</b>	<b>8,976,505</b>	<b>36,170,827</b>
<b>Other comprehensive income</b>								
<i>Items that will not be reclassified to profit or loss</i>								
Currency translation difference	-	1,253,014	-	2,458,159	-	986,226	-	1,618,361
	-	1,253,014	-	2,458,159	-	986,226	-	1,618,361
<b>Total comprehensive income for the period</b>	<b>4,528,778</b>	<b>19,762,132</b>	<b>4,299,612</b>	<b>19,884,485</b>	<b>8,487,429</b>	<b>35,580,987</b>	<b>8,976,505</b>	<b>37,789,188</b>
<b>Profit attributable to owners of the Bank</b>	<b>4,528,778</b>	<b>18,509,118</b>	<b>4,299,612</b>	<b>17,426,326</b>	<b>8,487,429</b>	<b>34,594,761</b>	<b>8,976,505</b>	<b>36,170,827</b>
<b>Total comprehensive income attributable to owners of the Bank</b>	<b>4,528,778</b>	<b>19,762,132</b>	<b>4,299,612</b>	<b>19,884,485</b>	<b>8,487,429</b>	<b>35,580,987</b>	<b>8,976,505</b>	<b>37,789,188</b>

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

	Attributable to owners of the Bank									
	Share capital		Regulatory reserve		Retained earnings		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Balance at 1 January 2019</b>	80,000,000	321,440,000	8,263,044	33,200,911	34,062,017	137,602,068	-	-	122,325,061	492,242,979
Profit for the period	-	-	-	-	8,976,505	36,170,827	-	-	8,976,505	36,170,827
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,618,361	-	1,618,361
<b>Total comprehensive income for the period</b>	-	-	-	-	8,976,505	36,170,827	-	1,618,361	8,976,505	37,789,188
<b>Transactions with owners in their capacity as owners:</b>										
Transfers from retained earnings to regulatory reserve	-	-	138,034	556,277	(138,034)	(556,277)	-	-	-	-
Currency translation differences	-	3,840,000	-	-	-	-	-	-	-	3,840,000
<b>Total transactions with owners</b>	-	3,840,000	138,034	556,277	(138,034)	(556,277)	-	-	-	3,840,000
<b>Balance at 30 June 2019 (un-reviewed)</b>	<b>80,000,000</b>	<b>325,280,000</b>	<b>8,401,078</b>	<b>33,757,188</b>	<b>42,900,488</b>	<b>173,216,618</b>	<b>-</b>	<b>1,618,361</b>	<b>131,301,566</b>	<b>533,872,167</b>
<b>Balance at 1 January 2020</b>	80,000,000	326,000,000	8,314,820	35,445,357	49,792,989	201,343,965	-	-	138,107,809	562,789,322
Profit for the period	-	-	-	-	8,487,429	34,594,761	-	-	8,487,429	34,594,761
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	986,226	-	986,226
<b>Total comprehensive income for the period</b>	-	-	-	-	8,487,429	34,594,761	-	986,226	8,487,429	35,580,987
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 9)	12,000,000	48,912,000	-	-	(12,000,000)	(48,912,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	2,772,153	11,299,296	(2,772,153)	(11,299,296)	-	-	-	-
Currency translation difference	-	1,644,000	-	-	-	-	-	-	-	1,644,000
<b>Total transactions with owners</b>	<b>12,000,000</b>	<b>50,556,000</b>	<b>2,772,153</b>	<b>11,299,296</b>	<b>(14,772,153)</b>	<b>(60,211,296)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,644,000</b>
<b>Balance at 30 June 2020</b>	<b>92,000,000</b>	<b>376,556,000</b>	<b>11,086,973</b>	<b>46,744,653</b>	<b>43,508,265</b>	<b>175,727,430</b>	<b>-</b>	<b>986,226</b>	<b>146,595,238</b>	<b>600,014,309</b>

