

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL
INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

CONTENTS	Pages
Report on review of interim financial information	1
Condensed consolidated interim financial information:	
Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss and other comprehensive income	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5
Condensed separate interim financial information:	
Condensed separate statement of financial position	6
Condensed separate statement of profit or loss and other comprehensive income	7
Condensed separate statement of changes in equity	8
Condensed separate statement of cash flows	9
Notes to the condensed consolidated and separate interim financial information	10 – 22



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 March 2022, condensed separate statement of financial position of the Bank as at 31 March 2022, and the related condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month period then ended, and condensed consolidated and separate statements of changes in equity and cash flows for the three-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 May 2022

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Notes	31 March 2022		31 December 2021	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand		33,296,610	134,851,271	35,428,236	144,334,633
Balances with the central bank		22,797,637	92,330,430	20,962,263	85,400,259
Balances with other banks and financial institutions		97,241,411	393,827,715	87,356,096	355,888,735
Statutory deposits with the central bank		60,662,698	245,683,926	60,603,162	246,897,282
Loans to customers	6	756,249,334	3,062,809,802	742,346,672	3,024,320,342
Investment securities		3,272,000	13,251,600	3,164,405	12,891,786
Intangible assets		6,313,501	25,569,679	6,658,228	27,125,620
Property and equipment		13,260,636	53,705,575	13,792,136	56,189,162
Right of use assets		9,858,466	39,926,787	9,697,968	39,509,521
Other assets		5,820,016	23,571,065	5,518,811	22,483,636
TOTAL ASSETS		1,008,772,309	4,085,527,850	985,527,977	4,015,040,976
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from other banks		138,709,874	561,774,989	97,992,038	399,219,563
Deposits from non-bank customers		630,979,457	2,555,466,801	646,376,177	2,633,336,545
Current income tax liabilities		-	-	3,853,020	15,697,203
Deferred tax liabilities	7	1,815,345	7,352,146	85,274	347,406
Borrowings		4,196,947	16,997,636	11,288,241	45,988,294
Debt securities issued		19,898,288	80,588,067	19,683,096	80,188,933
Lease liabilities		10,549,591	42,725,844	10,335,805	42,108,070
Employee benefit obligations		177,806	720,113	129,022	525,635
Other liabilities		1,740,803	7,050,252	1,908,320	7,774,495
Subordinated debts		20,037,128	81,150,368	20,037,128	81,631,259
TOTAL LIABILITIES		828,105,239	3,353,826,216	811,688,121	3,306,817,403
EQUITY					
Share capital		102,000,000	413,100,000	102,000,000	415,548,000
Regulatory reserve	8	24,269,409	100,348,813	14,852,049	62,086,079
Retained earnings		54,397,661	220,090,432	56,987,807	230,614,195
Other reserves		-	(1,837,611)	-	(24,701)
TOTAL EQUITY		180,667,070	731,701,634	173,839,856	708,223,573
TOTAL LIABILITIES AND EQUITY		1,008,772,309	4,085,527,850	985,527,977	4,015,040,976

The accompanying notes on pages 10 to 22 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 PERIOD ENDED 31 MARCH 2022

