



The Fourth Quarterly Report

(31 December 2021)

Phnom Penh Commercial Bank Plc.

Financial Highlights

Financial Situation (in KHR million)	Quarter 4 2021	2020
Total Assets	4,015,041	4,179,286
Total Liabilities	3,306,817	3,549,733
Total Equity	708,224	629,553
Financial Results (in KHR million)	Quarter 4 2021	Quarter 4 2020
Total income	79,306	79,623
Profit (Loss) before tax	29,414	23,450
Profit (Loss) after tax	23,447	20,257
Total comprehensive income	23,146	16,872
Financial ratio (%)	Quarter 4 2021	2020
Solvency Ratio ❶	19.19	17.30
Debt to Equity Ratio	466.92	563.85
Liquidity Coverage Ratio ❶	125.46	123.59
Non-performing Credit Ratio ❷	2.10	1.04
Loan to Deposit Ratio (A/B)	97.98	86.44
Profitability Ratio (%)	Quarter 4 2021	Quarter 4 2020
Return on assets (ROA)	2.29	1.61
Return on equity (ROE)	12.97	10.66
Interest coverage ratio	860.74	656.58
Earnings per share (for equity listed entity)	NA	NA
Dividend per share (for equity listed entity)	NA	NA
Other Important Ratios (if any)	NA	NA

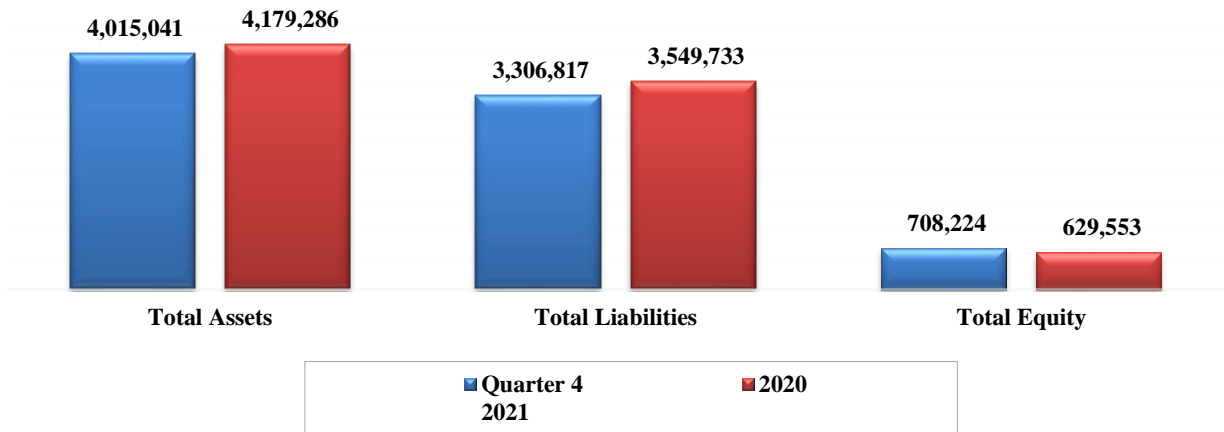
Note:

: ❶ Follow NBC's regulation

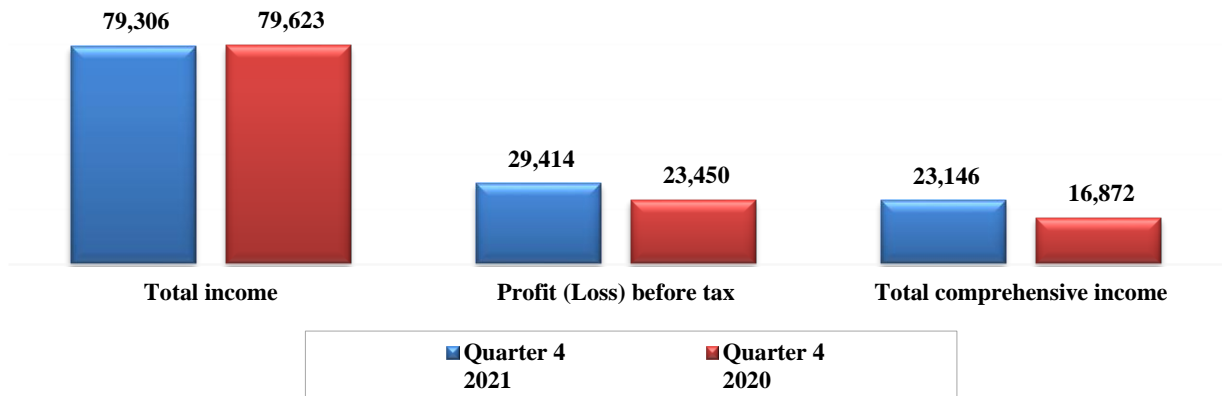
: ❷ Non-performing loan is follow NBC's regulation provision from 20% - 100%

