



# **Annual Report 2021**

**(31<sup>st</sup> December 2021)**

**Phnom Penh Commercial Bank Plc.**

## Vision

“We make banking easy”.

## Mission

We express a space which we closely build with our most valued customers through closeness and trust. We have also embedded the concept of ‘leaping forward’ in our symbol which signifies sustainably growing through change and innovation to achieve into our vision as ‘The Best Retail Financial Group’.

### **Leaping forward**

We constantly embrace change which is backed by our competitive strength as pioneer of retail finance; and we aim for excellence through innovation.

### **Trust**

Embedded strongly with a saying ‘A guardian tree of a village’, we believe in prospering through closeness, confidence and loyalty built with our customers.

### **People**

As a retail financial group, we dedicate ourselves in providing the best service for low-to-middle class customers and promote small-to-medium sized enterprises.

### **Space**

Space has been firmly placed in our philosophy to ensure that we have committed especially with customers through channel that closeness and loyalty are strongly entrenched.

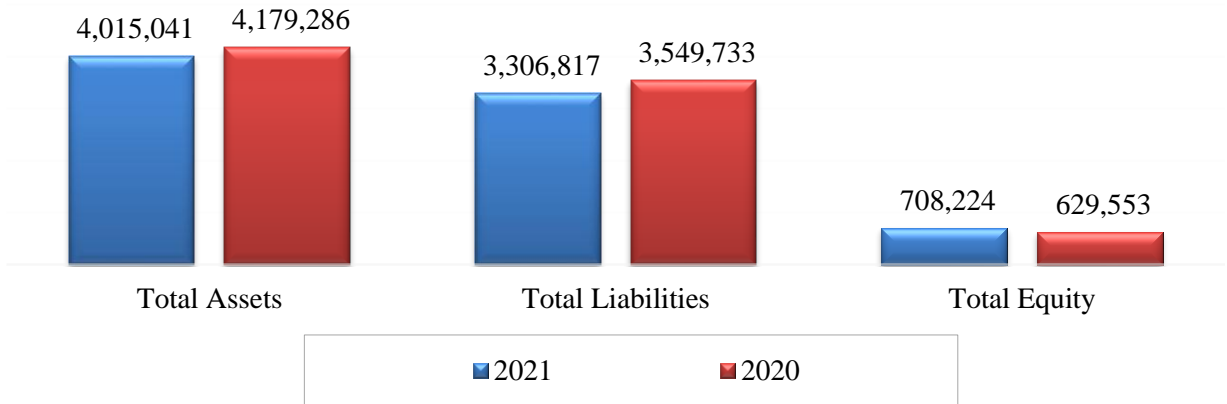
## Financial Highlights

Financial Situation (in KHR million)	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)	2021	2020
Total income	312,111	297,150
Profit (Loss) before tax	92,973	87,247
Profit (Loss) after tax	74,048	69,871
Total comprehensive income	75,943	67,952
Financial ratio (%)	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	1.82	1.04
Loan to Deposit Ratio (A/B)	97.08	86.44
Profitability Ratio (%)	2021	2020
Return on assets (ROA)	1.89	1.63
Return on equity (ROE)	10.72	10.79
Interest coverage ratio	186.83	174.12
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

## Financial Summary Charts

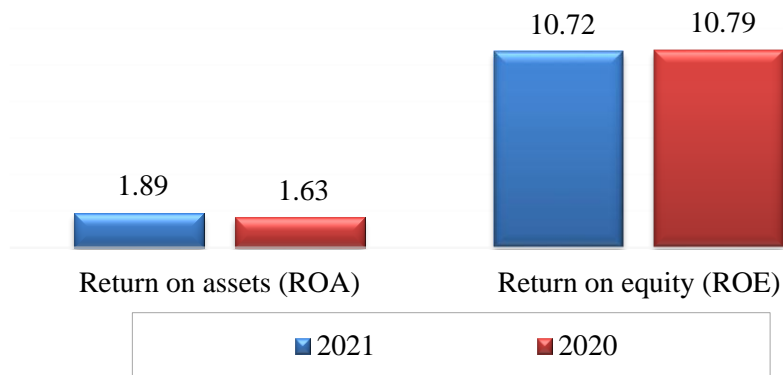
### Financial Situation (in KHR million)



### 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

On behalf of the Board of Directors, it is my great pleasure to present PPCBank's financial performance in 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 order to strengthen solvency ratio as well as capital buffer of PPCBank in the full compliance with the regulatory requirement, shareholders and the board of directors of PPCBank decided to convert US\$ 10 million from retained earnings into paid-in capital and got approval from NBC to convert amount US\$ 10 million from retained earnings into paid-in capital which will increase registered capital of PPCBank from US\$ 92 million to US\$ 102 million equivalent to 102,000 shares with a par value of US\$ 1,000 (equivalent KHR 4,000,000) on 2nd June, 2021 and from MOC on 30th June, 2021.

Moreover, PPCBank also performed system go-live on New Card Management System (CMS). This New Card Management System will improve internal work process of PPCBank from manually to systematically and provide more convenience to the customers. Besides this, 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 on 14th December, 2021.

By the end of 2021, our growth in asset was USD 986 million and USD 744 million in deposit, loan outstanding expansions equivalently to approximately 3.2% from USD 722 million to USD 746 million, 11.7% increase in shareholder's equity from USD 156 million to USD 174 million

respectively from 2020 to 2021, our achievement has been at triumphant rate amongst many financial competitors in the market.

In the name of the Board of Directors, I would like to extend my gratitude to our loyal shareholders, board of directors, executives of PPCBank for their guidance and leadership, our dedicated employees for their contribution and commitment, 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.

Finally, I firmly believe that with continued commitment and hard work, PPCBank will continue to grow, and the best performance in 2022 with further achievements of goals.

March 30, 2022

Signature and Stamp



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**YIM, Yong Taick**

Chairman

## Message from CEO

Phnom Penh Commercial Bank Plc. is principally engaged in all aspects of banking business and provision of related financial services. In FY 2021, the bank achieves well-balanced growth despite an extremely difficult economic situation.

Cambodia's economy faced many challenges last year as a result of global economic downturn. Nevertheless, we expect some recovery at the beginning of 2022 and we remain optimistic that Cambodia can overcome the difficult time and continue to prosper in the near future.

During year 2021, PPCBank and Prudential (Cambodia) Life Assurance Plc. officially partnership launched with the acknowledgment and participation from the representatives of National Bank of Cambodia (NBC) and Ministry of Economy and Finance (MEF). Also, PPCBank officially launched new business loan product "Annatean 300" which will allow the eligible applicants will receive approval within 3 business days from the date of submission of their required documents. Both hard and soft title deeds will qualify for the same interest rate of 9.99% per annum. Loan amounts start at a minimum of USD 10k up to a maximum of USD 300K. Borrowers can choose to repay the loan up to 120 months with a grace period for the first year. On the top of that, PPCBank officially launched on BanhJi bill payment service at PPCBank's counters and Mobile App. that will allow BanhJi SME customers to pay BanhJi invoices through PPCBank payment channels (through Branches, Mobile App) and also allow PPCBank to access to BanhJi SME customers, increasing demand for accounts at PPCBank.

Additionally, PPCBank got approval from authorities to perform the bank's business activities and launched existing/new products and services such as service of loan repayment to PPCBank through Wing agents, improvement of Cardless Cash Service on Mobile App which allow customers to be made in both KHR and USD withdrawal account and also allow customers to be made in cross currency from withdrawal account, additional approval from Electricity Du Cambodge (EDC) for monthly electricity bill payment for 5 more provinces of EDC at Kampong Cham province, Siem Reap province, Kampot province, Battambang province and Preah Sihanouk province, and Card Management Service of PPCBank is available on Mobile App which allow customers to view card, activate new card, card balance inquiry and transaction inquiry, block/unblock card, card re-issue and re-newal, PIN change & reset PIN, manage card limit, instant



cash advance (for credit card individual), view billing statement (Credit Card). At the same day, Bakong Full Fund Transfer of PPCBank is available on Mobile App. It is a service which allow PPCBank Mobile App users to make account transfer to the receivers' account in real-time at the other participating Bakong institution through the National Bank Bakong System.

Furthermore, PPCBank implemented on the increasing on inward transfer limit of Bakong full fund transfer which Bakong PPCBank's account can receive fund transfer from local bank who is Bakong member with unlimited amount per day and up to USD 50,000 or KHR 200 million per transaction and also successfully signed agreement with National Social Security Fund (NSSF) for partnership on monthly work injury and health care payment collection. It will be convenient for PPCBank's corporate customers and other potential customers if they can pay those payments through PPCBank to NSSF. And other achievements such as PPCBank CSS ATM Acquiring Service (Cambodian Shared Switch Acceptance on ATM is available at all PPCBank's ATMs), selecting BPC's SmartVista to drive their growth strategy and excel in customer experience, and has adopted several solutions from the SmartVista suite.

It is my greatest pleasure to extend my sincere gratitude to our shareholders, Board of Directors, employees at all levels for their efforts, devotion, loyalty and hard work especially all related authorities (NBC, SERC, ...etc.) who have supported and provided direction to PPCBank for the whole year.

