

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL  
INFORMATION  
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

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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. (together the 'Group') as at 31 December 2021, condensed separate statement of financial position of the Bank as at 31 December 2021, and the related condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and twelve-month periods then ended, and condensed consolidated and separate statements of changes in equity and cash flows for the twelve-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".

For PricewaterhouseCoopers (Cambodia) Ltd.

By Kuy Lim  
Partner



Phnom Penh, Kingdom of Cambodia  
11 February 2022

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	31 December 2021		31 December 2020	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand		35,428,236	144,334,633	36,272,455	146,722,080
Balances with the central bank		20,962,263	85,400,259	73,290,366	296,459,530
Balances with other banks and financial institutions		87,356,096	355,888,735	99,998,608	404,494,369
Statutory deposits with the central bank		60,603,162	246,897,282	59,535,255	240,820,106
Loans to customers	6	742,346,672	3,024,320,342	721,322,069	2,917,747,769
Investment securities		3,164,405	12,891,786	3,157,903	12,773,718
Intangible assets		6,658,228	27,125,620	8,028,928	32,477,014
Property and equipment		13,792,136	56,189,162	16,279,751	65,851,593
Right of use assets	7	9,697,968	39,509,521	9,780,184	39,560,844
Deferred tax assets		-	-	237,010	958,705
Other assets		5,518,811	22,483,636	5,295,459	21,420,132
<b>TOTAL ASSETS</b>		<b>985,527,977</b>	<b>4,015,040,976</b>	<b>1,033,197,988</b>	<b>4,179,285,860</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from other banks		97,992,038	399,219,563	88,565,577	358,247,759
Deposits from non-bank customers		646,376,177	2,633,336,545	718,342,962	2,905,697,281
Current income tax liabilities		3,853,020	15,697,203	3,522,712	14,249,370
Deferred tax liabilities		85,274	347,406	-	-
Borrowings		11,288,241	45,988,294	15,407,410	62,322,973
Debt securities issued		19,683,096	80,188,933	19,793,474	80,064,602
Lease liabilities	7	10,335,805	42,108,070	10,189,841	41,217,907
Employee benefit obligations		129,022	525,635	163,000	659,335
Other liabilities		1,908,320	7,774,495	1,538,547	6,223,423
Subordinated debts		20,037,128	81,631,259	20,037,128	81,050,182
<b>TOTAL LIABILITIES</b>		<b>811,688,121</b>	<b>3,306,817,403</b>	<b>877,560,651</b>	<b>3,549,732,832</b>
<b>EQUITY</b>					
Share capital	8	102,000,000	415,548,000	92,000,000	372,140,000
Regulatory reserve		14,852,049	62,086,079	11,683,167	49,195,067
Retained earnings		56,987,807	230,614,195	51,954,170	210,137,359
Other reserves		-	(24,701)	-	(1,919,398)
<b>TOTAL EQUITY</b>		<b>173,839,856</b>	<b>708,223,573</b>	<b>155,637,337</b>	<b>629,553,028</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>985,527,977</b>	<b>4,015,040,976</b>	<b>1,033,197,988</b>	<b>4,179,285,860</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 TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2021

Notes	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Interest income	19,201,208	78,148,917	18,783,875	76,337,668	74,110,411	301,481,152	69,337,337	282,688,323
Interest expense	(6,116,235)	(24,893,076)	(7,591,059)	(30,850,064)	(26,858,808)	(109,261,631)	(28,235,649)	(115,116,741)
<b>Net interest income</b>	<b>13,084,973</b>	<b>53,255,841</b>	<b>11,192,816</b>	<b>45,487,604</b>	<b>47,251,603</b>	<b>192,219,521</b>	<b>41,101,688</b>	<b>167,571,582</b>
Fees and commission income	282,417	1,149,437	773,470	3,143,382	1,924,673	7,829,570	3,468,821	14,142,383
Fees and commission expense	(315,995)	(1,286,100)	(269,895)	(1,096,853)	(1,072,245)	(4,361,893)	(1,077,175)	(4,391,642)
<b>Net fees and commission (expense)/income</b>	<b>(33,578)</b>	<b>(136,663)</b>	<b>503,575</b>	<b>2,046,529</b>	<b>852,428</b>	<b>3,467,677</b>	<b>2,391,646</b>	<b>9,750,741</b>
Impairment gains/(losses) on financial assets	153,760	625,803	(110,598)	(449,470)	(2,334,727)	(9,497,669)	(458,452)	(1,869,109)
Other gains/(losses) – net	99,869	406,467	288,969	1,174,370	(80,251)	(326,461)	299,346	1,220,434
Other operating income	1,947	7,924	34,816	141,492	688,319	2,800,082	78,263	319,078
<b>Net other operating income/(loss)</b>	<b>255,576</b>	<b>1,040,194</b>	<b>213,187</b>	<b>866,392</b>	<b>(1,726,659)</b>	<b>(7,024,048)</b>	<b>(80,843)</b>	<b>(329,597)</b>
Personnel expenses	(2,302,051)	(9,369,348)	(1,884,722)	(7,659,510)	(8,176,152)	(33,260,586)	(7,758,532)	(31,631,535)
Depreciation and amortisation	(1,952,915)	(7,948,364)	(2,003,469)	(8,142,098)	(7,761,253)	(31,572,777)	(6,894,117)	(28,107,315)
Other operating expenses	(1,824,893)	(7,427,315)	(2,251,140)	(9,148,633)	(7,585,131)	(30,856,313)	(7,360,030)	(30,006,842)
<b>Profit before income tax</b>	<b>7,227,112</b>	<b>29,414,345</b>	<b>5,770,247</b>	<b>23,450,284</b>	<b>22,854,836</b>	<b>92,973,474</b>	<b>21,399,812</b>	<b>87,247,034</b>
Income tax expense	(1,466,297)	(5,967,829)	(785,762)	(3,193,337)	(4,652,317)	(18,925,626)	(4,261,958)	(17,376,003)
<b>Profit for the period</b>	<b>5,760,815</b>	<b>23,446,516</b>	<b>4,984,485</b>	<b>20,256,947</b>	<b>18,202,519</b>	<b>74,047,848</b>	<b>17,137,854</b>	<b>69,871,031</b>
<b>Other comprehensive income</b>								
<i>Items that will not be reclassified to profit or loss</i>								
Currency translation differences	-	(300,715)	-	(3,384,642)	-	1,894,697	-	(1,919,398)
	-	(300,715)	-	(3,384,642)	-	1,894,697	-	(1,919,398)
<b>Total comprehensive income for the period</b>	<b>5,760,815</b>	<b>23,145,801</b>	<b>4,984,485</b>	<b>16,872,305</b>	<b>18,202,519</b>	<b>75,942,545</b>	<b>17,137,854</b>	<b>67,951,633</b>
<b>Profit attributable to owners of the Group</b>	<b>5,760,815</b>	<b>23,446,516</b>	<b>4,984,485</b>	<b>20,256,947</b>	<b>18,202,519</b>	<b>74,047,848</b>	<b>17,137,854</b>	<b>69,871,031</b>
<b>Total comprehensive income attributable to owners of the Group</b>	<b>5,760,815</b>	<b>23,145,801</b>	<b>4,984,485</b>	<b>16,872,305</b>	<b>18,202,519</b>	<b>75,942,545</b>	<b>17,137,854</b>	<b>67,951,633</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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021