Financial Summary Charts

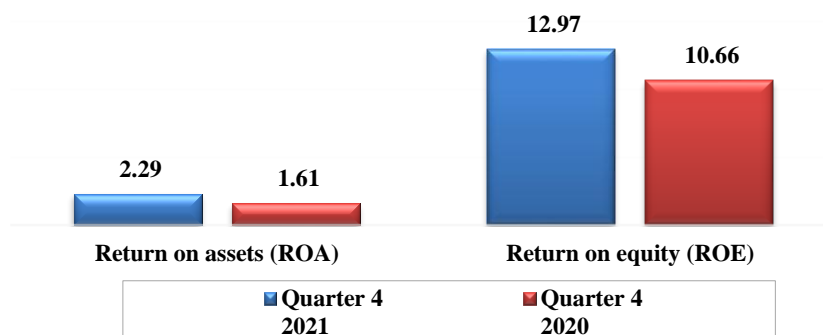
Financial Situation (in KHR million)



Financial Results (in KHR million)



Profitability Ratio (%)



Board of Directors



YIM, Yong Taick

Chairman



SIM, Sang Ton

Member



KIM, Sung Chul

Member



PARK, Chong Tae

Independent Member



LEE, Myunsang

Independent Member

Message from the Chairman

As a representative of the Board of Directors, it is my great pleasure to present PPCBank's performance for Q4 2021 by following the requirement from the Securities and Exchange Regulator of Cambodia (SERC).

As everyone knows the new corona virus disease (Covid-19) pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restriction on movement to halt the spread of the virus. In order to prevent the spread of Covid-19, the Royal Government has put an effort to provide the Covid-19 vaccines as rapidly as possible to protect people from severe disease, reduce hospitalizations and help save lives and drive the country's economic recovery. With the steady decrease in Covid-19 cases, the Royal Government announced the full reopening of the country in all sectors to restore the national economy after it was severely affected by the Covid-19 pandemic as well as announced an end to the February 20 event.

In Q4 2021, PPCBank officially launched Bakong Full Fund Transfer at Service Counter, PPCBank CSS ATM Acquiring Service (Cambodian Shared Switch Acceptance on ATM is available at all PPCBank's ATMs), approval from General Department of Taxation (GDT) for increasing paid up capital, changing the authorized representatives of Jeonbuk Bank Co., Ltd. and JB Woori Capital Co., Ltd. and new Memorandum and Articles of Association (MAA) and also got approval from National Bank of Cambodia (NBC) to invest in Institute of Banking and Finance (IBF) with the amount US\$ 20,000.

As of Q4 2021, our growth in asset was USD 986 million and USD 744 million in deposit, loan outstanding expansions equivalently to approximately 1.6% from USD 734 million to USD 746 million, 3.4% increase in shareholder's equity from USD 168 million to USD 174 million respectively from Q3 to Q4 2021, our achievement has been at triumphant rate amongst many financial competitors in the market.

In the name of the Board of Directors, let me take this opportunity to thank our loyal shareholders, board of directors, executives of PPCBank for their guidance and leadership, our dedicated employees for their contribution and commitment during this difficult time and our customers for

their trust in PPCBank especially National Bank of Cambodia (NBC) and Securities and Exchange Regulator of Cambodia (SERC) for their advice and support.

I, Yim Yong Taick have taken gratitude to express that we have executed a successful conclusive performance during our Q4 2021 and going forward to be best achievement in Q1-2022.