Phnom Penh, March 30, 2022

Signature and Stamp



**BAEK, Jongil**

Chief Executive Officer

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## PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY

### A. Identity of the Listed Entity

Entity Name in Khmer	<b>ធនាគារ ភ្នំពេញ ពាណិជ្ជ ម.ក</b>
In Latin	<b>Phnom Penh Commercial Bank Plc.</b>
Standard Code	KH2000111A46
Address	N° 217, Norodom Blvd (Street 41), Sangkat TonleBasak, Khan Chamkar Mon, Phnom Penh.
Phone	(+855) 23909 909/999500
Fax	(+855) 23999540
Website	<a href="http://www.ppcbank.com.kh">www.ppcbank.com.kh</a>
Email	<a href="mailto:info@ppcb.com.kh">info@ppcb.com.kh</a>
Registration Number	00015794 dated 20th May, 2008
License Number	B23 issued by National Bank of Cambodia date 16 <sup>th</sup> December, 2019.
Disclosure Document Registration Number Issued by SECC	069/20 SECC date 02 <sup>nd</sup> April 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

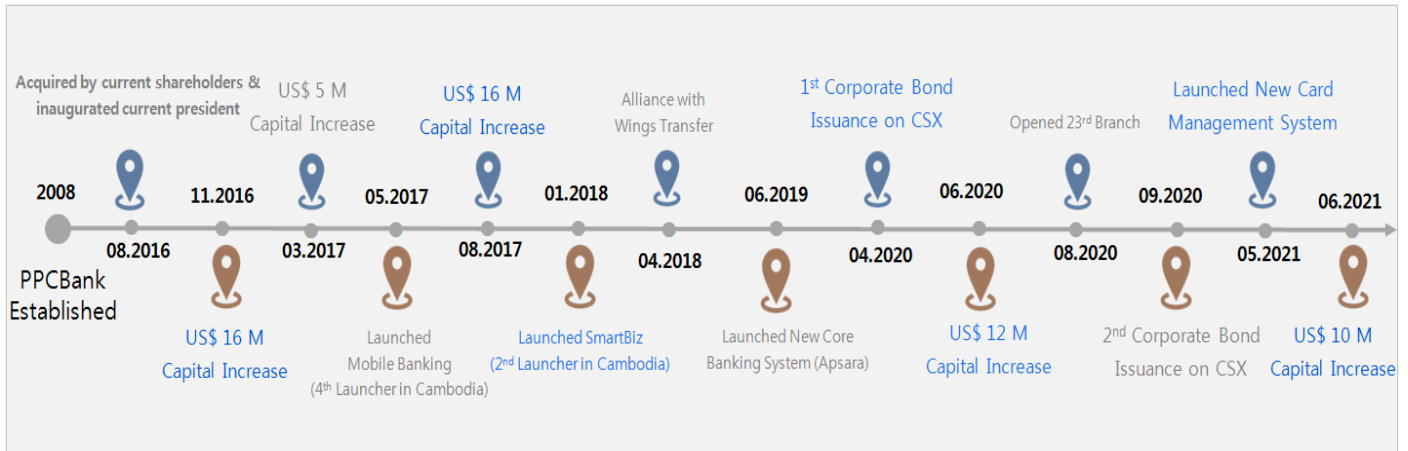
company of J&K Capital Co., Ltd. which is under the supervision of OK Financial Group) and JB Woori Capital Co., Ltd (a subsidiary company of JB Financial Group Co., Ltd.) based in Republic of Korea.

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. Group Structure of the Listed Entity

No.	Company Name	Type of Relation	% of Share Holding	Core Business	Company Registration Date	Business Address
1	Jeonbuk Bank Co., Ltd	Shareholder	50%	Financial and Insurance Activities/Real Estate Activities and Renting and Leasing	2 <sup>nd</sup> July, 1993	Republic of Korea
2	Apro Financial Co., Ltd.	Shareholder	40%	Financial and Insurance Activities/Wholesale and Retail Trade	2 <sup>nd</sup> October, 1999	Republic of Korea
3	JB Woori Capital Co., Ltd.	Shareholder	10%	Financial and Insurance Activities	8 <sup>th</sup> December, 1995	Republic of Korea
4	J&A (Cambodia) Investment Co., Ltd.	Subsidiary	49%	Real Estate Activities with Own or Leased Property	28 <sup>th</sup> August, 2014	Cambodia

## D. The Listed Entity's Milestone



## E. Market Situation

The performance in the banking and financial sector remained strong in 2021 in terms of the quality of credit and deposits, despite the fallout from the Covid-19 outbreak that has hampered economic activity for two years. The pandemic was kept under control now with the resilience and experience we have gained in response to the pandemic. Outstanding loans rose by 21.2 percent year-on-year to \$45.7 billion last year, while customers' deposits surged by 15.4 percent to \$38.5 billion. The growth was driven by rising loan demands in trade, housing, construction and manufacturing, among others, Cambodian banking and financial institutions provided a total loan of \$44.9 billion, covering manufacturing, construction, wholesale and retail trade, agriculture, among other sectors.

## F. Competitive Situation

The banking sector is very stable and has actively contributed to promoting the economic recovery and resilience. The economy is expected to continue to recover amid a rollback of COVID-19-related restrictions. Real GDP growth is projected to reach 4.5 percent in 2022. Cambodia approximately consists of 56 commercial banks, 11 specialized banks, 79 microfinance institutions, 6 microfinance deposit-taking institution, and with a total of 2,600 headquarters and branches as well as 3,512 automated teller machines (ATMs) throughout the country. PPCBank always ready to serve more products and services to the meet the need of customers' objective. As well as we commit to bring innovate to ensure for making banking easy and easier.

## G. Future Plan

PPCBank grew with the most exceeding expectation since our establishment in 2008. With this solid growth that we have achieved and continuous increasing numbers of our customers have embarked on using the services, our plan is to keep expanding to broaden our reach to our customers nationally. To create a success story in Southeast Asia in the financial industry by securing a differentiated competitiveness based on a flexible and advanced infrastructure.

### 1. Short-Term (1 Year Business Plan)

- Connected with mid and long term business plan;
- Use as basic data for Goal achievement by organization / evaluation / reward.

### 2. Mid-Term and Long-Term Plan (3 Years Business Plan)

- Corrected / supplemented in response to changes in the financial environment;
- To direct to mid-term management direction.

## H. Risk Factors

### 1. Analyst

Risks shall be managed with overall objective of maintaining financial/asset soundness and avoiding activities that could impact the Bank's reputation. During the COVID-19 pandemic, business operation, credit quality and liquidity management are directly impacted and required much attentions from all level of staff and Executives.

### 2. Management opinion and Risk mitigation

PPCBank clearly understands the identified risks and be ready to grow within this circumstance. The Bank has maintained a healthy cash flow, diversified sources of funds, and obtained manageable non-performing loans; meanwhile, continuity of business operation is supported by the updated business contingency plan and work-from-home solution.

PPCBank continues to strengthen the risk management function, culture and implementation to ensure a sustainable business operation. Reinforcement of preemptive risk management with following associated actions is also a main priority of the Bank:

- Robust stress test and contingency plan (liquidity and credit) with revised and/or added early warning indicators, scope, scenarios and methodologies.

- Strengthen overall risk rating including strategic and reputational risks.
- Advance analytics on credit, liquidity and solvency risk management.

The Bank keeps regularly monitoring and reporting the regulatory prudential ratios and internal threshold to ensure that the Bank embracing good financial conditions and banking operation continuity.

## PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE

### A. Business Operation Performance including business segments information

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

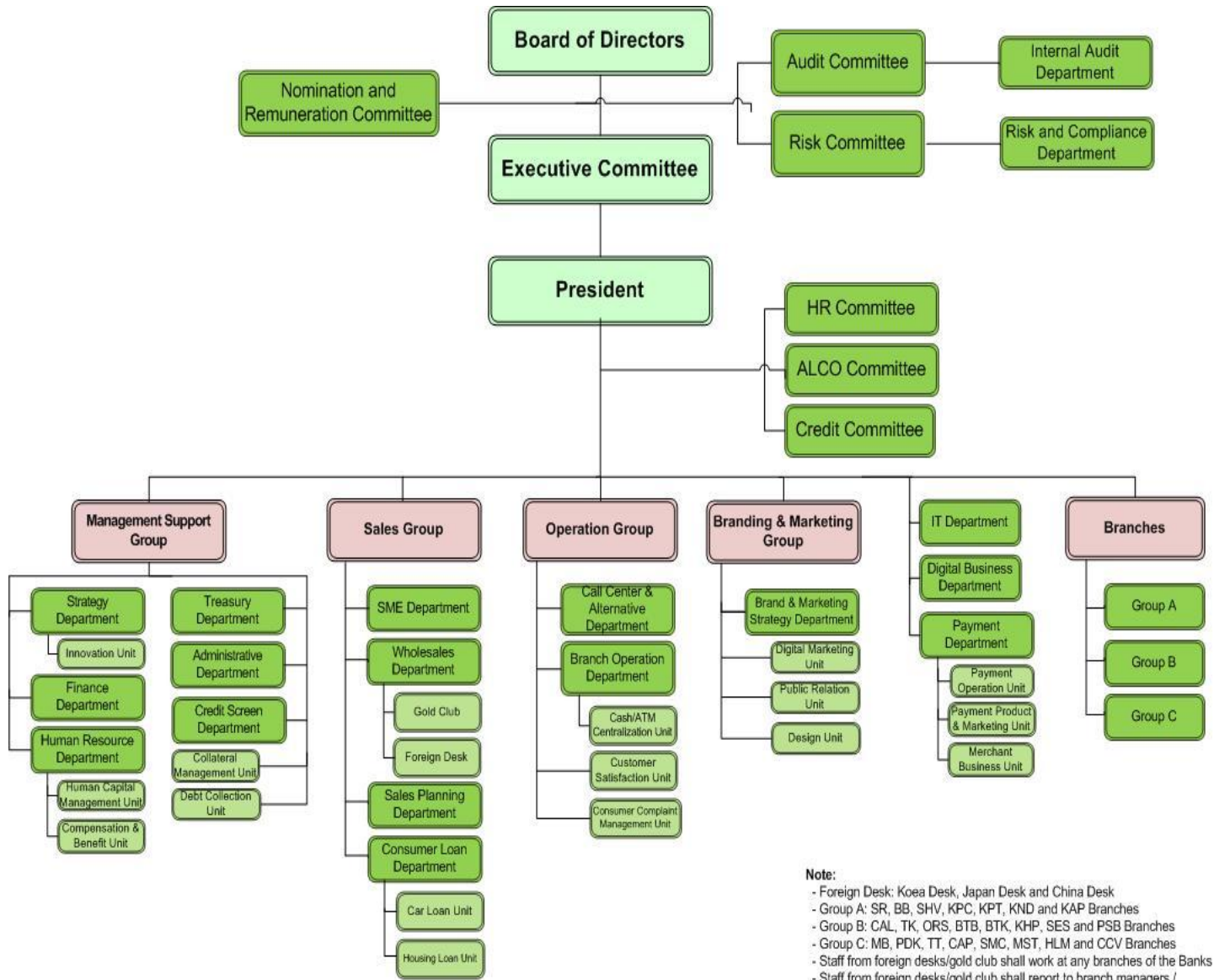
### B. Revenue Structure

No	Sources of Revenue	2021		2020	
		Amount <i>(in KHR million)</i>	Percentage (%)	Amount <i>(in KHR million)</i>	Percentage (%)
1	Interest of Income	301,481	96.59	282,688	95.13
2	Fee and Commission Income	7,830	2.51	14,142	4.76
3	Other Income	2,800	0.90	319	0.11
<b>Total Income</b>		<b>312,111</b>	<b>100</b>	<b>297,150</b>	<b>100</b>