	Notes	For the three-month period ended			
		31 March 2022		31 March 2021	
		US\$	KHR'000	US\$	KHR'000
Interest income		18,740,626	76,143,163	17,900,128	72,656,621
Interest expense		(5,860,879)	(23,812,751)	(7,280,798)	(29,552,759)
Net interest income		<u>12,879,747</u>	<u>52,330,412</u>	<u>10,619,330</u>	<u>43,103,862</u>
Fees and commission income		601,854	2,445,333	746,389	3,029,593
Fees and commission expense		(232,589)	(945,009)	(261,841)	(1,062,813)
Net fees and commission income		<u>369,265</u>	<u>1,500,324</u>	<u>484,548</u>	<u>1,966,780</u>
Impairment losses on financial assets	9	(413,957)	(1,681,907)	(1,794,436)	(7,283,615)
Other gains – net		394,518	1,602,927	64,730	262,739
Other operating income		5,336	21,680	300,920	1,221,434
Net other operating loss		<u>(14,103)</u>	<u>(57,300)</u>	<u>(1,428,786)</u>	<u>(5,799,442)</u>
Personnel expenses		(1,665,064)	(6,765,155)	(1,839,135)	(7,465,049)
Depreciation and amortisation		(1,666,211)	(6,769,815)	(1,886,385)	(7,656,837)
Other operating expenses		(1,368,818)	(5,561,508)	(1,723,094)	(6,994,039)
Profit before income tax		<u>8,534,816</u>	<u>34,676,958</u>	<u>4,226,478</u>	<u>17,155,275</u>
Income tax expense		(1,707,602)	(6,937,987)	(874,364)	(3,549,043)
Profit for the period		<u>6,827,214</u>	<u>27,738,971</u>	<u>3,352,114</u>	<u>13,606,232</u>
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	(1,812,910)	-	(44,739)
		-	(1,812,910)	-	(44,739)
Total comprehensive income for the period		<u>6,827,214</u>	<u>25,926,061</u>	<u>3,352,114</u>	<u>13,561,493</u>
Profit attributable to owners of the Group		<u>6,827,214</u>	<u>27,738,971</u>	<u>3,352,114</u>	<u>13,606,232</u>
Total comprehensive income attributable to owners of the Group		<u>6,827,214</u>	<u>25,926,061</u>	<u>3,352,114</u>	<u>13,561,493</u>

The accompanying notes on pages 10 to 22 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 THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	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
Balance at 1 January 2021	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	-	-	-	-	3,352,114	13,606,232	-	-	3,352,114	13,606,232
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(46,931)	-	(46,931)
Total comprehensive income for the period	-	-	-	-	3,352,114	13,606,232	-	(46,931)	3,352,114	13,559,301
Transactions with owners in their capacity as owners:										
Transfers from regulatory reserve to retained earnings	-	-	(1,346,445)	(5,465,220)	1,346,445	5,465,220	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	(1,346,445)	(5,465,220)	1,346,445	5,465,220	-	-	-	-
Balance at 31 March 2021	92,000,000	372,140,000	10,336,722	43,729,847	56,652,729	229,208,811	-	(1,966,329)	158,989,451	643,112,329
Balance at 1 January 2022	102,000,000	415,548,000	14,852,049	62,086,079	56,987,807	230,614,195	-	(24,701)	173,839,856	708,223,573
Profit for the period	-	-	-	-	6,827,214	27,738,971	-	-	6,827,214	27,738,971
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(1,812,910)	-	(1,812,910)
Total comprehensive income for the period	-	-	-	-	6,827,214	27,738,971	-	(1,812,910)	6,827,214	25,926,061
Transactions with owners in their capacity as owners:										
Transfers from retained earnings to regulatory reserve (Note 8)	-	-	9,417,360	38,262,734	(9,417,360)	(38,262,734)	-	-	-	-
Currency translation differences	-	(2,448,000)	-	-	-	-	-	-	-	(2,448,000)
Total transactions with owners	-	(2,448,000)	9,417,360	38,262,734	(9,417,360)	(38,262,734)	-	-	-	(2,448,000)
Balance at 31 March 2022	102,000,000	413,100,000	24,269,409	100,348,813	54,397,661	220,090,432	-	(1,837,611)	180,667,070	731,701,634