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED SEPARATE STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

	For the six-month period ended			
	30 June 2020		30 June 2019	
	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<b>Cash flows from operating activities</b>				
Profit before income tax	10,985,197	44,775,663	11,658,538	46,978,079
<i>Adjustments for:</i>				
Provision for employee benefit obligations	-	-	37,331	150,425
Depreciation and amortisation	3,374,237	13,753,390	2,546,672	10,261,815
Impairment losses on financial assets	510,418	2,080,464	191,142	770,207
Unrealised exchange losses on investment securities	48,322	196,960	-	-
Unrealised exchange gains on borrowings and debt securities	(140,724)	(573,591)	-	-
Other gains - net	(678,465)	(2,765,423)	-	-
Interest income	(33,357,912)	(135,966,849)	(29,048,300)	(117,050,125)
Interest expense	13,489,419	54,982,872	9,924,654	39,991,393
<i>Changes in working capital:</i>				
Placements of reserve requirement with the central bank	28,810,396	117,431,174	(19,458,720)	(78,408,912)
Loans to customers	(39,316,173)	(160,252,721)	(51,062,602)	(205,756,755)
Other assets	(604,856)	(2,465,393)	(801,747)	(3,230,640)
Deposits from other banks	39,808,042	162,257,579	37,778,420	152,228,143
Deposits from non-bank customers	193,806	789,953	(30,611,320)	(123,348,314)
Other liabilities	125,200	510,315	978,092	3,941,222
Cash generated from/(used in) operations	23,246,907	94,754,393	(67,867,840)	(273,473,462)
Interest received	32,651,179	133,086,206	28,234,141	113,769,471
Interest paid	(12,422,602)	(50,634,526)	(10,090,938)	(40,661,435)
Income tax paid	(4,564,067)	(18,603,137)	(3,761,688)	(15,157,722)
<b>Net cash generated from/(used in) operating activities</b>	<b>38,911,417</b>	<b>158,602,936</b>	<b>(53,486,325)</b>	<b>(215,523,148)</b>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(1,292,821)	(5,269,538)	(1,775,147)	(7,152,955)
Purchases of intangible assets	(1,118,071)	(4,557,257)	(2,053,416)	(8,274,240)
Payment for acquisition of investment securities	-	-	(2,939,981)	(11,846,653)
Placements of Negotiable Certificate of Deposits with the central bank	6,970,000	28,409,720	-	-
Balances with other banks and financial institutions	(40,500,535)	(165,080,181)	6,539,900	26,352,527
<b>Net cash used in investing activities</b>	<b>(35,941,427)</b>	<b>(146,497,256)</b>	<b>(228,644)</b>	<b>(921,321)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(1,000,000)	(4,076,000)	-	-
Proceeds from borrowings	17,664,377	72,000,001	12,239,640	49,319,629
Repayments of borrowings	(22,080,471)	(90,000,000)	-	-
Proceeds from issuance of debt securities	9,809,933	39,985,287	-	-
Principal elements of lease payments	(1,177,724)	(4,800,403)	(782,700)	(3,153,890)
<b>Net cash generated from financing activities</b>	<b>3,216,115</b>	<b>13,108,885</b>	<b>11,456,940</b>	<b>46,165,739</b>
Net increase/(decrease) in cash and cash equivalents	6,186,105	25,214,565	(42,258,029)	(170,278,730)
Cash and cash equivalents at beginning of period	98,262,036	400,417,797	101,559,780	408,067,196
Currency translation differences	-	1,873,879	-	3,332,454
Cash and cash equivalents at end of period	<b>104,448,141</b>	<b>427,506,241</b>	<b>59,301,751</b>	<b>241,120,920</b>

**Non-cash from investing activities**

Retained earnings amounting to US\$12,000,000 of the Bank was converted to be share capital during the period (see note 9).

Negotiable Certificate of Deposits of US\$13,700,000 (2019: nil) was rolled over from the year ended 31 December 2019.