## PART 3 - INFORMATION ON CORPORATE GOVERNANCE

### A. Organization Structure



## B. Board of Directors

### Board Composition

No.	Name	Position	Date of Term being Director	Expired Date of being Director
1	Mr. Yim Yong Taick	Chairman	21st July, 2016	9th August, 2022
2	Mr. Kim Sung Chul	Member	17th May, 2021	9th August, 2022
3	Mr. Sim Sang Ton	Member	21st July, 2016	9th August, 2022
4	Mr. Park Chong Tae	Independent Member	21st July, 2016	9th August, 2022
5	Mr. Lee Myungsang	Independent Member	17th September, 2019	9th August, 2022

Corporate Secretary Name: Mr. Park Naekyu

## C. Senior Officers

### Senior Officer Composition

No.	Name	Gender	Position
1	Mr. Baek Jongil	M	President
2	Mr. Nhak Kimsroy	M	Senior Vice President
3	Mr. Park Naekyu	M	Senior Director
4	Mr. Heng Chantha	M	Senior Director

Note: Detail information of corporate governance is attached as appendix.

## PART 4 - INFORMATION ON SECURITIES' TRADING AND SHAREHOLDERS OF THE LISTED ENTITY

### A. Information on Securities

#### 1. Information on Equity Securities (for equity listed entity)

Phnom Penh Commercial Bank Plc. had not issued equity securities.

#### 2. Information on Debt Securities

Information	Description	
Debt securities' type	FX-Indexed Bond	FX-Indexed Bond
Symbol	<b>PPCB23A</b>	<b>PPCB23B</b>
Issuing date	10 April 2020	22 September 2020
Total amount of debt securities	KHR 40,000,000,000	KHR 40,000,000,000
Total amount of outstanding securities	n/a	n/a
Maturity	10 April 2023	22 September 2023
Coupon payment schedule	semi-annually	semi-annually
Coupon rate (%)	6.50% p.a.	6.50% p.a.
Total amount of coupon payment	n/a	n/a
Credit rating (If any)	n/a	n/a

### B. Securities' Price and Trading Volume

Debt Securities PPCB23A		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Trading Price (Million riel)	Maximum	-	-	-	-	-	-	-	-	-	-	-	-
	Average	-	-	-	-	-	-	-	-	-	-	-	-
	Minimum	-	-	-	-	-	-	-	-	-	-	-	-
Trading volume	Maximum	-	-	-	-	-	-	-	-	-	-	-	-
	Average	-	-	-	-	-	-	-	-	-	-	-	-
	Minimum	-	-	-	-	-	-	-	-	-	-	-	-

Debt Securities PPCB23B		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Trading Price (Million riel)	Maximum	-	-	-	-	-	-	-	-	-	-	-	-
	Average	-	-	-	-	-	-	-	-	-	-	-	-
	Minimum	-	-	-	-	-	-	-	-	-	-	-	-
Trading volume	Maximum	-	-	-	-	-	-	-	-	-	-	-	-
	Average	-	-	-	-	-	-	-	-	-	-	-	-
	Minimum	-	-	-	-	-	-	-	-	-	-	-	-

### C. Controlling Shareholder(s) (30% or more)

No.	Name	National	Number of Shares	Percentage
1	Jeonbuk Bank Co., Ltd.	Korean	51,000	50%
2	Apro Financial Co., Ltd.	Korean	40,800	40%
Total			Total	91,800

### D. Substantial Shareholder(s) (From 5% to Less than 30%)

No.	Name	National	Number of Shares	Percentage
1	JB Woori Capital Co., Ltd.	Korean	10,200	10%
Total			Total	10,200

### E. Information on Dividend Distribution in the last 3 (three) years

(for equity listed entity)

Phnom Penh Commercial Bank Plc. had not issued equity securities.

## **PART 5 - INTERNAL CONTROL AUDIT REPORT BY INTERNAL AUDITOR**

### **INTRODUCTION**

The Internal Audit function is guided by its Audit Policy with the Head of Internal Audit reports functionally to the Audit Committee (AC) and administratively to the President. The function is independent of the activities or operations of other operating units. It undertakes continuous reviews and assessment to ensure that the system of internal controls continues to operate effectively to mitigate the risks faced by the Bank. Any significant risks and non-compliances which impact the operations of the Bank are highlighted and corresponding improvement recommendations are provided to enhance the effectiveness of the risk management, internal control system and governance process. The Internal Audit's mission is to carry out periodic and comprehensive audit reviews and investigations aimed at providing the Board and Managements with documented assessments and recommendations on:

- The effectiveness of risk identification, measurement, monitoring, management, limitation and, where applicable, mitigation procedures and processes.
- The effectiveness of the internal control procedures and processes and appropriateness of process established to prevent from conflict of interest situations or, when applicable, to resolve them in a prudent manner; and
- The adequacy and effectiveness of Compliance controls and the full adherence to the policies issued by the Board.

### **OBJECTIVES AND SCOPES OF INTERNAL AUDIT DEPARTMENT**

Internal audit shall establish objective (CARES) which includes one or more of the following:

- Compliance with mandates, regulations, policies, procedures, guidelines and contracts.
- Achievement of the entity's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programs; and
- Safeguarding of assets

## INTERNAL POLICIES AND GUIDELINES ISSUED BY INTERNAL AUDIT DEPARTMENT

In order to comply with the general objective of internal control system, the several internal policies and guidelines under Internal Audit Department had been established as following:

- Audit Committee Policy (Enactment)
- Internal Audit Policy (1st Amendment)
- Head of Internal Audit Policy (Enactment)
- Branch Self Auditing Guideline (Enactment)
- Internal Audit Procedure (2nd Amendment)
- Risk Assessment Procedure (Enactment)

## SUMMARY OF THE ACTIVITIES OF INTERNAL AUDIT DEPARTMENT IN 2020

The annual planning of Internal Audit Department in 2021 was approved by Audit Committee. Inspection reports of auditing on departments and branches were reported to Audit Committee as quarterly basis.

In 2021, Internal Audit Department conducted audits of 17 branches and 7 departments. Additionally, Internal Audit also performed surprised cash count and important documents checking for all branches located in Phnom Penh areas.

No	Month	Branch	Department
1	January 2021	2	1
2	February 2021	2	
3	March 2021	2	
4	April 2021		
5	May 2021	2	
6	Jun 2021	2	
7	July 2021		1
8	August 2021		1
9	September 2021	2	1
10	October 2021	1	
11	November 2021	2	2
12	December 2021	2	1
<b>Total</b>		<b>17</b>	<b>7</b>

Final Reports of Internal Audit were issued by consisting of below elements:

- Criteria
- Condition
- Root Cause
- Risk & Impact
- Internal Auditor Recommendation
- Action Plans and Implementation Dates of each issues provided by the auditees
- Issue Rating
- Finding Status

## CONCLUSION

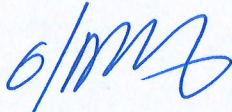
The results of inspection were issued to the responsible departments and branches including the in-charged executive levels and the president. Recommendations had been accepted by Management and all corrective action plans were put in place by Branches and Departments in a timely manner.

Generally, risk management, internal control system and governance process are adequately designed and effectively implemented.

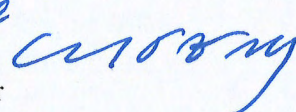
Reviewed and Approved

.....Date..11./..03./..2022

.....Date 11./..03./..2022

LEE Myungsang 

Chairman of Audit Committee

Min Byeongtae 

Head of Internal Auditor

## **PART 6 - FINANCIAL STATEMENT AUDITED BY THE EXTERNAL AUDITOR**

(Please refer to the Annex for Financial Statement audited by the External Auditor).

## **PART 7 - INFORMATION ON RELATED PARTY TRASACTIONS AND CONFLICT OF INTEREST**

The listed entity shall disclose material transaction information, with related parties in the last 2 (two) years, specifying name, relation between the listed entity and related parties, size of transaction and the type of interest which arise from that relationship as follow:

**A. Material Transactions with Shareholder(s) who hold at least 5% or more shares of outstanding equity securities.**

None.

**B. Material Transactions with Director (s) and Senior Officer (s)**

Please refer to the enclosed external audit report.

**C. Transaction with Director(s) and Shareholder(s) related to buy/sell asset and service**

None.

**D. Material Transactions with Immediate Family Members of the Director(s), Senior Officer(s) and Shareholder(s) who hold at least 5% or more shares**

None.