	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 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	-	-	-	-	17,137,854	69,871,031	-	-	17,137,854	69,871,031
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(1,919,398)	-	(1,919,398)
<b>Total comprehensive income for the period</b>	-	-	-	-	17,137,854	69,871,031	-	(1,919,398)	17,137,854	67,951,633
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 8)	12,000,000	48,924,000	-	-	(12,000,000)	(48,924,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,430,356	13,985,561	(3,430,356)	(13,985,561)	-	-	-	-
Currency translation differences	-	(2,784,000)	-	-	-	-	-	-	-	(2,784,000)
<b>Total transactions with owners</b>	12,000,000	46,140,000	3,430,356	13,985,561	(15,430,356)	(62,909,561)	-	-	-	(2,784,000)
<b>Balance at 31 December 2020</b>	<u>92,000,000</u>	<u>372,140,000</u>	<u>11,683,167</u>	<u>49,195,067</u>	<u>51,954,170</u>	<u>210,137,359</u>	-	<u>(1,919,398)</u>	<u>155,637,337</u>	<u>629,553,028</u>
<b>Balance at 1 January 2021</b>	92,000,000	372,140,000	11,683,167	49,195,067	51,954,170	210,137,359	-	(1,919,398)	155,637,337	629,553,028
Profit for the period	-	-	-	-	18,202,519	74,047,848	-	-	18,202,519	74,047,848
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,894,697	-	1,894,697
<b>Total comprehensive income for the period</b>	-	-	-	-	18,202,519	74,047,848	-	1,894,697	18,202,519	75,942,545
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 8)	10,000,000	40,680,000	-	-	(10,000,000)	(40,680,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,168,882	12,891,012	(3,168,882)	(12,891,012)	-	-	-	-
Currency translation differences	-	2,728,000	-	-	-	-	-	-	-	2,728,000
<b>Total transactions with owners</b>	10,000,000	43,408,000	3,168,882	12,891,012	(13,168,882)	(53,571,012)	-	-	-	2,728,000
<b>Balance at 31 December 2021</b>	<u>102,000,000</u>	<u>415,548,000</u>	<u>14,852,049</u>	<u>62,086,079</u>	<u>56,987,807</u>	<u>230,614,195</u>	-	<u>(24,701)</u>	<u>173,839,856</u>	<u>708,223,573</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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

	For the twelve-month period ended			
	31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>				
Profit before income tax	22,854,836	92,973,474	21,399,812	87,247,034
<i>Adjustments for:</i>				
Provision for employee benefit obligations	(33,978)	(138,223)	(139,243)	(567,694)
Depreciation and amortisation	7,761,253	31,572,777	6,894,117	28,107,315
Impairment losses on financial assets	2,334,727	9,497,669	458,452	1,869,109
Unrealised exchange (gains)/losses on investment securities	(6,963)	(28,325)	20,599	83,982
Unrealised exchange (gains)/losses on borrowings and debt securities	(206,423)	(839,729)	219,592	895,277
Gain on disposal of property and equipment	(80,582)	(327,808)	(2,680)	(10,926)
Interest income	(74,110,411)	(301,481,152)	(69,337,337)	(282,688,323)
Interest expense	26,858,808	109,261,631	28,235,649	115,116,741
<i>Changes in working capital:</i>				
Reserve requirement with the central bank	(86,620)	(352,370)	24,669,819	100,578,852
Loans to customers	(22,172,461)	(90,197,571)	(73,204,241)	(298,453,691)
Other assets	(223,352)	(908,596)	282,890	1,153,343
Deposits from other banks	9,130,721	37,143,773	24,342,367	99,243,830
Deposit from non-bank customers	(69,753,074)	(283,755,505)	68,407,284	278,896,497
Other liabilities	293,658	1,194,601	(1,098,732)	(4,479,530)
Cash (used in)/generated from operations	(97,439,861)	(396,385,354)	31,148,348	126,991,816
Interest received	73,071,519	297,254,939	67,363,854	274,642,433
Interest paid	(28,691,222)	(116,715,891)	(24,214,141)	(98,721,053)
Income tax paid	(3,999,725)	(16,270,881)	(4,888,933)	(19,932,180)
<b>Net cash (used in)/generated from operating activities</b>	<b>(57,059,289)</b>	<b>(232,117,187)</b>	<b>69,409,128</b>	<b>282,981,016</b>
<b>Cash flows from investing activities</b>				
Placements of capital guarantee deposits	(1,000,000)	(4,068,000)	(1,200,000)	(4,892,400)
Purchases of property and equipment	(761,587)	(3,098,136)	(3,519,043)	(14,347,138)
Purchases of intangible assets	(701,421)	(2,853,381)	(1,515,249)	(6,177,670)
Proceeds from sale of property and equipment	80,582	327,808	2,680	10,926
Withdrawals of Negotiable Certificate of Deposits with the central bank	2,943,000	11,972,124	29,197,000	119,036,169
Balances with other banks and financial institutions	17,668,229	71,874,356	(59,057,409)	(240,777,056)
<b>Net cash generated from/(used in) investing activities</b>	<b>18,228,803</b>	<b>74,154,771</b>	<b>(36,092,021)</b>	<b>(147,147,169)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	-	-	(1,000,000)	(4,077,000)
Proceeds from borrowings	16,717,258	68,005,806	21,031,377	85,744,924
Repayments of borrowings	(20,825,938)	(84,719,916)	(58,107,715)	(236,905,154)
Proceeds from issuance of debt securities	-	-	19,538,742	79,659,451
Principal elements of lease payments	(2,211,750)	(8,997,399)	(2,067,697)	(8,430,001)
<b>Net cash used in from financing activities</b>	<b>(6,320,430)</b>	<b>(25,711,509)</b>	<b>(20,605,293)</b>	<b>(84,007,780)</b>
Net (decrease)/increase in cash and cash equivalents	(45,150,916)	(183,673,925)	12,711,814	51,826,067
Cash and cash equivalents at beginning of period	110,973,850	448,889,223	98,262,036	397,469,936
Currency translation differences	-	2,947,335	-	(406,780)
Cash and cash equivalents at end of period	<b>65,822,934</b>	<b>268,162,633</b>	<b>110,973,850</b>	<b>448,889,223</b>
<b>Non-cash investing activities</b>				
Retained earnings amounting to US\$10,000,000 of the Bank was converted to be share capital during the period (see note 8).				