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

## **PHNOM PENH COMMERCIAL BANK PLC.**

### **NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

#### **1. GENERAL INFORMATION**

Phnom Penh Commercial Bank Plc. (the 'Bank') was registered with the Ministry of Commerce as a public limited liability company under the registration number 00015794, dated 20 May 2008 and obtained a licence from the National Bank of Cambodia (the 'NBC') to carry out banking operations effective from 27 August 2008. The Bank officially commenced its operations on 1 September 2008.

The principal activity of the Bank is the provision of all aspects of banking business and related financial services in the Kingdom of Cambodia. As at 30 June 2020, the Bank has a head office and fourteen branches in Phnom Penh and seven branches in Siem Reap, Battambang, Sihanoukville, Kampong Cham, Kampong Thom, Kandal and Kampot provinces.

Star & Crane Cam Co., Ltd. (the 'Subsidiary') is a private limited company, which was registered with the Ministry of Commerce under the registration number 00013276, dated 28 August 2014. On 29 April 2020, the Subsidiary has obtained an approval from Ministry of Commerce on changing its legal name from Star & Crane Cam Co., Ltd. to J&A (Cambodia) Investment Co., Ltd. The principal activities of the subsidiary are buying, selling, renting and operating self-owned or leased real estate and development of building projects for the business operations of the Group.

The registered office of the Bank and its subsidiary (the 'Group') are located at No. 217, Norodom Boulevard (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Kingdom of Cambodia.

The condensed consolidated and separate interim financial information was authorised for issue by the Board of Directors on 31 July 2020.

The condensed consolidated and separate interim financial information has been reviewed, not audited.

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

This condensed consolidated and separate interim financial information for the six-month period ended 30 June 2020 has been prepared in accordance with Cambodian International Accounting Standard (CIAS) 34 "Interim Financial Reporting".

The condensed consolidated and separate interim financial information does not include all the notes of the type normally included in the annual audited consolidated and separate financial statements. Accordingly, this report is to be read in conjunction with the annual audited consolidated and separate financial statements for the year ended 31 December 2019, which have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The comparative information for the condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, condensed consolidated and separate statements of changes in equity and cash flows for the six-month periods then ended, and related explanatory notes for the three-month and six-month periods ended 30 June 2019 has not been audited or reviewed.

#### **New and amended standards adopted by the Group and the Bank**

A number of new or amended standards became applicable for the current reporting period. The Group and the Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

**PHNOM PENH COMMERCIAL BANK PLC.**

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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

**New and amended standards adopted by the Group and the Bank (continued)**

*COVID-19 Related Rent Concessions – Amendments to CIFRS 16*

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to CIFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The Bank does not have any rent concession during the period so the amendment has no impact on the condensed consolidated and separate interim financial information.

**Presentation in Khmer Riel (KHR)**

In compliance with the Law on Accounting and Auditing, the condensed consolidated financial information of the Group and condensed separate financial information of the Bank shall be expressed in Khmer Riel. The condensed consolidated and separate statements of profit or loss and other comprehensive income and cash flows are translated into Khmer Riel using the average rates for the period. Assets and liabilities for condensed consolidated and separate statements of financial position presented are translated at the closing rates as of the reporting date. Resulting exchange difference arising from the translation of shareholders' capital is recognised directly in equity; all other resulting exchange differences are recognised in the other comprehensive income.

As at the reporting date, the average rates and closing rates are based on the following exchange rates per \$1:

	<b>For the three-month period ended</b>		<b>For the six-month period ended</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Average rate	KHR 4,087	KHR 4,053	KHR 4,076	KHR 4,030
			<b>30 June 2020</b>	<b>31 December 2019</b>
Closing rate			KHR 4,093	KHR 4,075

**3. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD**

The financial position and performance of the Group and the Bank was particularly affected by the following events and transactions during the six-month period to 30 June 2020:

*The COVID-19 Outbreak*

The novel coronavirus (COVID-19) declared as pandemic has spread into Cambodia since late January 2020. Since then, the country is facing sustained risk of further national spread causing disruption to business and economic activities. However, management considers that Group and the Bank's activities may be slow in this short period but would not lead to a going concern issue given the size of the operations, current profitability level and liquidity headroom of the Group and the Bank.