**E. Material Transaction with the Person, who associated with Director(s) of the Listed Entity, its Subsidiary or Holding Company, whose relationship has occurred in any transactions or have been made by the listed entity**

None.

**F. Material Transactions with Former Director(s) or a Person who involved with former director**

None.

**G. Material Transactions with Director(s) who is holding any position in a non-profit organization or in any other company other than the listed entity**

None.

**H. Material Transactions with Director(s) who get benefit either finance or non-financial from the listed entity**

Please refer to the enclosed external audit report.

## PART 8 - MANAGEMENT'S DISCUSSION AND ANALYSIS

### (MD&A)

The analyses focus on the operational and financial results based on 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 audited by Independent Auditors. The 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	2021		2020	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest of Income	301,481	96.59	282,688	95.13
2	Fee and Commission Income	7,830	2.51	14,142	4.76
3	Other Income	2,800	0.90	319	0.11
<b>Total Income</b>		<b>312,111</b>	<b>100</b>	<b>297,150</b>	<b>100</b>

PPCBank earns most income from interest income representing 97% of total income in 2021.

### 3. Gross Profit Margin Analysis

The Consolidated Statement of Profit or (Loss) and Other Comprehensive Income of the bank prepared in the format did not present the gross profit margin, it presented the net interest income which resulted from the total interest income less total interest expenses was illustrated in the next point of the Profit/ (Loss) before Tax Analysis as follows.

### 4. Profit/ (Loss) Before Tax Analysis

Statement of Profit or Loss before Tax	2021 (in KHR million)	2020 (in KHR million)	Variance (in KHR million)	Variance (%)
Interest income	301,481	282,688	18,793	6.65
Interest expense	(109,262)	(115,117)	5,855	(5.09)
<b>Net interest income</b>	<b>192,220</b>	<b>167,572</b>	<b>24,648</b>	<b>14.71</b>
Fee and commission income	7,830	14,142	(6,313)	(44.64)
Fee and commission expense	(4,362)	(4,392)	30	(0.68)
<b>Net fee and commission Income</b>	<b>3,468</b>	<b>9,751</b>	<b>(6,283)</b>	<b>(64.44)</b>
Other operating income	2,800	319	2,481	777.55
Personal expenses	(33,261)	(31,632)	(1,629)	5.15
Other expenses	(31,183)	(28,786)	(2,396)	8.32
Depreciation and amortization	(31,573)	(28,107)	(3,465)	12.33
<b>Operating profit</b>	<b>102,471</b>	<b>89,116</b>	<b>13,355</b>	<b>14.99</b>
Net impairment losses on financial instruments	(9,498)	(1,869)	(7,629)	408.14
<b>Profit before tax</b>	<b>92,973</b>	<b>87,247</b>	<b>5,726</b>	<b>6.56</b>

In 2021, profit before tax was KHR92,973 million (6.6% higher than 2020). The increasing of the profit is mainly from increasing of net interest income driven by loan from customer and due from banks.

**5. Profit/ (Loss) After Tax Analysis**

Statement of Profit or Loss after Tax	2021 (in KHR million)	2020 (in KHR million)	Variance (in KHR million)	Variance (%)
Profit before tax	92,973	87,247	5,726	6.56
Income tax expense	(18,926)	(17,376)	(1,550)	8.92
<b>Net profit for the period</b>	<b>74,048</b>	<b>69,871</b>	<b>4,177</b>	<b>5.98</b>

In 2021, the net profit for the period was KHR74,048 million with 6% higher than 2020 mainly from increasing of net interest income as mention in section 4 (Profit (loss) before tax analysis).

**6. Total Comprehensive Income (loss) Analysis**

Total Comprehensive Income	2021 (in KHR million)	2020 (in KHR million)	Variance (in KHR million)	Variance (%)
Net profit for the period	74,048	69,871	4,177	5.98
Other comprehensive loss	1,895	(1,919)	3,814	(198.71)
<b>Total comprehensive income</b>	<b>75,943</b>	<b>67,952</b>	<b>7,991</b>	<b>11.76</b>

**7. Factors and Trends Analysis affecting financial Conditions and Results**

In 2021, the effects of the Covid-19 virus outbreak continued to spread to communities, severely affecting the economy and business key sectors in Cambodia. Therefore, in order to prevent and recover the economy from the effects of disrupting business activities and the national economy, the Royal Government of Cambodia has continued to introduce the Covid-19 vaccination program for subsequent booster doses to ensure efficacy and immunity in the community from the infection that helped Cambodia from the rapid spread of Covid-19 virus. Thus, the management believes that the business activities of the group and the bank will be better in terms of the size of the operation and the profit 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 during 2021 such as:

- PPCBank improved its Cardless Cash Service which allow customers to be made in both KHR and USD withdrawal account and also allow customers to be made in cross currency from withdrawal account as well.
- Card Management Service of PPCBank is available on Mobile App which allow customers to view card, activate new card, card balance inquiry and transaction inquiry, block/unblock card, card re-issue and re-newal, PIN change & reset PIN, manage card limit, instant cash advance (for credit card individual), view billing statement (Credit Card).
- Bill payment service of Electricity Du Cambodge (EDC) of PPCBank's counter and Mobile App are available and be able to settle the EDC bill through PPCBank.
- PPCBank successfully signed agreement with National Social Security Fund (NSSF) for partnership on monthly work injury and health care payment collection.
- 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*

The fluctuations in price of raw material are not applicable to the Bank.

## *3. Tax Analysis*

PPCBank and its subsidiaries are under Law on Taxation of Cambodia. The Bank is obligated to pay taxes as determined by tax regulations of Cambodia.

On 06 March 2020, PPCBank was awarded "**GOLD**" certificate of tax compliance from GDT with a period for year 2020 and 2021.

## *4. Exceptional and Extraordinary Items Analysis*

With the world is in the midst of a COVID-19 pandemic. There is a significant decline in the global economy. Economic conditions that impacted by COVID-19 may some affect the financial results of the Bank.

## **C. Material Changes in Sale and Revenue**

In 2021, PPCBank recorded increase in the revenue, net interest income KHR192,220 million, which represents 14.7% higher compared to 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. So, 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**

In 2021, Inflation was low at 2.9%, the same as last year (2.9%) released by the National Bank of Cambodia. Therefore, there is no material impact of inflation on the Bank's operational business.

## **F. Economic / Fiscal / Monetary Policy of Royal Government**

In order to continue to stabilize prices and improve monetary policy efficiency for the next quarter, the National Bank of Cambodia continues to decide on the following monetary policy positions:

1. Continue to maintain exchange rate stability by intervening in the exchange market as needed.
2. Maintain bidding interest rate on Liquidity-Providing Collateralized Operation (LPCO) and the provision of Marginal Lending Facility (MLF).
3. Provide liquidity through the LPCO mechanism that support the demand for KHR of Banking and Financial Institutions.
4. Continue to keep the reserve requirement rate at 7% in both KHR and USD, and
5. Improve the knowledge and coordinate the use of Marginal Lending Facility equipment (MLF).

Moreover, 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.**

March 30, 2022

Seen and Agreed



.....  
**YIM, Yong Taick**

Chairman



.....  
**SIM, Sang Ton**

Member



.....  
**KIM, Sung Chul**

Member



.....  
**PARK, Chong Tae**

Independent Member



.....  
**LEE, Myunsang**

Independent Member





## Appendix of Annual Report 2021

### Phnom Penh Commercial Bank Plc.

### Annual Corporate Governance Report

#### Section 1: Shareholders

##### A. Shareholding Structure (As of 31<sup>st</sup> December, 2021)

###### 1. Shareholder Information

Description	Nationality	Type of Shareholders	Number of Shareholders	Number of Shares	Percentage
Less than 5%	Cambodian	Individual	None	None	None
		Legal Entity	None	None	None
	Non-Cambodian	Individual	None	None	None
		Legal Entity	None	None	None
From 5% up to 30%	Cambodian	Individual	None	None	None
		Legal Entity	None	None	None
	Non-Cambodian	Individual	None	None	None
		Legal Entity	1	10,200	10%
From 30%	Cambodian	Individual	None	None	None
		Legal Entity	None	None	None
	Non-Cambodian	Individual	None	None	None
		Legal Entity	2	91,800	90%

###### 2. Shareholder who are directors, senior officers and employees of listed company

Shareholders	Number of Shareholders	Number of Shares	Percentage
Directors	-	-	-
Senior Officers	-	-	-
Employees	-	-	-
<b>Total</b>	-	-	-

## B. Shareholders’ and Protection of Shareholders’ Right

### 1. Rights of Shareholders

All shareholders have full rights to make decisions at the meeting regardless of their status and number of shares. A decision adopted at the Shareholders meeting may be made without meeting if all shareholders approve in writing to make such decision.

### 2. Protection of Shareholder’s Right and the Company’s Practice of the Protection of Shareholders’ Rights

Shareholders select and nominate the Board of Directors. Shareholders are protected by the Board of Directors.

### 3. Protection of Minority Shareholders’ Rights and the Company’s Practice of the Protection of Shareholders’ Rights

Shareholders have the rights equivalent to number of their shares to vote without any restriction.

## C. General Shareholders Meeting

### 1. Procedure of General Shareholder Meeting and Voting

The Shareholder’s General Meetings shall be held at least once a year. Notice of the meeting shall be given in writing at least twenty (20) days in advance to all members to attend the meeting. The notice shall state the date, place, and agenda of the meeting. The Board of Directors shall set the schedule for General Meeting; and an extraordinary meeting may be convened at any time.