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 31 DECEMBER 2021**

	Notes	31 December 2021		31 December 2020	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand		35,428,236	144,334,633	36,272,455	146,722,080
Balances with the central bank		20,962,263	85,400,258	73,290,366	296,459,530
Balances with other banks and financial institutions		87,356,097	355,888,739	99,998,609	404,494,373
Statutory deposits with the central bank		60,603,162	246,897,282	59,535,255	240,820,106
Loans to customers	6	748,576,949	3,049,702,491	727,553,634	2,942,954,450
Investment securities		3,164,405	12,891,786	3,157,903	12,773,718
Investment in subsidiary		490,000	1,996,260	490,000	1,982,050
Intangible assets		6,658,228	27,125,621	8,028,928	32,477,014
Property and equipment		7,161,337	29,175,287	9,636,834	38,980,994
Right of use assets	7	18,200,395	74,148,409	18,940,263	76,613,364
Deferred tax assets		82,960	337,979	371,863	1,504,186
Other assets		5,517,271	22,477,362	5,293,919	21,413,902
<b>TOTAL ASSETS</b>		<b>994,201,303</b>	<b>4,050,376,107</b>	<b>1,042,570,029</b>	<b>4,217,195,767</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from other banks		97,992,038	399,219,563	88,565,577	358,247,759
Deposits from non-bank customers		646,768,326	2,634,934,160	718,446,765	2,906,117,165
Current income tax liabilities		3,859,106	15,721,998	3,478,708	14,071,374
Borrowings		11,288,241	45,988,294	15,407,410	62,322,973
Debt securities issued		19,683,096	80,188,933	19,793,474	80,064,602
Lease liabilities	7	19,756,232	80,486,889	20,094,146	81,280,821
Employee benefit obligations		129,022	525,636	163,000	659,335
Other liabilities		1,900,053	7,740,814	1,530,290	6,190,023
Subordinated debts		20,037,128	81,631,259	20,037,128	81,050,182
<b>TOTAL LIABILITIES</b>		<b>821,413,242</b>	<b>3,346,437,546</b>	<b>887,516,498</b>	<b>3,590,004,234</b>
<b>EQUITY</b>					
Share capital	8	102,000,000	415,548,000	92,000,000	372,140,000
Regulatory reserve		14,911,718	62,312,401	11,744,124	49,426,629
Retained earnings		55,876,343	226,104,698	51,309,407	207,526,401
Other reserves		-	(26,538)	-	(1,901,497)
<b>TOTAL EQUITY</b>		<b>172,788,061</b>	<b>703,938,561</b>	<b>155,053,531</b>	<b>627,191,533</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>994,201,303</b>	<b>4,050,376,107</b>	<b>1,042,570,029</b>	<b>4,217,195,767</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 TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2021