## PHNOM PENH COMMERCIAL BANK PLC.

### NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

#### 3. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD (continued)

##### *The lease modification*

On 10 March 2020, J&A (Cambodia) Investment Co., Ltd. (the 'Subsidiary'), as a lessor, amended the rental agreement with the Bank, as a lessee, to increase the rental fees for the remaining lease periods. The Bank has to remeasure the lease liability and corresponding right-of-use asset at the effective date of the modification on 1 May 2020 (see note 7).

##### *The bond issuance*

During the period, the Bank successfully listed its corporate bonds on the CSX amounting to KHR40,000 million during the first phase of its bond issuance process, which was fully subscribed (see note 8). The Bank plans to raise another KHR40,000 million corporate bonds in its second phase in the next six months.

##### *The conversion of retained earnings to share capital*

On 18 May 2020, the Bank transferred its retained earnings amounting to US\$12,000,000 to be its share capital, which was approved by the central bank on 30 June 2020 (see note 9).

#### 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Bank make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period are outlined below:

The Bank assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from credit commitments (including overdraft and revolving facilities) and financial guarantee contracts. The measurement of ECL allowance reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Management noted the impact of COVID-19 outbreak on its assessment of the ECL allowance on its financial assets including the restructured loans resulted from impact of COVID-19 outbreak, but management believes that the outbreak has no significant impact on the allowance and thus no specific adjustment due to the impact of the outbreak was made to the allowance for the reporting period because it expects that the outbreak will last for a short period of time and there is no indication of significant impact on the ECL allowance of the financial assets up to the reporting date.

The other significant estimates, assumptions and judgements made by management in applying the Group and the Bank's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual audited consolidated and separate financial statements for the year ended 31 December 2019.

#### 5. SEGMENT AND REVENUE INFORMATION

The Group and the Bank has only one reportable segment, namely, interest income. The chief operating decision-maker ("the management team") reviews the internal management report, which reports the performances of the interest income segment as a whole, to assess performance and allocate resources. The management team also reviews profit before tax and net profit as a whole compared to prior periods.

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

6. LOANS TO CUSTOMERS

(a) Details of loans to customers:

	Consolidated financial information				Separate financial information			
	30 June 2020		31 December 2019		30 June 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Loans to customers at amortised costs	689,091,254	2,820,450,503	649,771,449	2,647,818,655	695,323,679	2,845,959,818	656,003,874	2,673,215,787
Less: Allowance for expected credit loss	(1,134,570)	(4,643,795)	(1,017,616)	(4,146,786)	(1,135,981)	(4,649,570)	(1,017,707)	(4,147,156)
<b>Net loans to customers</b>	<b>687,956,684</b>	<b>2,815,806,708</b>	<b>648,753,833</b>	<b>2,643,671,869</b>	<b>694,187,698</b>	<b>2,841,310,248</b>	<b>654,986,167</b>	<b>2,669,068,631</b>

(b) Allowance for expected credit loss

	Consolidated financial information				Separate financial information			
	30 June 2020		31 December 2019		30 June 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	257,183	1,052,650	28,706	116,977	258,594	1,058,425	28,797	117,347
Lifetime ECL - not credit impaired (Stage 2)	74,494	304,904	5,754	23,448	74,494	304,904	5,754	23,448
Lifetime ECL - credit impaired (Stage 3)	802,893	3,286,241	983,156	4,006,361	802,893	3,286,241	983,156	4,006,361
	<b>1,134,570</b>	<b>4,643,795</b>	<b>1,017,616</b>	<b>4,146,786</b>	<b>1,135,981</b>	<b>4,649,570</b>	<b>1,017,707</b>	<b>4,147,156</b>



**PHNOM PENH COMMERCIAL BANK PLC.**

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**7. LEASES**

This note provides information for leases where the Bank is a lessee.