February 11, 2022

Signature and Stamp



YIM, Yong Taick

Chairman

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PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY**A. Identity of the Listed Entity**

Entity Name in Khmer	ធនាគារ ភ្នំពេញ ពាណិជ្ជ ម.ក
In Latin	Phnom Penh Commercial Bank Plc.
Standard Code	KH2000111A46
Address	N° 217, Norodom Blvd (Street 41), Sangkat TonleBasak, Khan Chamkar Mon, Phnom Penh.
Phone	(+855) 23909 909/(+855) 999500
Website	www.ppcbank.com.kh
Email	info@ppcb.com.kh
Registration Number	00015794dated 20 th May, 2008
License Number	B23 issued by National Bank of Cambodia dated 16 th December, 2019.
Disclosure Document Registration Number Issued by SECC	192/20 SECC date 01 st September 2020
Representative of the Listed Entity	Mr. Baek Jongil

B. Nature of Business

Phnom Penh Commercial Bank Plc (PPCBank) started its banking operations on 1st September 2008 at our head office located in N° 217, Preah Norodom Blvd (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh and is a fully licensed commercial bank. In September 2016, PPCBank welcomed a new beginning with strong shareholders Jeonbuk Bank Co., Ltd (a subsidiary company of JB Financial Group Co., Ltd.), Apro Financial Co., Ltd (a subsidiary company of J&K Capital Co., Ltd. which is under the supervision of OK Financial Group) and JB

Woori Capital Co., Ltd (a subsidiary company of JB Financial Group Co., Ltd.) based in Republic of Korea.

As we stand, we celebrate our past success in supporting a wide range of customers with their banking needs and also seek ways to improve our services to support our current and future clients. As of December, 2021 our total asset was US\$ 986 million, serving more than 158,000 customers, 23 branches national wide and 68 ATMs are in operation across the country (other more ATMs are being considered to install at major popular location across the country). Moreover, PPCBank will continue to deliver other convenient services and support through our digital channels to make banking experience easier for customers. Customers also can connect with us through live chat embedded on all PPCBank's digital channels for 24/7. In addition, PPCBank established first SME Center that will go beyond providing SME oriented financial products and services. Small and medium size enterprises will also be served with business consultation. Also, we have already expanded services with our foreign desk (Korea, Japan and China desk), Gold Club and SME Center that will go beyond providing SME oriented financial products and services. We truly value all of our customers and we will continue to develop new products and services to best serve customers.

C. Quarterly Key Events

PPCBank officially launched Bakong Full Fund Transfer at Service Counter which will be available and effective from 18th October, 2021.

On 22nd October, 2021, the Board of Directors of PPCBank approved to resolve on the investment of Institute of Banking and Finance (IBF) amount US\$ 20,000.

PPCBank CSS ATM Acquiring Service which has been officially announced and implement on 8th November, 2021. Cambodian Shared Switch (CSS) is a local card scheme (card brand) which is under authority of National Bank of Cambodia (NBC). The CSS is designed to provide interconnectivity and interoperability amongst CSS member. CSS cardholders can make transaction on PPCBank ATM such as cash withdrawal, PIN change, print mini statement, interbank fund transfer, and balance inquiry. PPCBank ATM can support full function of CSS ATM transactions, and also allow CSS cardholder to make transactions at all PPCBank ATMs in KHR and/or USD with a very minimum standard fee charge. PPCBank is 10th bank who can accept CSS cards (data

as of 30th October, 2021) amongst other 59 banks and 79 MFIs in Cambodia (data as of 30th December, 2020), and by offering this acquiring service.

On 12th November, 2021, PPCBank got approval from General Department of Taxation (GDT) to increase paid up capital from US\$ 92 million to US\$ 102 million, change the authorized representatives of Jeonbuk Bank Co., Ltd. and JB Woori Capital Co., Ltd., and register new Memorandum and Articles of Association (MAA).

On 14th December, 2021, PPCBank got approval from National Bank of Cambodia (NBC) to be a shareholder of the Institute of Banking and Finance (IBF) with the investment amount US\$20,000.

PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. Business Operation Performance including business segments information

Key Achievement	Quarter 4 2021	2020
Loan		
Loan Accounts	7,308	6,477
Total Gross Loans <i>(in KHR million)</i>	3,037,931	2,922,159
Deposit		
Deposit Accounts	158,561	148,025
Total Deposits <i>(in KHR million)</i>	3,029,387	3,263,945
Others		
Operating Branches	23	23
Number of Staffs	445	474
ATMs	68	66
POS Terminals	238	225

B. Revenue Structures

No	Sources of Revenue	Quarter 4 2021		Quarter 4 2020	
		Amount <i>(in KHR million)</i>	Percentage (%)	Amount <i>(in KHR million)</i>	Percentage (%)
1	Interest of Income	78,149	98.54	76,338	95.87
2	Fee and Commission Income	1,149	1.45	3,143	3.95
3	Other Income	8	0.01	141	0.18
Total Income		79,306	100	79,623	100

**PART 3 - FINANCIAL STATEMENT REVIEWED BY THE
EXTERNAL AUDITOR**

(Please refer to the Annex for Interim Financial Statement Reviewed by External Auditor)

PART 4 - MANAGEMENT'S DISCUSSION AND ANALYSIS

(MD&A)

The analyses focus on the operational and financial results based on interim Consolidated Financial Statement of Phnom Penh Commercial Bank (PPCBank) and its subsidiary, J&A (Cambodia) Investment Co., Ltd (the "Group") as of 31 December 2021 reviewed by Independent Auditors. The Interim Consolidated Financial Statements have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRS") and follows regulations and guidelines of National Bank of Cambodia.

A. Overview of Operations

1. Revenue Analysis

PPCBank has three main sources of revenue including Interest Income, Fees and Commissions Income and Other Incomes.

- Interest Income includes the interest income from loan and advance to customers, deposit with other banks, and securities investment.
- Fee and Commission Income mainly includes Loan commission fees, Local and Overseas remittance fees, Deposit fees, LC fees and Card fees.
- Other Income includes foreign exchange gains, dividend on investments and other fee incomes.

2. Revenue by Segment Analysis

No	Source of Revenue	Quarter 4 2021		Quarter 4 2020	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest of Income	78,149	98.54	76,338	95.87
2	Fee and Commission Income	1,149	1.45	3,143	3.95
3	Other Income	8	0.01	141	0.18
Total Income		79,306	100	79,623	100

PPCBank earns most income from interest income representing 98% of total income in Q4 2021.

3. Gross Profit Margin Analysis

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

4. Profit/ (Loss) Before Tax Analysis

Statement of Profit or Loss before Tax	Quarter 4 2021 (in KHR million)	Quarter 4 2020 (in KHR million)	Variance (in KHR million)	Variance (%)
Interest income	78,149	76,338	1,811	2.37
Interest expense	(24,893)	(30,850)	5,957	(19.31)
Net interest income	53,256	45,488	7,768	17.08
Fee and commission income	1,149	3,143	(1,994)	(63.43)
Fee and commission expense	(1,286)	(1,097)	(189)	17.25
Net fee and commission Income	(137)	2,047	(2,183)	(106.68)
Other operating income	8	141	(134)	(94.40)
Personal expenses	(9,369)	(7,660)	(1,710)	22.32
Other expenses	(7,021)	(7,974)	953	(11.96)
Depreciation and amortization	(7,948)	(8,142)	194	(2.38)
Operating profit	28,789	23,900	4,889	20.46
Net impairment losses on financial instruments	626	(449)	1,075	(239.23)
Profit before tax	29,414	23,450	5,964	25.43

In Q4 2021, profit before tax KHR 29,414 million (25% higher than Q4 2020). The increasing of the profit is mainly from increasing of interest income driven from loans.

5. Profit/ (Loss) After Tax Analysis

Statement of Profit or Loss after Tax	Quarter 4 2021 (in KHR million)	Quarter 4 2020 (in KHR million)	Variance (in KHR million)	Variance (%)
Profit before tax	29,414	23,450	5,964	25.43
Income tax expense	(5,968)	(3,193)	(2,774)	86.88
Net profit for the period	23,447	20,257	3,190	15.75

In Q4 2021, net profit for the period was KHR23,447 million with 16% higher than Q4 2020 mainly from increasing of interest income as mention in section 4 (Profit (loss) before tax analysis).