### 2. Information on General Shareholder Meeting

No.	Date	Type of Meeting	Quorum of Meeting	Agenda	Resolution
1	29th March, 2021	Ordinary General Meeting	Full	<ul style="list-style-type: none"> <li>○ Annual Financial Report for 2020</li> <li>○ Appointment of BOD Member</li> <li>○ Remuneration Limit for Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>○ Approved on Annual Financial Report for 2020;</li> <li>○ Approved the appointment of BOD member;</li> <li>○ Approved the Remuneration Limit for Board of Directors for year 2021.</li> </ul>

2	23rd April, 2021	Shareholder's Resolution (In Writing)	Full	<ul style="list-style-type: none"> <li>○ Conversion of Retained Earnings into paid-in capital amount US\$ 10,000,000</li> <li>○ The Amendment of Memorandum and Articles of Association for paid-in capital increase and change the representative shareholder of Jeonbuk Bank and JB Woori Capital</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved on the approval of the conversion of retained earnings into paid-in capital amount US\$ 10,000,000</li> <li>○ Resolved to amend Memorandum and Articles of Association as below: <ul style="list-style-type: none"> <li>✓ Increasing paid-in capital from US\$92,000,000 to US\$102,000,000 by the proportion of shareholding.</li> <li>✓ Changing representative shareholder of Jeonbuk Bank Co., Ltd. from Mr. Yim Yong Taick to Mr. Seo Han Kook and from Mr. Im Jung Tae to Mr. Park Choon Won for JB Woori Capital Co., Ltd.</li> </ul> </li> </ul>
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**D. Dividend Distribution**

1. Dividend Policy

The dividend distribution is decided by Shareholders.

2. Historical Information on Dividend Distribution for the Last Three Years

No.	Details on Dividend Distribution	2021	2020	2019
1	Announcement date of dividend distribution approved by shareholders	None	4th December, 2019	None
2	Approval Date from NBC	None	15th January, 2020	None
3	Date of dividend Payment	None	29th January, 2020	None

## Section 2: Board of Directors

### A. Board of Directors

#### 1. Composition of the Board of Directors

No.	Directors' Name	Position	Date of Term being Director	Expired Date of being Director
1	Mr. Yim Yong Taick	Chairman	21st July, 2016	9th August, 2022
2	Mr. Kim Sung Chul	Member	17th May, 2021	9th August, 2022
3	Mr. Sim Sang Ton	Member	21st July, 2016	9th August, 2022
4	Mr. Park Chong Tae	Independent Member	21st July, 2016	9th August, 2022
5	Mr. Lee Myungsang	Independent Member	17th September, 2019	9th August, 2022

#### 2. Biography of Director

- **Mr. YIM, Yong Taick, Chairman**
  - President, CEO at Jeonbuk Bank Co., Ltd (Nov 2014 – Mar 2021)
  - Chairman, CEO at JB Woori Capital Co., Ltd (Sep 2011 – Oct 2014)
  - Founder, CEO at Pegasus Private Equity Co., (Apr 2008 – Aug 2011)
  - Founder, CEO at Meritz Investment Partners Co., (May 2005 – Mar 2008)
  - Founder, CEO at Taurus Venture Capital Co., (Aug 1997 – Apr 2005)
  - Founder, CEO at Lim & Partners Co., (Mar 1996 – Jul 1997)
  - Manager at Daishin Securities Co., Ltd (Mar 1986 – Feb 1996)
- **Mr. KIM, Sung Chul, Member**
  - Deputy CEO at Jeonbuk Bank Co., Ltd. (January 2021 - Present)
  - Head of Management Supporting Divison at Jeonbuk Bank Co., Ltd. (Jan 2019 - Dec 2020)
  - At Jeonbuk Bank Co., Ltd. (Aug 1991 - Dec 2018)
    - General Manager of Human Resources Supporting Department
    - General Manager of Business Promotion Department
    - General Manager of Seosindong Branch etc.
- **Mr. SIM, Sang Ton, Member**
  - Director at APRO Financial Co., Ltd (Jun 2004 - Present)
  - Representative Director at OK Financial Group (May 2014 - Present)
  - Representative Director at YES Capital Co., Ltd (Dec 2013 - Present)

- **Mr. PARK, Chong Tae, Independent Member**
  - CEO at MainStream & Company (Feb 2004 - Present)
  - CEO at E-Trinity Ltd (Aug 2003 - Jan 2004)
  - Managing Director at LKFS Co., Ltd (Mar 2000 - Jun 2003)
  - Manager at IBM Korea (Jan 1991 - Feb 2000)
  
- **Mr. LEE, Myungsang, Independent Member**
  - Statutory Audit at REDBADGE PACIFIC (Venture Capital) (Oct 2016 - Present)
  - Lawyer (Partner) at LEEKIM & Partners, LLC (Feb 2014 - Present)
  - Lawyer (CEO) at LEEKIM & Partners (Jan 2007 - Feb 2014)
  - Lawyer (CEO) at Soehyun Partners (Feb 2001 - Jan 2007)
  - Lawyer at Sojong Partners (Jan 2000 - Feb 2001)

3. If any Directors serve as Directors, Shareholders or Co-Owner of other Companies

No.	Name of Director	Name of Companies	Director, Shareholder or Co-Owner
1	Mr. YIM, Yong Taick	N/A	N/A
2	Mr. KIM, Sung Chul	N/A	N/A
3	Mr. SIM, Sang Ton	N/A	N/A
4	Mr. PARK, Chong Tae	N/A	N/A
5	Mr. LEE, Myungsang	N/A	N/A

4. Roles, Duties and Responsibilities of the board of Director

- Convening General Meeting of shareholders and agenda items to be presented to General Meeting;
- Matters related to shares and bonds
- Enactment, amendment or abolition of important policies related to management of the Bank except for amendment or modifying the wording in accordance with a change of the relevant acts, subordinate statute or other regulations.
- Operation of the Bank
- Directors (Appointment, dismissal, remuneration, .... etc.)
- Important contracts
- Important lawsuits
- Others

5. Board of Director Meeting

No.	Date	Type of Meeting	Participated Director
1	4 <sup>th</sup> February, 2021	Ordinary (Video Conference)	<ul style="list-style-type: none"> <li>○ Mr. YIM, Yong Taick</li> <li>○ Mr. SIM, Sang Ton</li> <li>○ Mr. PARK, Chong Tae</li> <li>○ Mr. HEO, Ryeon</li> <li>○ Mr. LEE, Myungsang</li> </ul>
2	29 <sup>th</sup> March, 2021 (8:30 AM – 8:40 AM)	Ordinary (Video Conference)	<ul style="list-style-type: none"> <li>○ Mr. YIM, Yong Taick</li> <li>○ Mr. SIM, Sang Ton</li> <li>○ Mr. PARK, Chong Tae</li> <li>○ Mr. HEO, Ryeon</li> <li>○ Mr. LEE, Myungsang</li> </ul>
3	29 <sup>th</sup> March, 2021 (9:00 AM – 10:00 AM)	Ordinary (Video Conference)	<ul style="list-style-type: none"> <li>○ Mr. YIM, Yong Taick</li> <li>○ Mr. SIM, Sang Ton</li> <li>○ Mr. PARK, Chong Tae</li> <li>○ Mr. KIM, Sung Chul</li> <li>○ Mr. LEE, Myungsang</li> </ul>
4	23 <sup>rd</sup> April, 2021	In Writing Meeting	<ul style="list-style-type: none"> <li>○ Mr. YIM, Yong Taick</li> <li>○ Mr. SIM, Sang Ton</li> <li>○ Mr. PARK, Chong Tae</li> <li>○ Mr. KIM, Sung Chul</li> <li>○ Mr. LEE, Myungsang</li> </ul>
5	26 <sup>th</sup> July, 2021	Ordinary (Video Conference)	<ul style="list-style-type: none"> <li>○ Mr. YIM, Yong Taick</li> <li>○ Mr. SIM, Sang Ton</li> <li>○ Mr. PARK, Chong Tae</li> <li>○ Mr. KIM, Sung Chul</li> <li>○ Mr. LEE, Myungsang</li> </ul>
6	22 <sup>nd</sup> October, 2021	Ordinary (Video Conference)	<ul style="list-style-type: none"> <li>○ Mr. YIM, Yong Taick</li> <li>○ Mr. KIM, Sung Chul</li> <li>○ Mr. PARK, Chong Tae</li> <li>○ Mr. SIM, Sang Ton</li> <li>○ Mr. LEE, Myungsang</li> </ul>
7	21 <sup>st</sup> December, 2021	Ordinary (Video Conference)	<ul style="list-style-type: none"> <li>○ Mr. YIM, Yong Taick</li> <li>○ Mr. KIM, Sung Chul</li> <li>○ Mr. PARK, Chong Tae</li> <li>○ Mr. SIM, Sang Ton</li> <li>○ Mr. LEE, Myungsang</li> </ul>

**B. Board Committees**

**1. Board Committee Structures**

**1.1. Audit Committee**

No.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
Former Audit Committee ( from 1st January to 28th March, 2021)					
1	Mr. Lee Myungsang	Chairman	09-Aug-2019	1	1
2	Mr. Heo Ryeon *	Member	26-Oct-2020	1	1
3	Mr. Sim Sang Ton	Member	26-Oct-2020	1	1
Current Audit Committee ( from 29th March to 31st December, 2021)					
1	Mr. Lee Myungsang	Chairman	09-Aug-2019	3	3
2	Mr. Kim Sung Chul	Member	29-Mar-2021	3	3
3	Mr. Sim Sang Ton	Member	26-Oct-2020	3	3

\* Mr. Heo Ryeon has resigned from member of Audit Committee of PPCBank.