Notes	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Interest income	19,332,389	78,682,823	18,915,063	76,870,816	74,638,867	303,630,911	69,864,356	284,836,979
Interest expense	(6,215,253)	(25,296,080)	(7,820,809)	(31,783,768)	(27,244,253)	(110,829,621)	(29,070,859)	(118,521,892)
<b>Net interest income</b>	<b>13,117,136</b>	<b>53,386,743</b>	<b>11,094,254</b>	<b>45,087,048</b>	<b>47,394,614</b>	<b>192,801,290</b>	<b>40,793,497</b>	<b>166,315,087</b>
Fees and commission income	282,417	1,149,437	773,470	3,143,382	1,924,673	7,829,570	3,468,821	14,142,383
Fees and commission expense	(315,995)	(1,286,100)	(269,895)	(1,096,853)	(1,072,245)	(4,361,893)	(1,077,143)	(4,391,512)
<b>Net fees and commission (expense)/income</b>	<b>(33,578)</b>	<b>(136,663)</b>	<b>503,575</b>	<b>2,046,529</b>	<b>852,428</b>	<b>3,467,677</b>	<b>2,391,678</b>	<b>9,750,871</b>
Impairment gains/(losses) on financial assets	153,760	625,799	(110,598)	(449,470)	(2,336,015)	(9,502,909)	(459,504)	(1,873,398)
Other gains - net	125,176	509,466	288,969	1,174,370	10,494	42,690	381,580	1,555,702
Other operating income	1,946	7,920	34,816	141,492	688,319	2,800,082	78,263	319,078
<b>Net other operating income/(loss)</b>	<b>280,882</b>	<b>1,143,185</b>	<b>213,187</b>	<b>866,392</b>	<b>(1,637,202)</b>	<b>(6,660,137)</b>	<b>339</b>	<b>1,382</b>
Personnel expenses	(2,302,051)	(9,369,348)	(1,884,722)	(7,659,510)	(8,176,152)	(33,260,586)	(7,758,532)	(31,631,535)
Depreciation and amortisation	(2,113,780)	(8,603,085)	(2,159,471)	(8,776,090)	(8,406,787)	(34,198,810)	(7,446,999)	(30,361,415)
Other operating expenses	(1,835,092)	(7,468,824)	(2,077,875)	(8,444,484)	(7,691,649)	(31,289,628)	(6,805,080)	(27,744,311)
<b>Profit before income tax</b>	<b>7,113,517</b>	<b>28,952,008</b>	<b>5,688,948</b>	<b>23,119,885</b>	<b>22,335,252</b>	<b>90,859,806</b>	<b>21,174,903</b>	<b>86,330,079</b>
Income tax expense	(1,455,836)	(5,925,253)	(777,414)	(3,159,410)	(4,600,722)	(18,715,737)	(4,229,181)	(17,242,371)
<b>Profit for the period</b>	<b>5,657,681</b>	<b>23,026,755</b>	<b>4,911,534</b>	<b>19,960,475</b>	<b>17,734,530</b>	<b>72,144,069</b>	<b>16,945,722</b>	<b>69,087,708</b>
<b>Other comprehensive income</b>								
<i>Items that will not be reclassified to profit or loss</i>								
Currency translation difference	-	(295,860)	-	(3,354,806)	-	1,874,959	-	(1,901,497)
	-	(295,860)	-	(3,354,806)	-	1,874,959	-	(1,901,497)
<b>Total comprehensive income for the period</b>	<b>5,657,681</b>	<b>22,730,895</b>	<b>4,911,534</b>	<b>16,605,669</b>	<b>17,734,530</b>	<b>74,019,028</b>	<b>16,945,722</b>	<b>67,186,211</b>
<b>Profit attributable to owners of the Bank</b>	<b>5,657,681</b>	<b>23,026,755</b>	<b>4,911,534</b>	<b>19,960,475</b>	<b>17,734,530</b>	<b>72,144,069</b>	<b>16,945,722</b>	<b>69,087,708</b>
<b>Total comprehensive income attributable to owners of the Bank</b>	<b>5,657,681</b>	<b>22,730,895</b>	<b>4,911,534</b>	<b>16,605,669</b>	<b>17,734,530</b>	<b>74,019,028</b>	<b>16,945,722</b>	<b>67,186,211</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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021

	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 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	-	-	-	-	16,945,722	69,087,708	-	-	16,945,722	69,087,708
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(1,901,497)	-	(1,901,497)
<b>Total comprehensive income for the period</b>	-	-	-	-	16,945,722	69,087,708	-	(1,901,497)	16,945,722	67,186,211
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 8)	12,000,000	48,924,000	-	-	(12,000,000)	(48,924,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,429,304	13,981,272	(3,429,304)	(13,981,272)	-	-	-	-
Currency translation differences	-	(2,784,000)	-	-	-	-	-	-	-	(2,784,000)
<b>Total transactions with owners</b>	12,000,000	46,140,000	3,429,304	13,981,272	(15,429,304)	(62,905,272)	-	-	-	(2,784,000)
<b>Balance at 31 December 2020</b>	92,000,000	372,140,000	11,744,124	49,426,629	51,309,407	207,526,401	-	(1,901,497)	155,053,531	627,191,533
<b>Balance at 1 January 2021</b>	92,000,000	372,140,000	11,744,124	49,426,629	51,309,407	207,526,401	-	(1,901,497)	155,053,531	627,191,533
Profit for the period	-	-	-	-	17,734,530	72,144,069	-	-	17,734,530	72,144,069
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,874,959	-	1,874,959
<b>Total comprehensive income for the period</b>	-	-	-	-	17,734,530	72,144,069	-	1,874,959	17,734,530	74,019,028
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 8)	10,000,000	40,680,000	-	-	(10,000,000)	(40,680,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,167,594	12,885,772	(3,167,594)	(12,885,772)	-	-	-	-
Currency translation difference	-	2,728,000	-	-	-	-	-	-	-	2,728,000
<b>Total transactions with owners</b>	10,000,000	43,408,000	3,167,594	12,885,772	(13,167,594)	(53,565,772)	-	-	-	2,728,000
<b>Balance at 31 December 2021</b>	102,000,000	415,548,000	14,911,718	62,312,401	55,876,343	226,104,698	-	(26,538)	172,788,061	703,938,561

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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