The accompanying notes on pages 10 to 22 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	For the three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Profit before income tax	8,534,816	34,676,958	4,226,478	17,155,275
<i>Adjustments for:</i>				
Provision for employee benefit obligations	48,784	198,209	50,000	202,950
Depreciation and amortisation	1,666,211	6,769,815	1,886,385	7,656,837
Impairment losses on financial assets	413,957	1,681,907	1,794,436	7,283,615
Unrealised exchange gains on investment securities	(41,742)	(169,598)	(23,102)	(93,771)
Unrealised exchange losses on borrowings and debt securities	343,925	1,397,367	76,183	309,227
Interest income	(18,740,626)	(76,143,163)	(17,900,128)	(72,656,621)
Interest expense	5,860,879	23,812,751	7,280,798	29,552,759
<i>Changes in working capital:</i>				
Reserve requirement with the central bank	(61,112)	(248,298)	(769,857)	(3,124,850)
Loans to customers	(15,938,986)	(64,760,100)	(3,610,208)	(14,653,834)
Other assets	(301,205)	(1,223,796)	(389,037)	(1,579,101)
Deposits from other banks	40,273,251	163,630,219	(6,613,214)	(26,843,036)
Deposit from non-bank customers	(14,881,816)	(60,464,818)	5,449,480	22,119,439
Other liabilities	(171,941)	(698,597)	403,563	1,638,062
Cash generated from/(used in) operations	7,004,395	28,458,856	(8,138,223)	(33,033,049)
Interest received	20,125,545	81,770,089	17,133,256	69,543,886
Interest paid	(6,306,933)	(25,625,069)	(7,068,455)	(28,690,859)
Income tax paid	(3,830,551)	(15,563,529)	(3,380,325)	(13,720,739)
Net cash generated from/(used in) operating activities	<u>16,992,456</u>	<u>69,040,347</u>	<u>(1,453,747)</u>	<u>(5,900,761)</u>
Cash flows from investing activities				
Purchases of property and equipment	(51,759)	(210,297)	(474,460)	(1,925,833)
Purchases of intangible assets	(166,100)	(674,864)	(8,250)	(33,487)
Withdrawals/(placements) of Negotiable Certificate of Deposits with the central bank	7,697,000	31,272,911	(14,157,000)	(57,463,263)
Balances with other banks and financial institutions	(12,000,000)	(48,756,000)	7,420,174	30,118,486
Net cash used in investing activities	<u>(4,520,859)</u>	<u>(18,368,250)</u>	<u>(7,219,536)</u>	<u>(29,304,097)</u>
Cash flows from financing activities				
Proceeds from borrowings	-	-	15,767,430	63,999,998
Repayments of borrowings	(6,844,292)	(27,808,358)	(3,987,367)	(16,184,723)
Principal elements of lease payments	(518,838)	(2,108,039)	(534,757)	(2,170,579)
Net cash (used in)/generated from financing activities	<u>(7,363,130)</u>	<u>(29,916,397)</u>	<u>11,245,306</u>	<u>45,644,696</u>
Net increase in cash and cash equivalents	5,108,467	20,755,700	2,572,023	10,439,838
Cash and cash equivalents at beginning of period	65,822,934	268,162,631	110,973,850	448,889,223
Currency translation differences	-	(1,646,157)	-	(36,005)
Cash and cash equivalents at end of period	<u>70,931,401</u>	<u>287,272,174</u>	<u>113,545,873</u>	<u>459,293,056</u>

The accompanying notes on pages 10 to 22 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 MARCH 2022**

	Notes	31 March 2022		31 December 2021	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand		33,296,610	134,851,271	35,428,236	144,334,633
Balances with the central bank		22,797,637	92,330,428	20,962,263	85,400,258
Balances with other banks and financial institutions		97,241,412	393,827,719	87,356,097	355,888,739
Statutory deposits with the central bank		60,662,698	245,683,926	60,603,162	246,897,282
Loans to customers	6	762,507,222	3,088,154,249	748,576,949	3,049,702,491
Investment securities		3,272,000	13,251,600	3,164,405	12,891,786
Investment in subsidiary		490,000	1,984,500	490,000	1,996,260
Intangible assets		6,313,501	25,569,679	6,658,228	27,125,621
Property and equipment		6,632,338	26,860,969	7,161,337	29,175,287
Right of use assets		18,196,997	73,697,838	18,200,395	74,148,409
Deferred tax assets	7	-	-	82,960	337,979
Other assets		5,818,476	23,564,828	5,517,271	22,477,362
TOTAL ASSETS		1,017,228,891	4,119,777,007	994,201,303	4,050,376,107
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from other banks		138,709,874	561,774,989	97,992,038	399,219,563
Deposits from non-bank customers		631,372,600	2,557,059,030	646,768,326	2,634,934,160
Current income tax liabilities		-	-	3,859,106	15,721,998
Deferred tax liabilities	7	1,638,870	6,637,424	-	-
Borrowings		4,196,947	16,997,635	11,288,241	45,988,294
Debt securities issued		19,898,288	80,588,067	19,683,096	80,188,933
Lease liabilities		19,848,029	80,384,517	19,756,232	80,486,889
Employee benefit obligations		177,806	720,114	129,022	525,636
Other liabilities		1,733,843	7,022,064	1,900,053	7,740,814
Subordinated debts		20,037,128	81,150,368	20,037,128	81,631,259
TOTAL LIABILITIES		837,613,385	3,392,334,208	821,413,242	3,346,437,546
EQUITY					
Share capital		102,000,000	413,100,000	102,000,000	415,548,000
Regulatory reserve	8	24,327,629	100,569,247	14,911,718	62,312,401
Retained earnings		53,287,877	215,587,762	55,876,343	226,104,698
Other reserves		-	(1,814,210)	-	(26,538)
TOTAL EQUITY		179,615,506	727,442,799	172,788,061	703,938,561
TOTAL LIABILITIES AND EQUITY		1,017,228,891	4,119,777,007	994,201,303	4,050,376,107