### Roles and Responsibilities of Audit Committee

- To assess the quality of internal control procedures, in particular whether the systems for measuring, monitoring and controlling risks are consistent, and recommending further action where appropriate;
- To monitor the integrity of the financial statements of the bank;
- To be aware of regulatory and other monitoring and enforcement requirements designed to ensure that the bank's financial information complies with financial reporting and other regulatory requirements;
- To monitor and review the effectiveness of the bank's internal audit function, and to make recommendation for the future action where appropriate;
- To follow up on the effectively corrective actions' implementation, notably by tracking the pending and outstanding recommendations issued by internal audit and further supporting the work of internal audit;
- To monitor and review the external auditor's independence, objectivity and effectiveness
- To develop and implement the policy on the engagement of the external auditor to supply non-audit services;
- To make recommendation to the Board of Directors in relation to the appointment and remuneration of the external auditor and to approve the terms of the engagement of the meeting
- To oversee the controls for the publication of financial information by the bank to ensure all those information complies with applicable financial reporting requirements, including whether the bank has adopted appropriate accounting policies and made defensible assumption supported by reasonable estimates and judgments
- To encompass the integrated report and annual financial statements, interim reports preliminary and provisional result announcements and summarized financial information
- To consider any factors that might predispose the management to present an incomplete or misleading picture of the bank's financial position and performance;



- To review the aspects of risk sustainable issues where it is mandated to do so by the Board of Directors
- To make recommendations to the Board of Directors on actions to be taken where the Audit Committee's monitoring and review processes reveal cause for concern or need for improvement.

**Results of Audit Committee Performance**

In 2021, Audit Committee convened 4 meetings, which discussed and approved the following:

- ✓ 1<sup>st</sup> Audit Committee Meeting on 17<sup>th</sup> March, 2021
  - To approve on the annual report on the organization and effectiveness of the internal control system for the year ended 2020
  - To approve on the annual report 2020 of SECC (Part 5: Internal Control Audit Report by Internal Auditor)
  - To review on annual financial report for FY2020
  - To continue auditing service with independent auditor for the FY2021
  - To report the result on-site inspection from October 2020 to February 2021
- ✓ 2<sup>nd</sup> Audit Committee Meeting on 30<sup>th</sup> June, 2021
  - To report the result of on-site inspection from March to June 2021
- ✓ 3<sup>rd</sup> Audit Committee Meeting on 17<sup>th</sup> September, 2021
  - To approve on internal audit department’s budget plan 2022
  - To report the results of on-site inspection from July to August 2021
- ✓ 4<sup>th</sup> Audit Committee Meeting on 20<sup>th</sup> December, 2021
  - To approve on Business Plan of Internal Audit Department for FY2022
  - To report Annual Self-Assessment Report of Internal Audit Function in 2021
  - To report the Results of On-site Inspection from September to November 2021

**1.2. Nomination and Remuneration Committee**

No.	Name	Position	Appointment Date	Number of Attended	Total Number of Meeting
1	Mr. PARK, Chong Tae	Chairperson	18th November, 2019	2	2
2	Mr. KIM, Sung Chul	Member	29th March, 2021	2	2
3	Mr. LEE, Myungsang	Member	18th November, 2019	2	2

### Roles and Responsibilities of Nomination and Remuneration Committee

- Ensuring that the remuneration regulation/system is consistent with the long-term objectives and corporate values of the Bank.
- Reviewing and recommending on qualifications term and procedure to select and replace board member and affiliated committee members under the board.
- Reviewing and recommending independent persons who will become affiliated committee members under the board as referred to in the Prakas N° B7-08-211 Prokor from National Bank of Cambodia.
- Evaluate executive committee member to submit to the board of director.
- Inspecting, updating the mechanism and evaluating the effectiveness of the board of directors, executive committee and other affiliated committees under the board at least 1 time per year.
- Recommend on remuneration or allowances for board members and executive committee members.

### Result of Nomination and Remuneration Committee

In 2021, Nomination and Remuneration Committee was convened 2 meetings with the resolution as bellows:

- 1st Meeting:
  - Recommendation on the Nomination of BOD Member
  - Recommendation on the Nomination of Member of Affiliated Committees' under the Board of Directors
  - Recommendation on the performance Evaluation of Executive Management for 2020
- 2nd Meeting:
  - Performance evaluation and compensation rule for executive committee member for 2021 (Draft).

### 1.3. Risk Management Committee

No	Name	Position	Appointed Date	Numbers of Attending the Meeting	Total Meetings
1	Mr. PARK CHONG TAE	Chairman	09 Aug 2019	4	4
2	Mr. KIM SUNG CHUL (1)	Member	29 Mar 2021	1	
3	Mr. LEE MYUNGSANG	Member	26 Oct 2020	4	
4	Mr. TRY VISAL	Secretary	09 Aug 2019	4	

(1) The new appointed member was to replaced Mr. HEO RYEON who has resigned from his position.

**Role and Responsibilities of Risk Committee**

- Assist the BOD in fulfilling its oversight responsibilities by reviewing and monitoring the Bank’s:
  1. Risk appetites and strategy
  2. Permanent internal control, risk management (including risk management plan for new products), and their reporting
  3. Processes for compliance with Laws, regulations and codes of ethics and conducts.
- Conduct annual performance appraisal of RCD.
- Others as stated in Directorate Policy, Risk Management Policy and related guidelines.

**Result of Risk Committee**

- Risk and compliance performance appraisal
- Strategic and comprehensive annual plan of Risk and Compliance Department
- Preemptive response COVID-19
- Stress testing and contingency plan
- Implementation of overall risk assessment
- Amendment of compliance and risk management related guidelines
- Annual risk limit and amendment of key risk indicators
- Current status/implications and improvement measurements
- Risk and compliance monitoring and reporting.

**2. Changes of Committee Member**

No.	Committee	Name	Reason
1	Audit	○ Change from Mr. HEO, Ryeon to Mr. KIM, Sung Chul	Mr. HEO, Ryeon has resigned
2	Risk	○ Change from Mr. HEO, Ryeon to Mr. KIM, Sung Chul	Mr. HEO, Ryeon has resigned
3	Nomination and Remuneration	○ Change from Mr. HEO, Ryeon to Mr. KIM, Sung Chul	Mr. HEO, Ryeon has resigned

**C. Indemnity or Remuneration**

1. Summary Policy on Indemnity or Remuneration for Directors and Senior Staff
  - a) Indemnity or Remuneration for Director

When the board members travel to overseas for a meeting, expenses including transportation, accommodation and per diem shall be covered by the Bank. For independent board member shall be paid monthly salary and conference allowance.

b) Indemnity or Remuneration for Senior Staff

Senior Staff will receive indemnity or remuneration as below:

- Business Meal Allowance
- Incentive
- Insurance Benefit
- Phone Allowance
- Lunch Allowance
- Seniority Payment/Severance Pay

2. Persons Who Receive Indemnity or Remuneration

No.	Persons Who Receive Indemnity or Remuneration	Indemnity or Remuneration Amount	Others
1	President	100,000 to 200,000	
2	Senior/Executive Vice President	30,000 to 40,000	
3	Director	10,000 to 20,000	

**D. Annual Performance Evaluation of Board of Directors, Individual Director, Board Committees and Chief Executive Officer**

No.	Description	Evaluation Procedure	Criteria
1	Board of Directors	Board of Directors shall be evaluated annually of resolution during the year at last meeting of board of director at the end of the year.	1. Oversight of Management 2. No of Board of Director Meeting
2	Directors	Directors shall be evaluated same as mentioned in No 1.	Director performance during the year
3	Committees (Executive)	Performance evaluation of executive management shall be recommended by Nomination and Remuneration Committee and will be approved by the Board of Directors.	○ Performance ○ Management
4	CEO	CEO conducts self-evaluation by giving scores (A – E) to each criteria and his own goal. CEO performance evaluation shall be recommended by Nomination and Remuneration Committee and will be approved by the Board of Directors.	○ Quantitative Evaluation ○ Qualitative Evaluation

**E. Training for Directors and Senior Officers**

None.

## Section 3: Code of Conducts Practices

### A. Policies related to Code of Conduct applicable to Directors, Senior Staff and Employees:

#### Responsibilities and Duties to Customers

##### a. Practice of Customer Satisfaction Management

- Keep in mind that customer is the source of growth of PPCBank, therefore we provide product development and best service to meet customers' needs.
- We do not make unreasonable promises that we cannot keep with our customers, and try to keep our promises once.
- Various communication channels such as document, telephone, post, internet, PC communication are secured but opened so that customers can easily present complaints or suggestions at any time.
- If you are not in the position, the other-side staff will process it in the first place to minimize the waiting time of the customer.
- We do our best to meet customer satisfaction and prevent service malfunction. We will compensate customers for any damage caused by obvious mistake of the staff.

##### b. Respecting the Right of Customers to Know

- The printed materials such as passbooks, invitations, posters, etc., must contain contents that solely affect the customer's interest, such as the applicable rate, restrictions and changes. Avoid use as much as possible and make it easier for customers to understand.
- Use various self-study training manuals and handy office's information leaflets to familiarize themselves with new products or business changes and make sure that customers are not disrupted.
- Provide information about new products or system changes to customers promptly and accurately through newspaper, broadcasting, internet, DM, and various promotional materials.

##### c. Customer Information Management

- Customer related information is not disclosed to the third party without prior approval of the customer. However, this shall not apply to cases where it is determined by law.
- Do not allow the employee to use unauthorized information or notify other people of important information that he / she has learned about the Bank's business, such as cases of loans, deposits, trade finances, securities trading etc.
- Do not leak any information obtained in the course of business to the outside without prior permission or approval.
- In case that the credit information about the customer is to be provided to the credit information provider such as Credit Bureau of Cambodia (CBC), etc., it must obtain the written agreement from the individual by the law.

**d. Duties of a Good Employee**

- In cases where identity verification is required, the employee shall not intentionally intervene, engage in or acquiesce to transactions for money laundering purposes, as well as thoroughly checking whether the customer's identity is fake or not.
- Do not stamp seal on customer behalf or keep his/her passbook against his/her will.