	For the twelve-month period ended			
	31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>				
Profit before income tax	22,335,252	90,859,806	21,174,903	86,330,079
<i>Adjustments for:</i>				
Provision for employee benefit obligations	(33,978)	(138,223)	(139,243)	(567,694)
Depreciation and amortisation	8,406,787	34,198,810	7,446,999	30,361,415
Impairment losses on financial assets	2,336,015	9,502,909	459,504	1,873,398
Unrealised exchange (gains)/losses on investment securities	(6,963)	(28,325)	20,599	83,982
Unrealised exchange (gains)/losses on borrowings and debt securities	(206,423)	(839,729)	219,592	895,277
Gain on disposal of property and equipment	(80,582)	(327,808)	(2,680)	(10,926)
Interest income	(74,638,867)	(303,630,911)	(69,864,356)	(284,836,979)
Interest expense	27,244,253	110,829,621	29,070,859	118,521,892
<i>Changes in working capital:</i>				
Placements of reserve requirement with the central bank	(86,620)	(352,370)	24,669,819	100,578,852
Loans to customers	(22,172,461)	(90,197,571)	(73,204,241)	(298,453,691)
Other assets	(223,352)	(908,596)	277,773	1,132,481
Deposits from other banks	9,130,721	37,143,773	24,342,367	99,243,830
Deposits from non-bank customers	(69,464,728)	(282,582,514)	68,472,455	279,162,199
Other liabilities	293,649	1,194,564	(1,049,191)	(4,277,552)
Cash (used in)/generated from operations	(97,167,297)	(395,276,564)	31,895,159	130,036,563
Interest received	73,599,975	299,404,698	67,890,590	276,789,935
Interest paid	(29,076,668)	(118,283,885)	(25,049,351)	(102,126,204)
Income tax paid	(3,931,421)	(15,993,021)	(4,934,109)	(20,116,362)
<b>Net cash (used in)/generate from operating activities</b>	<b>(56,575,411)</b>	<b>(230,148,772)</b>	<b>69,802,289</b>	<b>284,583,932</b>
<b>Cash flows from investing activities</b>				
Placements of capital guarantee deposits	(1,000,000)	(4,068,000)	(1,200,000)	(4,892,400)
Purchases of property and equipment	(761,587)	(3,098,136)	(3,519,043)	(14,347,138)
Purchases of intangible assets	(701,421)	(2,853,381)	(1,515,249)	(6,177,670)
Proceeds from sale of property and equipment	80,582	327,808	2,680	10,926
Withdrawals of Negotiable Certificate of Deposits with the central bank	2,943,000	11,972,124	29,197,000	119,036,169
Balances with other banks and financial institutions	17,668,229	71,874,356	(59,057,409)	(240,777,056)
<b>Net cash generated from/(used in) investing activities</b>	<b>18,228,803</b>	<b>74,154,771</b>	<b>(36,092,021)</b>	<b>(147,147,169)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	-	-	(1,000,000)	(4,077,000)
Proceeds from borrowings	16,717,258	68,005,806	21,031,377	85,744,924
Repayments of borrowings	(20,825,938)	(84,719,916)	(58,107,715)	(236,905,154)
Proceeds from issuance of debt securities	-	-	19,538,742	79,659,451
Principal elements of lease payments	(2,695,628)	(10,965,815)	(2,460,858)	(10,032,918)
<b>Net cash used in from financing activities</b>	<b>(6,804,308)</b>	<b>(27,679,925)</b>	<b>(20,998,454)</b>	<b>(85,610,697)</b>
Net (decrease)/increase in cash and cash equivalents	(45,150,916)	(183,673,926)	12,711,814	51,826,066
Cash and cash equivalents at beginning of period	110,973,850	448,889,223	98,262,036	397,469,936
Currency translation differences	-	2,947,336	-	(406,779)
Cash and cash equivalents at end of period	<b>65,822,934</b>	<b>268,162,633</b>	<b>110,973,850</b>	<b>448,889,223</b>

**Non-cash from investing activities**

Retained earnings amounting to US\$10,000,000 of the Bank was converted to be share capital during the period (see note 8).

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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

#### **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 31 December 2021, the Bank has a head office and sixteen 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 23 April 2020, the Subsidiary has obtained an approval from the 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.

In 2019, the Bank requested the Cambodia Securities Exchange ("CSX") and Securities and Exchange Regulator of Cambodia ("SERC") to list its corporate bonds in the CSX. The request was approved in principle by CSX on 25 December 2019. The Bank obtained the final approval from SERC to list its corporate bonds on the CSX on 10 April 2020 and it issued its first bond securities on 13 April 2020.

The condensed consolidated and separate interim financial information was authorised for issue by the Board of Directors on 11 February 2022.

The condensed consolidated and separate interim financial information for the twelve-month period ended 31 December 2021 has been reviewed, not audited.

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

This condensed consolidated and separate interim financial information for the twelve-month period ended 31 December 2021 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 2020, 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.

An English version of this consolidated and separate interim financial information has been prepared from the consolidated and separate interim financial information that is in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language consolidated and separate interim financial information shall prevail.

**PHNOM PENH COMMERCIAL BANK PLC.**

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

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

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

A number of amended standards became applicable for the current reporting period as follows:

- COVID-19 Related Rent Concessions – Amendments to CIFRS 16
- Interest rate benchmark reform - Phase 2 - Amendments to CIFRS 9, CIAS 39, CIFRS 7, and CIFRS 16

Those amended standards have no material impact on the Group or the Bank. As a result, the Group or the Bank did not have to change its accounting policies or make retrospective adjustments.

**Presentation in Khmer Riel (KHR)**

In compliance with the Law on Accounting and Auditing, the condensed consolidated financial information shall be presented 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 twelve-month period ended</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>30 December 2020</b>
Average rate	KHR 4,070	KHR 4,064	KHR 4,068	KHR 4,077
			<b>31 December 2021</b>	<b>31 December 2020</b>
Closing rate			KHR 4,074	KHR 4,045

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

The following are the significant events that occurred in the current reporting period:

**Impact on impairment charge from COVID-19 pandemic**

The COVID-19 pandemic and its ongoing effect on global and domestic economies has continued to impact the Bank's customers, operations and performance. The government has responded at unprecedented levels to protect the health of the population, local economies and livelihoods. Economies have reopened despite the risk of further waves of infection remaining, so there is still a high level of estimation uncertainty involved in the preparation of these financial statements. This includes the extent and duration of the disruption to business arising from the actions of governments, businesses and consumers in the ongoing management of the virus, and the impact and expected response of the economy. Therefore, management has continuously refreshed the parameters of the allowances for expected losses to reflect the current economic situation. It has also downgraded the staging of borrowers to account for the expected credit losses on additional restructured loans to customers who are facing financial difficulties caused by the pandemic. This has resulted in additional impairment charges for the period.