The Group and the Bank leases various buildings for its head office and branch operations. Rental contracts are typically made for fixed periods of 1 to 20 years.

On 10 March 2020, J&A (Cambodia) Investment Co., Ltd. (the 'Subsidiary'), as a lessor, amended its lease agreement with the Bank, as a lessee, to increase the rental fees price as follows:

- From US\$ 40,000 to US\$ 69,000 per month from 1 May 2020 to 31 December 2025; and
- From US\$ 69,000 to US\$ 80,000 from 1 January 2026 to 31 December 2034.

The Bank has to remeasure the lease liability and corresponding right-of-use asset at the effective date of the modification, which was on 1 May 2020, using a revised discount rate.

For the separate interim financial information, the modification increases the carrying amount of right-of-use asset by US\$4,784,901 and lease liabilities by US\$4,106,436 to reflect the amendment of the lease.

**(i) Amounts recognised in the statement of financial position**

	<b>Consolidated financial information</b>				<b>Separate financial information</b>			
	<b>30 June 2020</b>		<b>31 December 2019</b>		<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Right-of-use assets (Non-current)</i>								
Office space	8,095,643	33,135,467	5,731,519	23,355,940	18,365,608	75,170,434	11,527,841	46,975,952
ATM space	165,767	678,484	69,314	282,455	165,767	678,484	69,314	282,455
Billboard	89,229	365,214	37,428	152,519	89,229	365,214	37,428	152,519
Generator	91,803	375,750	116,341	474,090	91,803	375,750	116,341	474,090
Vehicle	98,476	403,062	123,433	502,989	98,476	403,062	123,433	502,989
	<u>8,540,918</u>	<u>34,957,977</u>	<u>6,078,035</u>	<u>24,767,993</u>	<u>18,810,883</u>	<u>76,992,944</u>	<u>11,874,357</u>	<u>48,388,005</u>
<i>Lease liabilities</i>								
Current	2,102,609	8,605,979	1,710,936	6,972,066	2,102,609	8,605,978	2,190,936	8,928,066
Non-current	6,750,337	27,629,129	5,032,805	20,508,679	17,059,275	69,823,613	10,921,515	44,505,172
	<u>8,852,946</u>	<u>36,235,108</u>	<u>6,743,741</u>	<u>27,480,745</u>	<u>19,161,884</u>	<u>78,429,591</u>	<u>13,112,451</u>	<u>53,433,238</u>

Right-of-use assets' additions for the Group and the Bank during the period were US\$ 3,336,962 (2019: US\$ 1,392,773).

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**7. LEASES (continued)**

**(ii) Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amounts relating to leases:

	<b>Consolidated financial information</b>							
	<b>For the three-month period ended</b>				<b>For the six-month period ended</b>			
	<b>30 June 2020</b>		<b>30 June 2019</b>		<b>30 June 2020</b>		<b>30 June 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
		<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>	
<i>Depreciation of right-of-use assets</i>								
Office space	300,685	1,225,592	258,022	1,039,700	453,120	1,846,917	565,343	2,278,050
ATM space	29,981	122,201	17,127	69,013	17,265	70,372	38,238	154,080
Billboard	32,121	130,925	41,139	165,770	82,631	336,804	89,323	359,927
Generator	32,127	130,950	28,719	115,723	59,773	243,635	57,438	231,446
Vehicle	35,142	143,239	32,322	130,241	45,049	183,620	64,644	260,483
	<u>430,056</u>	<u>1,752,907</u>	<u>377,329</u>	<u>1,520,447</u>	<u>657,838</u>	<u>2,681,348</u>	<u>814,986</u>	<u>3,283,986</u>
Interest expense	68,346	278,580	47,478	191,313	159,516	650,187	110,537	445,409
Expense relating to leases of low-value assets (included in operating expenses)	<u>20,053</u>	<u>81,736</u>	<u>56,215</u>	<u>226,520</u>	<u>43,230</u>	<u>176,205</u>	<u>89,318</u>	<u>359,906</u>
<b>Total expenses related to leases</b>	<u><b>88,399</b></u>	<u><b>360,316</b></u>	<u><b>103,693</b></u>	<u><b>417,833</b></u>	<u><b>202,746</b></u>	<u><b>826,392</b></u>	<u><b>199,855</b></u>	<u><b>805,315</b></u>