**e. Establishment of Safe and Comfortable Branches Environment**

- We regard customer's safety as a top priority in creating safe and comfortable environment.
- Keeping the hygiene; to clean the toilet, parking lot, and neighboring streets as well as the floor, keeping the environment around and inside always pleasant and clean.

**Responsibilities and Duties for Community Development**

**f. Community Cooperation**

- We deeply recognize the importance of local banks and maintain close organic relations with local governments, corporations and civic groups and do not hesitate to cooperate.
- As a bank of the people of the metropolis, we strive to make the community-friendly business more faithful to its role and mission.
- When establishing the management goals of our company, we will give priority to affinity with local residents.
- All employees of PPCBank respect the social values of our region, strictly adhere to laws and regulations, take the lead in the eradication of financial crime, and work in the direction of meeting the interests of the region.

**g. Contribution to Local Development**

- Support voluntary activities of individual employees and create conditions for employees to participate actively.
- Faithfully perform our role as a corporate mecenat contributing to the development of the academic, artistic, cultural and sports that enrich the society spiritually.
- Contribute to the stability and growth of the local economy by developing into a permanent enterprise through fair profit creation.
- Contribute to local development through job creation and sincere tax payment, and actively taking part in welfare projects through financial support from various welfare organizations and events to help the poor.

**Responsibilities and Obligations to Shareholders**

**h. Providing Sincere Information**

- Provide credible and useful information about the current status and prospects of the Bank to help investment decisions and open opportunities for participation in major decision making.
- Select the medium that shareholders can use in the fastest and most economical way to transfer information to shareholders.

- Do not neglect to disclose various kinds of disclosure data.

**i. Equal Treatment**

Equal treatment is guaranteed to all shareholders, including minority shareholders and foreign shareholders.

**j. Protecting the Interests of Shareholders**

- Protect shareholders' profits with good faith and reasonable investment.
- If a shareholder is infringed, he/she will immediately apologize and promise to prevent future recurrence and provide the opportunity for the Bank to take back the rights of shareholders.
- Strive to receive an evaluation that is worthy of corporate value through active public relations and investor relations, both at home and abroad.
- Ensure the stability of shareholder's interests by avoiding speculative business expansion or short-term price adjustment.

**k. Rigorous Accounting Management**

- Make sure to write accurate and perfect accounting records in accordance with generally accepted accounting principles.
- Records on the books are regularly inspected and confirmed, and when the difference between the contents of the ship and the actual assets is found, the cause is clarified through proper procedures and publicly adjusted.
- For any purposes, it does not create funds that are not publicly disclosed, and does not make false or artificial descriptions.

**l. Fair Personnel**

- It induces employees' motivation for accomplishing work through fair evaluation and compensation for individual ability and performance.
- In the employment and promotion of the employees, we do not discriminate according to gender, academic background, age, religion, and area of origin.
- Establish future-oriented labor relations of coexistence and co-prosperity on the basis of trust and harmony.

**m. Improvement of Quality of Life**

- Establish various systems of employment, training, and vacation for self-realization in respect of the individuality and personality of individual employees.
- Create conditions for employees to carry out their duties in a fair way.
- Do our best to improve the quality of life of our employees and their families, including health, education and old age.
- Create a work environment where all employees can work healthily and safely.
- Actively develop and implement programs to improve the quality of life of our employees, such as the creation of a high-quality cultural environment and the expansion of welfare facilities.

**Respect for Autonomy and Creativity**

- We value not only the result of the work but also the process, and the mistake that kept the basic and the principle and did our best is the affection and encouragement.
- Eliminate all authoritarian elements in business processes and human relations, and create an environment in which all employees can have their own opinions and pursue their work autonomously.
- Encourage the delegation of authority to the lower level to promote the responsible work of the practitioner.
- Ensure smooth communication channels to prevent conflicts in advance and open up the unlocks so that employees can fully demonstrate their creativity.

**Responsibilities and Duties to the Bank**

**n. Protection of the Bank's Properties**

- The properties of the Bank shall not be used for private purposes, and all employees shall do their best only in banking during working hours.
- Do not report false or exaggerated information for the benefit of a particular individual or branch office, and do not intentionally omit, conceal, or monopolize important information.
- The budget of the Bank shall be implemented rationally and transparently in accordance with the prescribed use.
- Do not engage in stock investment, internet, PC communication, private phone use, etc., which are irrelevant to business affairs, and each department manager shall manage the staff so that such cases do not occur.
- Do not spend private expenses using bank expenses, especially personal expenses such as business expenses (including incentive expenses and expenses).
- Do not make cash using false receipts.
- Do not use private property of the Bank proprietary property such as business vehicles.
- Do not treat personal food expenses as a bank expense.
- Do not take private gain while causing waste of other expense.
- The unauthorized copying of the paid software is not used.

**o. Prohibition of Conflict of Interests with the Bank**

- Under no circumstances may an outside organization or organization act for profit.
- The shares or property of the supplier shall not be acquired directly or indirectly by illegal or conflicted methods.



- Selection and registration of customers shall be given equal opportunity through free competition for a sufficient number of qualified customers based on regulations set by the Bank.

**p. Mutual Respect Among Employees**

- Do not make mutual slander through the network or do not express or act to harm the cohesiveness of the organization.
- The supervisor shall not give undue instructions to the subordinate, the subordinate should clarify the intention to reject the supervisor's unjust instruction, and report it to the management if it is not corrected.
- Do not act in any way that hinders the work environment, including sexual harassment such as sexual temptation, jokes, and physical contact, which respects personality, and causes sexual shame.
- Increase efficiency of work by active cooperation and smooth communication between colleagues and branch offices.

**q. Mutual Support Between Employees**

- The assistant shall make use of the principle of mutual benefit and shall not be burdensome.
- In case of a promotion related to promotion, prestige, or inauguration, please refrain from presenting wreaths or pollen as much as possible to discomfort among fellow employees. If necessary, use letters from the headquarters or e-mail on board.
- Prohibit bosses from giving money to the boss, or raising money for the bosses for that purpose.
- We prohibit employees from mutual monetary transactions and excessive gifts that harm the morality.

**r. Receipt of Congratulatory Remarks and Remittances**

- A request for a solicitation or remedy shall be made only in the case of the spouse and his / her immediate spouse or partner, And the rank and the act to impose the burden on the other person is prohibited.
- It does not receive all kinds of gifts such as money, goods, gift certificates, entertainment, etc. from business related persons (individuals or companies that deal with business activities) and does not pass the burden of expenses related to meeting and meal. However, except for simple meals and beverages to the extent that it can be recognized by the socially popular minds of business customers and companies.
- It is possible to pay the hosting fee for the amount that is commonly accepted to external stakeholders, but the provision of cash is strictly prohibited. However, the expenditure of such expenses shall not be regular or frequent, nor should it be caused by the request or enforcement of the other party.

- Executives and employees shall not arrange private money lending to customers or make direct money lending to customers.
- s. **Compliance with Laws**
  - Employees shall strictly abide by relevant laws and regulations, supervisory regulations and internal regulations when carrying out their duties.
  - Employees should not neglect to know the necessary internal regulations and procedures in handling their duties.
- t. **Self-management of Employees**
  - Employees shall endeavor to maintain a high level of ethics in their duties and personal lives so that they can maintain dignity and honor.
  - Employees will endlessly challenge self-development and challenge progressively in a changing future in the era of infinite opportunities and infinite competition.
  - Executives and staffs are always in good health and are a good example of life and maintain a service attitude.
- u. **Political Activities and Offerings**
  - We shall refrain from any act or work that may jeopardize or suspend political neutrality by giving opinions that support or oppose specific political parties, organizations or candidates. However, it is possible to express the position of the Bank regarding the drafting of policies or legislation related to PPCBank.
  - Do not seek unfair competitive advantage by offering illegal offerings, gifts, entertainment, or accommodations to individuals or organizations.

## **B. Dissemination of Code of Conduct to Directors, Senior Staff and Employees**

- Do not make mutual slander through the network or do not express or act to harm the cohesiveness of the organization.
- The supervisor shall not give undue instructions to the subordinate, the subordinate should clarify the intention to reject the supervisor's unjust instruction, and report it to the management if it is not corrected.
- Do not act in any way that hinders the work environment, including sexual harassment such as sexual temptation, jokes, and physical contact, which respects personality, and causes sexual shame.
- Increase efficiency of work by active cooperation and smooth communication between colleagues and branch offices.
- Dissemination of business ethics to governors, senior staff and staff at all levels will be done by signing the Code of Conduct Declaration Form for the existing staff and new staff onboard for their first day of work by read carefully and are accepted not violate the Code or the Bank's Policy.
- The Code of Conduct will be reviewed through internal training by the responsible department and upload in the Bank through Groupware System to all staff at level.

### C. Mechanisms and Procedures for the Implementation of Code of Conduct

This code of conduct a form part of the terms and conditions of employment and governs staff activities at PPCBank. Staffs are required to read, understand and abide by the code of conduct. Staffs are subjected to the full range of disciplinary sanctions which include warning or termination for not abiding by the code of conduct. PPCBank Executive Committee members will function as the Code of Conduct Committee, and the committee will oversee staff knowledge, understanding, implementation of code of conduct, and sanction for code violation. Audit and Human Resources Department plays an important role in monitoring the activities of employees at all levels to avoid violating the Bank's Code of Conduct.

### D. Transactions with Related Parties

#### 1. Policy for Managing Transactions with Related Parties

No.	Related Parties	Policies
1	Holding Company	None
2	Joint Venture	None
3	Subsidiary Company	None
4	Majority Shareholders and Controlling Shareholders	Memorandum and Article of Association (MAA)
5	Directors and their family	Directorate Policy
6	Employees and their family	Employee Code of Conduct Guideline
7	Others	None

#### 2. Significant transactions with Related Parties

Refer to attached Financial Statement audited by Independent Auditor.