**PHNOM PENH COMMERCIAL BANK PLC.**

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

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

**Impact on impairment charge from COVID-19 pandemic (continued)**

Other than the additional impairment loss recognised, management considers that the Bank's activities may be slow over the short term but would not lead to a going concern issue given the size of operations, current profitability level and liquidity headroom of the Bank.

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

During the period, the Bank transferred its retained earnings amounting to US\$10,000,000 to be its share capital, which was approved by the Central Bank and the Ministry of Commerce on 2 June 2021 and 30 June 2021, respectively (see note 8).

**Classification and provisioning requirement by the central bank on restructured loans**

On 28 December 2021, the National Bank of Cambodia issued Circular No. B7-021-2314 on the classification and provisioning requirements for restructured loans to reduce credit risks, preserve financial stability and support economic recovery. Under this circular, financial institutions must change their restructured loan classifications and make the regulatory provisions based on those classifications by 31 December 2021, potentially affecting the retained earnings amount to be transferred to the regulatory reserve in the current period.

Following the announcement, the central bank held a workshop where it was confirmed that financial institutions can either implement the new requirements by 31 December 2021 or delay the implementation to 31 January 2022.

The Bank has selected to implement the requirements in January 2022, so the circular has no impact on the condensed consolidated and separate interim financial information for the twelve-month period ended 31 December 2021. The Bank is currently assessing the impact of changes to the classification of restructured loans and the retained earnings amount to be transferred to the regulatory reserve.

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

The Group and the Bank make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The 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 financial statements for the year ended 31 December 2020.

**5. SEGMENT AND REVENUE INFORMATION**

The Group and the Bank has only one reportable segment, namely, banking service income. The chief operating decision-maker ("the executive committee") reviews the internal management report, which reports the performances of the banking service income segment as a whole, to assess performance and allocate resources. The executive committee 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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021

6. LOANS TO CUSTOMERS

(a) Details of loans to customers:

	Consolidated financial information				Separate financial information			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Loans to customers at amortised costs	745,687,452	3,037,930,680	722,412,525	2,922,158,664	751,920,160	3,063,322,733	728,645,233	2,947,369,968
Less: Allowance for expected credit loss	(3,340,780)	(13,610,338)	(1,090,456)	(4,410,895)	(3,343,211)	(13,620,242)	(1,091,599)	(4,415,518)
<b>Net loans to customers</b>	<b>742,346,672</b>	<b>3,024,320,342</b>	<b>721,322,069</b>	<b>2,917,747,769</b>	<b>748,576,949</b>	<b>3,049,702,491</b>	<b>727,553,634</b>	<b>2,942,954,450</b>

(b) Allowance for expected credit loss

	Consolidated financial information				Separate financial information			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	1,541,775	6,281,193	193,668	783,387	1,544,206	6,291,096	194,811	788,010
Lifetime ECL - not credit impaired (Stage 2)	281,993	1,148,838	85,127	344,339	281,993	1,148,838	85,127	344,339
Lifetime ECL - credit impaired (Stage 3)	1,517,012	6,180,307	811,661	3,283,169	1,517,012	6,180,308	811,661	3,283,169
	<b>3,340,780</b>	<b>13,610,338</b>	<b>1,090,456</b>	<b>4,410,895</b>	<b>3,343,211</b>	<b>13,620,242</b>	<b>1,091,599</b>	<b>4,415,518</b>

**PHNOM PENH COMMERCIAL BANK PLC.**

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2021**

**7. LEASES**

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

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.

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

	Consolidated financial information				Separate financial information			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Right-of-use assets (Non-current)</i>								
Office space	9,487,195	38,650,832	9,417,649	38,094,390	17,989,622	73,289,720	18,577,728	75,146,910
ATM space	125,142	509,829	168,926	683,306	125,142	509,829	168,926	683,306
Billboard	29,375	119,674	95,872	387,802	29,375	119,674	95,872	387,802
Generator	36,790	149,882	57,561	232,834	36,790	149,882	57,561	232,834
Vehicle	19,466	79,304	40,176	162,512	19,466	79,304	40,176	162,512
	<u>9,697,968</u>	<u>39,509,521</u>	<u>9,780,184</u>	<u>39,560,844</u>	<u>18,200,395</u>	<u>74,148,409</u>	<u>18,940,263</u>	<u>76,613,364</u>
<i>Lease liabilities</i>								
Current	2,102,606	8,566,017	2,118,619	8,569,814	2,102,606	8,566,017	2,118,619	8,569,814
Non-current	8,233,199	33,542,053	8,071,222	32,648,093	17,653,626	71,920,872	17,975,527	72,711,007
	<u>10,335,805</u>	<u>42,108,070</u>	<u>10,189,841</u>	<u>41,217,907</u>	<u>19,756,232</u>	<u>80,486,889</u>	<u>20,094,146</u>	<u>81,280,821</u>

Right-of-use assets' additions for the Group and the Bank during the twelve-month period ended 31 December 2021 were US\$2,266,796 (the twelve-month period ended 31 December 2020: US\$4,424,767).