The total cash outflow for leases for the period ended 30 June 2020 was US\$1,171,033 (30 June 2019: US\$953,955).

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7. LEASES (continued)

(ii) Amounts recognised in the statement of profit or loss (continued)

	Separate financial information								
	For the three-month period ended				For the six-month period ended				
	30 June 2020		30 June 2019		30 June 2020		30 June 2019		
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
		<i>Un-reviewed</i>		<i>Un-reviewed</i>		<i>Un-reviewed</i>		<i>Un-reviewed</i>	
<i>Depreciation of right-of-use assets</i>									
Office space	557,200	2,271,147	395,497	1,593,655	764,378	3,115,605	758,555	3,056,597	
ATM space	29,981	122,201	17,127	69,013	17,265	70,372	38,238	154,080	
Billboard	32,121	130,925	41,139	165,770	82,631	336,804	89,323	359,927	
Generator	32,127	130,950	28,719	115,723	59,773	243,635	57,438	231,446	
Vehicle	35,142	143,239	32,322	130,241	45,049	183,620	64,644	260,483	
	<u>686,571</u>	<u>2,798,462</u>	<u>514,804</u>	<u>2,074,402</u>	<u>969,096</u>	<u>3,950,036</u>	<u>1,008,198</u>	<u>4,062,533</u>	
Interest expense	145,395	592,632	102,278	412,129	159,516	650,187	221,794	893,719	
Expense relating to leases of low-value assets (included in operating expenses)	<u>20,053</u>	<u>81,736</u>	<u>56,215</u>	<u>226,520</u>	<u>43,230</u>	<u>176,205</u>	<u>89,318</u>	<u>359,906</u>	
Total expenses related to leases	<u>165,448</u>	<u>674,368</u>	<u>158,493</u>	<u>638,649</u>	<u>202,746</u>	<u>826,392</u>	<u>311,112</u>	<u>1,253,625</u>	

The total cash outflow for leases for the period ended 30 June 2020 was US\$1,337,240 (30 June 2019: US\$1,004,494).

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**8. DEBT SECURITIES ISSUED**

In 2019, the Bank requested the Cambodia Securities Exchange (CSX) and Securities and Exchange Commission of Cambodia (SECC) to list its corporate bonds on the CSX. The request was approved in principle by CSX on 25 December 2019. On 10 April 2020, the Bank obtained the final approval from SECC to list its corporate bonds on the CSX. The Company issued its bond securities on 13 April 2020 with a par value of KHR100,000 totaling to KHR40,000 million with maturity of three-year period, which was fully subscribed. The bond is classified as foreign exchange-indexed bond with coupon rate of 6.5% per annum with the interest to be paid semi-annually.