The accompanying notes on pages 10 to 22 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 PERIOD ENDED 31 MARCH 2022

	Notes	For the three-month period ended			
		31 March 2022		31 March 2021	
		US\$	KHR'000	US\$	KHR'000
Interest income		18,869,188	76,665,511	18,029,988	73,183,722
Interest expense		(5,949,550)	(24,173,021)	(7,373,594)	(29,929,418)
Net interest income		<u>12,919,638</u>	<u>52,492,490</u>	<u>10,656,394</u>	<u>43,254,304</u>
Fees and commission income		626,854	2,546,908	746,389	3,029,593
Fees and commission expense		(232,587)	(945,001)	(261,841)	(1,062,813)
Net fees and commission income		<u>394,267</u>	<u>1,601,907</u>	<u>484,548</u>	<u>1,966,780</u>
Impairment losses on financial assets	9	(415,406)	(1,687,795)	(1,795,725)	(7,288,848)
Other gains - net		412,929	1,677,731	79,363	322,134
Other operating income		5,336	21,680	300,920	1,221,434
Net other operating income/(loss)		<u>2,859</u>	<u>11,616</u>	<u>(1,415,442)</u>	<u>(5,745,280)</u>
Personnel expenses		(1,665,064)	(6,765,155)	(1,839,135)	(7,465,049)
Depreciation and amortisation		(1,827,607)	(7,425,567)	(2,046,928)	(8,308,480)
Other operating expenses		(1,378,170)	(5,599,505)	(1,778,629)	(7,219,455)
Profit before income tax		<u>8,445,923</u>	<u>34,315,786</u>	<u>4,060,808</u>	<u>16,482,820</u>
Income tax expense		(1,618,478)	(6,575,876)	(865,187)	(3,511,794)
Profit for the period		<u>6,827,445</u>	<u>27,739,910</u>	<u>3,195,621</u>	<u>12,971,026</u>
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Currency translation difference		-	(1,787,672)	-	(44,739)
		-	(1,787,672)	-	(44,739)
Total comprehensive income for the period		<u>6,827,445</u>	<u>25,952,238</u>	<u>3,195,621</u>	<u>12,926,287</u>
Profit attributable to owners of the Bank		<u>6,827,445</u>	<u>27,739,910</u>	<u>3,195,621</u>	<u>12,971,026</u>
Total comprehensive income attributable to owners of the Bank		<u>6,827,445</u>	<u>25,952,238</u>	<u>3,195,621</u>	<u>12,926,287</u>

The accompanying notes on pages 10 to 22 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 THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	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
Balance at 1 January 2021	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	-	-	-	-	3,195,621	12,971,026	-	-	3,195,621	12,971,026
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(44,739)	-	(44,739)
Total comprehensive income for the period	-	-	-	-	3,195,621	12,971,026	-	(44,739)	3,195,621	12,926,287
Transactions with owners in their capacity as owners:										
Transfers from regulatory reserve to retained earnings	-	-	(1,347,734)	(5,470,452)	1,347,734	5,470,452	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	(1,347,734)	(5,470,452)	1,347,734	5,470,452	-	-	-	-
Balance at 31 March 2021	92,000,000	372,140,000	10,396,390	43,956,177	55,852,762	225,967,879	-	(1,946,236)	158,249,152	640,117,820
Balance at 1 January 2022	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
Profit for the period	-	-	-	-	6,827,445	27,739,910	-	-	6,827,445	27,739,910
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(1,787,672)	-	(1,787,672)
Total comprehensive income for the period	-	-	-	-	6,827,445	27,739,910	-	(1,787,672)	6,827,445	25,952,238
Transactions with owners in their capacity as owners:										
Transfers from retained earnings to regulatory reserve (Note 8)	-	-	9,415,911	38,256,846	(9,415,911)	(38,256,846)	-	-	-	-
Currency translation difference	-	(2,448,000)	-	-	-	-	-	-	-	(2,448,000)
Total transactions with owners	-	(2,448,000)	9,415,911	38,256,846	(9,415,911)	(38,256,846)	-	-	-	(2,448,000)
Balance at 31 March 2022	102,000,000	413,100,000	24,327,629	100,569,247	53,287,877	215,587,762	-	(1,814,210)	179,615,506	727,442,799