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**7. LEASES** (continued)

**(ii) Amounts recognised in the statement of profit or loss and other comprehensive income**

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Consolidated financial information							
	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Depreciation of right-of-use assets</i>								
Office spaces	430,678	1,752,859	492,338	2,000,862	1,832,701	7,455,427	1,338,428	5,456,771
ATM spaces	77,460	315,262	27,285	110,886	186,701	759,500	80,127	326,678
Billboards	22,044	89,719	33,839	137,522	147,364	599,477	145,358	592,625
Generators	10,364	42,181	34,376	139,704	121,746	495,263	128,986	525,876
Vehicles	31,080	126,497	36,319	147,600	151,418	615,968	118,749	484,139
	<u>571,626</u>	<u>2,326,518</u>	<u>624,157</u>	<u>2,536,574</u>	<u>2,439,930</u>	<u>9,925,635</u>	<u>1,811,648</u>	<u>7,386,089</u>
Interest expense	97,773	397,936	201,119	817,348	428,380	1,746,505	307,546	1,253,865
Expense relating to leases of low-value assets (included in other operating expenses)	<u>15,200</u>	<u>61,864</u>	<u>21,138</u>	<u>85,905</u>	<u>71,843</u>	<u>292,904</u>	<u>61,874</u>	<u>252,260</u>
Total expenses related to leases	<u>112,973</u>	<u>459,800</u>	<u>222,257</u>	<u>903,253</u>	<u>500,223</u>	<u>2,039,409</u>	<u>369,420</u>	<u>1,506,125</u>

The total cash outflow for leases for the twelve-month period ended 31 December 2021 was US\$2,640,130 (the twelve-month period ended 31 December 2020: US\$2,694,080).

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7. LEASES (continued)

(ii) Amounts recognised in the statement of profit or loss and other comprehensive income (continued)

	Separate financial information							
	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Depreciation of right-of-use assets</i>								
Office spaces	583,144	2,373,396	583,144	2,369,897	2,490,353	10,130,756	1,903,428	7,760,276
ATM spaces	37,291	151,774	37,291	151,551	186,701	759,500	80,127	326,678
Billboards	44,425	180,810	44,425	180,543	147,364	599,477	145,358	592,625
Generators	37,980	154,579	37,980	154,351	121,746	495,263	128,986	525,876
Vehicles	39,102	159,145	39,102	158,911	151,418	615,968	118,749	484,139
	<u>741,942</u>	<u>3,019,704</u>	<u>741,942</u>	<u>3,015,253</u>	<u>3,097,582</u>	<u>12,600,964</u>	<u>2,376,648</u>	<u>9,689,594</u>
Interest expense	183,899	748,469	299,830	1,218,509	772,503	3,142,542	626,383	2,553,763
Expense relating to leases of low-value assets (included in operating expenses)	<u>15,200</u>	<u>61,864</u>	<u>21,138</u>	<u>85,905</u>	<u>71,843</u>	<u>292,257</u>	<u>61,874</u>	<u>252,260</u>
Total expenses related to leases	<u>199,099</u>	<u>810,333</u>	<u>320,968</u>	<u>1,304,414</u>	<u>844,346</u>	<u>3,434,799</u>	<u>688,257</u>	<u>2,806,023</u>

The total cash outflow for leases for the twelve-month period ended 31 December 2021 was US\$3,468,131 (the twelve-month period ended 31 December 2020: US\$3,087,241).

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**8. SHARE CAPITAL**

During the period, the Bank requested the central bank to increase its share capital from US\$92,000,000 to US\$102,000,000 by converting its retained earnings of US\$10,000,000 to be the share capital, which was approved by the central bank and the Ministry of Commerce on 2 June 2021 and 30 June 2021, respectively.

	Consolidated financial information				Separate financial information			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At beginning of the period	92,000,000	372,140,000	80,000,000	326,000,000	92,000,000	372,140,000	80,000,000	326,000,000
Conversion of retained earnings to share capital	10,000,000	40,680,000	12,000,000	48,924,000	10,000,000	40,680,000	12,000,000	48,924,000
Currency translation differences	-	2,728,000	-	(2,784,000)	-	2,728,000	-	(2,784,000)
At end of the period	<u>102,000,000</u>	<u>415,548,000</u>	<u>92,000,000</u>	<u>372,140,000</u>	<u>102,000,000</u>	<u>415,548,000</u>	<u>92,000,000</u>	<u>372,140,000</u>

	31 December 2021			31 December 2020		
	Number of shares	%	US\$	Number of shares	%	US\$
<b>Shareholders:</b>						
Jeonbuk Bank Co., Ltd	51,000	50%	51,000,000	46,000	50%	46,000,000
Apro Financial Co., Ltd	40,800	40%	40,800,000	36,800	40%	36,800,000
JB Woori Capital Co., Ltd	10,200	10%	10,200,000	9,200	10%	9,200,000
			<u>102,000,000</u>			<u>92,000,000</u>
<i>In KHR'000 equivalent</i>			<u>415,548,000</u>			<u>372,140,000</u>

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
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9. IMPAIRMENT (GAINS)/LOSSES ON FINANCIAL ASSETS

	Consolidated financial information							
	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Losses (ECL):</i>								
Loans to customers	(148,050)	(602,564)	111,507	453,164	2,258,612	9,188,033	455,563	1,857,330
Off-balance sheet financial commitments	(5,710)	(23,239)	(909)	(3,694)	76,115	309,636	2,889	11,779
	<u>(153,760)</u>	<u>(625,803)</u>	<u>110,598</u>	<u>449,470</u>	<u>2,334,727</u>	<u>9,497,669</u>	<u>458,452</u>	<u>1,869,109</u>
	Separate financial information							
	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Losses (ECL):</i>								
Loans to customers	(148,050)	(602,564)	111,507	453,164	2,259,900	9,193,273	456,615	1,861,619
Off-balance sheet financial commitments	(5,710)	(23,240)	(909)	(3,694)	76,115	309,636	2,889	11,779
	<u>(153,760)</u>	<u>(625,804)</u>	<u>110,598</u>	<u>449,470</u>	<u>2,336,015</u>	<u>9,502,909</u>	<u>459,504</u>	<u>1,873,398</u>

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
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10. OTHER OPERATING EXPENSES