	<b>Consolidated financial information</b>				<b>Separate financial information</b>			
	<b>30 June 2020</b>		<b>31 December 2019</b>		<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Current	143,866	588,843	-	-	143,866	588,843	-	-
Non-current	9,734,729	39,844,246	-	-	9,734,729	39,844,246	-	-
	<u>9,878,595</u>	<u>40,433,089</u>	<u>-</u>	<u>-</u>	<u>9,878,595</u>	<u>40,433,089</u>	<u>-</u>	<u>-</u>
	<b>Consolidated financial information</b>				<b>Separate financial information</b>			
	<b>30 June 2020</b>		<b>31 December 2019</b>		<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Principal amount	9,734,729	39,844,246	-	-	9,734,729	39,844,246	-	-
Interest payables	143,866	588,843	-	-	143,866	588,843	-	-
	<u>9,878,595</u>	<u>40,433,089</u>	<u>-</u>	<u>-</u>	<u>9,878,595</u>	<u>40,433,089</u>	<u>-</u>	<u>-</u>

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**9. SHARE CAPITAL**

On 18 May 2020, the Bank requested the central bank to increase its share capital from US\$80,000,000 to US\$92,000,000 by converting its retained earnings of US\$12,000,000 to the share capital, which was approved by the central bank on 30 June 2020.

	Consolidated financial information				Separate financial information			
	30 June 2020		31 December 2019		30 June 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At beginning of the period	80,000,000	326,000,000	80,000,000	321,440,000	80,000,000	326,000,000	80,000,000	321,440,000
Conversion of retained earnings to share capital	12,000,000	48,912,000	-	-	12,000,000	48,912,000	-	-
Currency translation differences	-	1,644,000	-	4,560,000	-	1,644,000	-	4,560,000
At end of the period	<u>92,000,000</u>	<u>376,556,000</u>	<u>80,000,000</u>	<u>326,000,000</u>	<u>92,000,000</u>	<u>376,556,000</u>	<u>80,000,000</u>	<u>326,000,000</u>

	30 June 2020			31 December 2019		
	Number of shares	%	US\$	Number of shares	%	US\$
<b>Shareholders:</b>						
Jeonbuk Bank Co., Ltd	46,000	50%	46,000,000	40,000	50%	40,000,000
Apro Financial Co., Ltd	36,800	40%	36,800,000	32,000	40%	32,000,000
JB Woori Capital Co., Ltd	9,200	10%	9,200,000	8,000	10%	8,000,000
			<u>92,000,000</u>			<u>80,000,000</u>
<i>In KHR'000 equivalent</i>			<u>376,556,000</u>			<u>326,000,000</u>

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NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
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10. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Consolidated financial information								
	For the three-month period ended				For the six-month period ended				
	30 June 2020		30 June 2019		30 June 2020		30 June 2019		
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
		<i>Un-reviewed</i>		<i>Un-reviewed</i>		<i>Un-reviewed</i>		<i>Un-reviewed</i>	
<i>Expected Credit Loss (ECL):</i>									
Loans to customers	267,057	1,091,462	473,765	1,920,169	506,043	2,062,631	190,712	768,474	
Off-balance sheet financial commitments	2,714	11,092	5,614	22,754	3,055	12,452	378	1,523	
	<u>269,771</u>	<u>1,102,554</u>	<u>479,379</u>	<u>1,942,923</u>	<u>509,098</u>	<u>2,075,083</u>	<u>191,090</u>	<u>769,997</u>	
	Separate financial information								
	For the three-month period ended				For the six-month period ended				
	30 June 2020		30 June 2019		30 June 2020		30 June 2019		
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
			<i>Un-reviewed</i>		<i>Un-reviewed</i>		<i>Un-reviewed</i>		<i>Un-reviewed</i>
<i>Expected Credit Loss (ECL):</i>									
Loans to customers	268,094	1,095,700	473,801	1,920,315	507,363	2,068,012	190,712	768,474	
Off-balance sheet financial commitments	2,714	11,092	5,666	22,965	3,055	12,452	430	1,733	
	<u>270,808</u>	<u>1,106,792</u>	<u>479,467</u>	<u>1,943,280</u>	<u>510,418</u>	<u>2,080,464</u>	<u>191,142</u>	<u>770,207</u>	