## Section 4.- Risk Management, Internal Control and Auditing

### A. Brief of Risk Management System or Risk Management Policy

Risk Management Policy [Enactment: 27<sup>th</sup> June 2016] has been revised and approved by the Board of Directors and put into official implementation of first amendment on 01<sup>st</sup> January 2019 and second amendment on 04<sup>th</sup> February 2021. To achieve effectiveness of risk management policy, relevant risk management regulations has been enacted and official implemented on 01<sup>st</sup> January 2019 such as:

- Credit Risk Management Guideline [2<sup>nd</sup> Amendment: 01<sup>st</sup> Nov 2021]
- Operation Risk Management Guideline [2<sup>nd</sup> Amendment: 01<sup>st</sup> Nov 2021]
- Liquidity/Solvency Risk Management Guideline [1<sup>st</sup> Amendment: 23 Oct 2020]
- Market Risk Management Guideline [1<sup>st</sup> Amendment: 23 Oct 2020]

Risk management is required the cooperation of all involved parties such as: Board of Directors, Risk Committee, President, Senior Management, Risk and Compliance Department, Internal Audit Department, Back-office Staff, Front-line Staff, Risk Champion and all other staff. Role and responsibilities of the above involved parties has been clearly stated in Risk Management Policy.

## **B. Brief Internal Control System**

There are two main components of control system included permanent control and periodic control.

### **Permanent Control:**

The risk-taking departments are responsible for the day-to-day management of risk inherent in their business activities. Risk management is responsible for providing risk oversight for major risk categories, ensuring the core risk policies are consistent and overseeing the execution of various risk policies and related decision of the board.

Risk and Compliance Department is responsible for assessing and reviewing the compliance risk, establishing and reviewing regulatory compliance risk policies and guideline, methodologies, tools and template to ensure they remain current and appropriate, monitoring the compliance within the bank and reporting findings to the Management/Board and maintaining independent oversight and reporting compliance with law, rules, policies and standards. Risk and Compliance Department is consisting of one senior manager, two assistant managers, one senior officers, and five officers and report to Risk Committee.

However, the permanent controls are also being maintained and monitored by in-charged committees including Nomination and Remuneration Committee, Executive Committee, HR Committee, ALCO Committee, and Credit Committee.

### **Periodic Control:**

The internal audit function plays a crucial role in the ongoing maintenance and assessment of the Bank's internal controls, risk management and governance systems and processes. An effective internal audit function provides independent assurance to the Board of Directors and senior managements on the quality and effectiveness of the bank's internal controls and risk managements to protect the bank and its reputation.

The internal audit's mission is to carry out periodic and comprehensive audit reviews and investigations aimed at providing the Board and managements with documented assessments and recommendation.

Internal Audit is not responsible for performing or authorizing any of the day-to-day tasks which enable the bank to operate, nor is it directly responsible for the implementation of any new initiatives, even where these arise as a result of audit recommendations. However, Internal Audit

should be prepared to offer advice, cooperation and practical assistance to line management whenever possible.

### C. Auditing

#### 1. Internal Audit

##### 1.1. Roles and Responsibilities of Internal Auditors

Internal auditors’ main responsibility is to provide an independent assessment on the adequacy and effectiveness of the bank’s risk management, internal control and governance processes implemented by the management.

##### 1.2. New Appointment and Removal/Resignation of head and/or Deputy of Internal Auditors

No.	Name	Appointment Date	Removal/Resignation Date	Reasons
1	Mr. Choi Gwang Ho	20 <sup>th</sup> January, 2020	4 <sup>th</sup> February, 2021	Resigned from his position

##### 1.3. Appointment of head and/or Deputy of Internal Auditors

No.	Name	Appointment Date	Removal/Resignation Date
1	Mr. Na Byeongtae	4 <sup>th</sup> February, 2021	

#### 2. External Auditors

No.	Name of Audit Firms	Date of Engagement	Auditing Fees	Non-audit Fees
1	PricewaterhouseCoopers (Cambodia) Ltd.	23 <sup>rd</sup> March, 2020 (For FY2020 & FY2021)	Around USD 119,700	None

#### Reasons for the Change, Suspension and Termination of Audit Firms in Securities Sector

According to NBC Prakas No. B7-017-335 Prokor, on “External Audit on Banking and Financial Institutions”, Article 15: An audit firm shall not serve as an engagement partner for a continuous period of more than 3 (three) years with the same institution.

## Section 5: Stakeholders

### A. Identifying policies and activities related to the following:

N <sup>o</sup>	Description	Policies	Activities
1	Customer welfare	Code of Conduct	PPCBank employees shall implement the code of conducts which include customer welfare such as customer’s rights, behaviors toward customers,

			implementation of loan collection and use of customer's information
2	Selection of Suppliers/Contractors	Contract Management Guideline	A written agreement between the bank and related party for the execution of expenses and capital budget, acquisition, purchase, repair, disposition, lease of fixed assets and goods for work, etc.
3	Management and protection of employees	Human Resources Policy/Guideline	Management and protection of employees is implemented following laws and related Prakas such as Labor Law and Employee Safety Act, etc
4	Environmental Protection	Sustainable Finance Guideline	PPCBank has cooperated with International Finance Corporation (IFC) since 2019 to promote sustainable financing in Cambodia by providing loans to eligible small-medium enterprises (SMEs). This includes environmental and social (E&S) requirement compliance as specified in the Bank's Sustainable Finance Guideline.
5	Interaction with Community	None	Social activities such as community events including, school activities, planting trees, providing books to library, cleaning public places, providing financial literacy to both clients and non-clients in the community and some partners. Distribution to customers affected by Mine, flood, etc., and to contribute to environmental and social programs.
6	Protection of the rights of creditors	Bondholders Representative Agreement	Stipulates the rights and obligations of bondholders on bonds that comply with SERC regulations on the settlement date, including any other modifications that are in accordance with this Agreement. If there is a discrepancy between the terms of the bond and the Bondholders Representative Agreement, the Bondholders Representative Agreement will be implemented.
7	Anti-corruption Program	Anti-Bribery and Corruption (ABC) Guideline	The Bank is committed to adhering to Law on Anti-Corruption in order to achieve its objective regarding the development of ABC measures as specified in the guideline.

**B. Describe the Social Responsibility of the Listed Entity**

- "2021 Second APPO Fundraising Campaign" donation - PPCBank has thanked to all donors who supported "Second APPO Fundraising Campaign" which the fundraising came to an end on 12 November 2021 and the bank has also donated a further fund of total \$1,065 to bring the grand total to \$10,000.
- "Tree Planting and Cleaning City 2021" event at Prek Tnoat high school in Kampot province - PPCBank has sponsored USD 3000, in cooperating with Ministry of Environment.
- "Apopo Land handover 2021" contribute to APPO on handing back more than 14 hectares of land clearance operation to 11 families in Siem Reap province on 14th January 2021.

**Section 6: Information and Transparency**

**A. The following information has been disclosed in this Annual Report:**

No.	Information	Yes/No
1	Vision/Mission/Business Objectives	Yes
2	Financial Indicators	Yes
3	Non-financial Indicators	Yes
4	Key Risk Factors	Yes
5	Dividend Policy	Yes
6	Biography of Directors	Yes
7	Training for Directors	Yes
8	Number of Board of Directors Meeting	Yes
9	Attendant of Directors in Board of Directors Meeting	Yes
10	Remuneration or Indemnity for Directors and Senior Management	Yes

**B. Describe the mechanism of disclosure by describing the means, procedures and responsible person in charge of disclosure**

The disclosure of information is made using the following procedure:

- Email, letters and phone call to SERC.
- Email, letters, phone call and disclosure of information in E-Disclosure System to CSX.
- Disclosure of information on PPCBank's website.

**Responsible persons in charge of disclosure**

- **Mr. Yun Chang Ho**

Position: Senior Manager

Address: #217, Norodom Blvd (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Kingdom of Cambodia

Phone: (+855) 12 850 513

Email: apxpdnt@ppcb.com.kh

- **Mr. Kong Mada**

Position: Senior Manager of Treasury Department

Address: #217, Norodom Blvd (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Kingdom of Cambodia

Phone: (+855) 77 266 777

Email: k.mada@ppcb.com.kh

- **Ms. Phom Sopheap**

Position: Senior Manager of Finance Department

Address: #217, Norodom Blvd (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Kingdom of Cambodia

Phone: (+855) 12 886 091

Email: p.sopheap@ppcb.com.kh

**C. Communication with Investors**

**1. Demonstrate the mechanisms and procedures of communication with investors**

Communication with investors is made using the following procedures:

- Disclosure of information on PPCBank's website, email address and Question-Answer box.
- Website of SERC and CSX which contains information of PPCBank.
- Sending email, written letters and phone call to investors.
- Bondholder Representative of PPCBank who play an important role in providing information to investors.

**2. Brief description on communication with investors in the last one year**

PPCBank has disclosed information to investors as the following:

- Released on disclosure of Q1 Report 2021 of PPCBank in CSX website.
- Released on disclosure of Q2 Report 2021 of PPCBank in CSX website.
- Released on disclosure of Q3 Report 2021 of PPCBank in CSX website.
- Released on disclosure of Q4 Report 2021 of PPCBank in CSX website.



- On 22th March 2021, announcement to investors on 1<sup>st</sup> coupon payment of PPCBank's corporate bond (PPCB23B).
- On 12th April 2021, announcement to investors on 2<sup>nd</sup> coupon payment of PPCBank's corporate bond (PPCB23A).
- On 22th September 2021, announcement to investors on 2<sup>nd</sup> coupon payment of PPCBank's corporate bond (PPCB23B).
- On 11th October 2021, announcement to investors on 3<sup>rd</sup> coupon payment of PPCBank's corporate bond (PPCB23A).