	Consolidated financial information							
	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Repairs and maintenance	379,350	1,543,955	384,462	1,562,454	1,543,791	6,280,142	1,342,835	5,474,738
Professional fees	302,427	1,230,878	316,146	1,284,817	762,762	3,102,916	846,224	3,450,055
Other tax expenses	197,390	803,377	227,788	925,730	747,470	3,040,708	863,906	3,522,145
Marketing and advertising	135,936	553,260	150,183	610,344	473,308	1,925,417	701,321	2,859,286
Bank security expenses	124,545	506,898	133,991	544,539	501,826	2,041,428	507,268	2,068,132
Business meals and entertainment	103,523	421,339	150,261	610,661	396,086	1,611,278	431,356	1,758,638
Utilities expenses	95,806	389,930	109,058	443,212	414,547	1,686,377	443,363	1,807,591
License fees	89,976	366,202	211,660	860,186	357,560	1,454,554	357,366	1,456,981
Charitable contribution	60,611	246,687	-	-	1,475,611	6,002,786	-	-
Telephone expenses	56,663	230,618	46,874	190,496	221,376	900,558	189,411	772,229
Insurance expenses	22,767	92,662	13,818	56,156	86,648	352,484	69,751	284,375
Travelling expenses	18,145	73,850	29,553	120,103	44,931	182,779	125,709	512,516
Low value asset rentals	15,200	61,864	21,138	85,905	71,843	292,257	61,874	252,260
Conventions and conference	7,667	31,205	44,326	180,141	22,424	91,221	103,026	420,037
Office supplies	-	-	2,620	10,648	748	3,043	20,796	84,785
Others	214,887	874,590	409,262	1,663,241	464,200	1,888,365	1,295,824	5,283,074
	<u>1,824,893</u>	<u>7,427,315</u>	<u>2,251,140</u>	<u>9,148,633</u>	<u>7,585,131</u>	<u>30,856,313</u>	<u>7,360,030</u>	<u>30,006,842</u>

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
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10. OTHER OPERATING EXPENSES (continued)

	Separate financial information							
	For the three-month period ended				For the twelve-month period ended			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Repairs and maintenance	378,600	1,540,902	383,462	1,558,390	1,592,701	6,479,107	1,338,125	5,455,536
Professional fees	302,427	1,230,878	316,146	1,284,817	762,762	3,102,914	846,224	3,450,055
Other tax expenses	190,391	774,891	250,758	1,019,081	732,848	2,981,224	850,373	3,466,971
Marketing and advertising	135,936	553,260	150,183	610,344	473,308	1,925,419	701,321	2,859,286
Bank security expenses	124,545	506,898	133,991	544,539	501,826	2,041,426	507,268	2,068,132
Business meals and entertainment	103,523	421,339	150,261	610,661	396,086	1,611,279	431,356	1,758,638
Utilities expenses	95,806	389,930	109,058	443,212	414,547	1,686,379	443,363	1,807,591
License fees	89,976	366,202	211,660	860,186	357,560	1,454,552	357,366	1,456,981
Charitable contribution	60,611	246,687	-	-	1,475,611	6,002,786	-	-
Telephone expenses	56,663	230,618	46,874	190,496	221,376	900,556	189,411	772,229
Insurance expenses	22,767	92,662	13,818	56,156	86,648	352,485	69,751	284,375
Travelling expenses	18,145	73,850	29,553	120,103	44,931	182,781	125,709	512,516
Low value asset rentals	15,200	61,864	21,138	85,905	71,843	292,257	61,874	252,260
Conventions and conference	7,667	31,205	44,326	180,141	22,424	91,220	103,026	420,037
Office supplies	-	-	2,620	10,648	748	3,041	20,796	84,785
Others	232,835	947,638	214,027	869,805	536,430	2,182,202	759,117	3,094,919
	<u>1,835,092</u>	<u>7,468,824</u>	<u>2,077,875</u>	<u>8,444,484</u>	<u>7,691,649</u>	<u>31,289,628</u>	<u>6,805,080</u>	<u>27,744,311</u>

**PHNOM PENH COMMERCIAL BANK PLC.**

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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 31 December 2021 and 31 December 2020 on a recurring basis:

As at 31 December 2021	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	177,529	-	21,818	199,347
<b>Total financial assets</b>	<b>177,529</b>	<b>-</b>	<b>21,818</b>	<b>199,347</b>
<i>In KHR'000 equivalent</i>	<u>723,253</u>	<u>-</u>	<u>88,887</u>	<u>812,140</u>
<b>As at 31 December 2020</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	142,651	-	21,818	164,469
<b>Total financial assets</b>	<b>142,651</b>	<b>-</b>	<b>21,818</b>	<b>164,469</b>
<i>In KHR'000 equivalent</i>	<u>577,023</u>	<u>-</u>	<u>88,254</u>	<u>665,277</u>

PHNOM PENH COMMERCIAL BANK PLC.

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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 31 December 2021</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	177,529	-	21,818	199,347
<b>Total financial assets</b>	<b>177,529</b>	<b>-</b>	<b>21,818</b>	<b>199,347</b>
<i>In KHR'000 equivalent</i>	<u>724,141</u>	<u>-</u>	<u>88,996</u>	<u>813,137</u>
<b>As at 31 December 2020</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	142,651	-	21,818	164,469
<b>Total financial assets</b>	<b>142,651</b>	<b>-</b>	<b>21,818</b>	<b>164,469</b>
<i>In KHR'000 equivalent</i>	<u>577,023</u>	<u>-</u>	<u>88,254</u>	<u>665,277</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) Financial instruments measured at fair value

The Group and the Bank's financial asset at FVOCI are investment in listed and unlisted equity securities where the fair values have been determined based on the quoted market prices available on the Cambodian Securities Exchange, and present values and the discount rate used, respectively, were adjusted for counterparty or own credit risk.



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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 Group or the Bank has irrevocably elected at initial recognition to recognise as the financial assets at FVOCI. These are the strategic investments and the Group or the Bank 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 31 December 2021.

(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 banks and non-bank 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) *Lease liabilities*

The estimated fair value of lease liabilities with maturities of less than one year approximate the carrying values. For other lease liabilities with maturities of one year or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.

(vi) *Borrowings and subordinated debts*

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

(vii) *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.