6. Total Comprehensive Income (loss) Analysis

Total Comprehensive Income	Quarter 4 2021 (in KHR million)	Quarter 4 2020 (in KHR million)	Variance (in KHR million)	Variance (%)
Net profit for the period	23,447	20,257	3,190	15.75
Other comprehensive loss	(301)	(3,385)	3,084	(91.12)
Total comprehensive income	23,146	16,872	6,273	37.18

7. Factors and Trends Analysis affecting financial Conditions and Results

Boosting the COVID-19 vaccination program by Royal government, helping the country is fast release from the spreading of COVID-19 virus. Therefore, management considers that, Group and the Bank’s activities shall be more and more better in term of the size of the operations and profitability level.

B. Significant Factors Affecting Profit

1. Demand and Supply Conditions Analysis

The continuous acquiring new funds with the lower cost and the growth of SME loan products segment are still the most importance factors in term of profitability for the bank. To achieve such objectives, the bank had developed more new loan SME products such as: “Annatean 300”, “Annatean Kakdao” which provided the good conditions and faster approval as customer needs in

order to offer more benefits and reduce waiting time for the customers in term of Covid-19 situation.

Moreover, in order to serve customers better and improve the customer's accessibility and convenience during the spreading of Covid-19, The Bank continuous significantly invested in the enhancement of its self-banking facilities such as:

- Officially launched Bakong Full Fund Transfer at Service Counter in additional to the existing launching service on Mobile Banking and Internet Banking,
- CSS ATM Acquiring Service which has been officially announced and implement on 8th November, 2021. The CSS is designed to provide interconnectivity and interoperability amongst CSS member. CSS cardholders can make transaction on PPCBank ATM such as cash withdrawal, PIN change, print mini statement, interbank fund transfer, and balance inquiry. PPCBank ATM can support full function of CSS ATM transactions, and also allow CSS cardholder to make transactions at all PPCBank ATMs in KHR and/or USD with a very minimum standard fee charge.

2. Fluctuations in Price of Raw Material Analysis

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

3. Tax Analysis

PPCBank is under the governance of Commercial Law on Taxation; therefore, the Bank is obligated to pay taxes as determined by the General Department of Taxation. For good practice on tax compliance, PPCBank was awarded "**GOLD**" certificate of tax compliance from GDT with a 2-year validity period for the tax year 2020 and 2021.

4. Exceptional and Extraordinary Items Analysis

With the world is in the midst of a COVID-19 pandemic and community outbreak of COVID-19 in Cambodia. Economic conditions that impacted by COVID-19 may some affect the financial results of the Bank.

C. Material Changes in Sale and Revenue

In Q4 2021, PPCBank recorded increase in the revenue, net interest income was KHR 53,256 million, which represents 17.1% higher compared to the same period in 2020.

D. Impact of Foreign Exchange, Interest Rate and Commodity Prices

The foreign exchange position has strictly followed the regulatory requirements for the Net Open Position and can be regularly monitored and managed to avoid any significant impact to the bank's performance outcomes.

The bank had applied fixed interest rates for both deposits and loans. Thus, no any significant impact to the bank's as reporting period.

The commodity price is not affect due to the bank had not involved in dealing with the commodity items.

E. Impact of Inflation

There is no material impact of inflation on the Bank's operational business.

F. Economic / Fiscal / Monetary Policy of Royal Government

In order to contribute to the development of state-owned securities, promote diversification, mobilize domestic capital and strengthen the implementation of monetary policy, on December 28, 2021, the National Bank of Cambodia issued a circular on banking and financial institutions held the state-owned securities as below:

1. Recognize the 0% risk weighted balance on state-owned securities inscribed in the national currency or other currencies in calculating the Solvency ratio, and
2. Recognize as the high quality liquidity asset for state-owned securities inscribed in the national currency or other currencies in calculating the Liquidity coverage ratio.

Signature of Directors of Phnom Penh Commercial Bank Plc.

February 11, 2022

Seen and Agreed



YIM, Yong Taick

Chairman