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
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11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group and the Bank in determining the fair values of the financial instruments since the last annual audited financial statements.

a. Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group and the Bank classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group and the Bank's financial assets measured and recognised at fair value at 30 June 2020 and 31 December 2019 on a recurring basis:

As at 30 June 2020	Consolidated financial information			
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	161,112	-	21,818	182,930
<b>Total financial assets</b>	<b>161,112</b>	<b>-</b>	<b>21,818</b>	<b>182,930</b>
<i>In KHR'000 equivalent</i>	<u>659,431</u>	<u>-</u>	<u>89,301</u>	<u>748,732</u>
<b>As at 31 December 2019</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	181,919	-	21,818	203,737
<b>Total financial assets</b>	<b>181,919</b>	<b>-</b>	<b>21,818</b>	<b>203,737</b>
<i>In KHR'000 equivalent</i>	<u>830,230</u>	<u>-</u>	<u>88,908</u>	<u>919,138</u>

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11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

a. Fair value hierarchy (continued)

	Separate financial information			Total US\$
	Level 1 US\$	Level 2 US\$	Level 3 US\$	
<b>As at 30 June 2020</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	161,112	-	21,818	182,930
<b>Total financial assets</b>	<b>161,112</b>	<b>-</b>	<b>21,818</b>	<b>182,930</b>
<i>In KHR'000 equivalent</i>	<u>659,431</u>	<u>-</u>	<u>89,301</u>	<u>748,732</u>
<b>As at 31 December 2019</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	181,919	-	21,818	203,737
<b>Total financial assets</b>	<b>181,919</b>	<b>-</b>	<b>21,818</b>	<b>203,737</b>
<i>In KHR'000 equivalent</i>	<u>830,230</u>	<u>-</u>	<u>88,908</u>	<u>919,138</u>

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Bank is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

b. Valuation techniques used to determine fair values

Valuation techniques used to value financial instruments include the use of quoted market prices available on the Cambodian Securities Exchange (CSX).



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**11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

**c. Fair value measurements using significant unobservable inputs (level 3)**

The unlisted equity securities are the investment in Credit Bureau Cambodia (“CBC”) to be measured at fair value through other comprehensive income as they are not held for trading and the Company has irrevocably elected at initial recognition to recognise as the financial assets at FVOCI. These are the strategic investments and the Company considers this classification to be more relevant.

The fair value has been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk. There is no gain/loss recognised in other comprehensive income due to fair value approximate the carrying amount. There is no loss allowance for this FVOCI at 30 June 2020.

**d. Financial instruments not measured at fair value**

As at the balance sheet date, the fair values of financial instruments of the Group and the Bank approximate their carrying amounts.

The estimated fair values are based on the following methodologies and assumptions:

(i) Deposits and placements with the central bank and other banks

The carrying amounts of deposits and placements with the central bank and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

(ii) Loans to customers

For fixed rate loans with remaining period to maturity of less than one year, the carrying amounts are generally reasonable estimates of their fair values.

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different to the contractual lending rates. As a result, the fair value of non-current loan and advances to customers might approximate to their carrying value as reporting date.

(iii) Deposits from customers

The fair value of deposits from customers with maturities of less than one year approximate their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offered similar interest rate of the instrument with similar maturities and terms.

The estimated fair value of deposits with no stated maturities, which includes non-interest bearing deposits, deposits payable on demand is the amount payable at the reporting date.

(iv) Other financial assets and other financial liabilities

The carrying amounts of other financial assets and other financial liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

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**11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

**d. Financial instruments not measured at fair value (continued)**

(v) Borrowings and subordinated debts

Borrowings and subordinated debts are not quoted in active market and their fair value approximates their carrying amount.

(vi) Debt securities

The estimated fair value of debt securities is generally based on quoted and observable market prices at the date of statement of financial position. They are not actively traded. The estimated fair values of debt securities approximate their carrying values based on estimated future cash flows using prevailing market rates.