The accompanying notes on pages 10 to 22 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED SEPARATE STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	For the three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Profit before income tax	8,445,923	34,315,786	4,060,808	16,482,820
<i>Adjustments for:</i>				
Provision for employee benefit obligations	48,784	198,209	50,000	202,950
Depreciation and amortisation	1,827,607	7,425,567	2,046,928	8,308,480
Impairment losses on financial assets	415,406	1,687,795	1,795,725	7,288,848
Unrealised exchange gains on investment securities	(41,742)	(169,598)	(23,102)	(93,771)
Unrealised exchange losses on borrowings and debt securities	343,925	1,397,367	76,183	309,227
Interest income	(18,869,188)	(76,665,511)	(18,029,988)	(73,183,722)
Interest expense	5,949,550	24,173,021	7,373,594	29,929,418
<i>Changes in working capital:</i>				
Reserve requirement deposits	(61,112)	(248,298)	(769,857)	(3,124,850)
Loans to customers	(15,938,986)	(64,760,100)	(3,610,208)	(14,653,834)
Other assets	(301,205)	(1,223,796)	(389,036)	(1,579,097)
Deposits from other banks	40,273,251	163,630,219	(6,613,214)	(26,843,036)
Deposits from non-bank customers	(14,880,822)	(60,460,780)	5,519,746	22,404,648
Other liabilities	(170,635)	(693,290)	403,610	1,638,253
Cash generated from/(used in) operations	7,040,756	28,606,591	(8,108,811)	(32,913,666)
Interest received	20,225,047	82,174,366	17,263,257	70,071,560
Interest paid	(6,395,604)	(25,985,339)	(7,161,251)	(29,067,518)
Income tax paid	(3,755,754)	(15,259,629)	(3,330,233)	(13,517,416)
Net cash generate from/(used in) operating activities	17,114,445	69,535,989	(1,337,038)	(5,427,040)
Cash flows from investing activities				
Purchases of property and equipment	(51,759)	(210,297)	(474,460)	(1,925,833)
Purchases of intangible assets	(166,100)	(674,864)	(8,250)	(33,487)
Withdrawals/(placements) of Negotiable Certificate of Deposits with the central bank	7,697,000	31,272,911	(14,157,000)	(57,463,263)
Balances with other banks and financial institutions	(12,000,000)	(48,756,000)	7,420,174	30,118,486
Net cash used in investing activities	(4,520,859)	(18,368,250)	(7,219,536)	(29,304,097)
Cash flows from financing activities				
Proceeds from borrowings	-	-	15,767,430	63,999,998
Repayments of borrowings	(6,844,292)	(27,808,358)	(3,987,367)	(16,184,723)
Principal elements of lease payments	(640,827)	(2,603,680)	(651,466)	(2,644,300)
Net cash (used in)/generated from financing activities	(7,485,119)	(30,412,038)	11,128,597	45,170,975
Net increase in cash and cash equivalents	5,108,467	20,755,701	2,572,023	10,439,838
Cash and cash equivalents at beginning of period	65,822,934	268,162,631	110,973,850	448,889,223
Currency translation differences	-	(1,646,158)	-	(36,005)
Cash and cash equivalents at end of period	70,931,401	287,272,174	113,545,873	459,293,056

The accompanying notes on pages 10 to 22 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 THREE-MONTH PERIOD ENDED 31 MARCH 2022

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 March 2022, 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 May 2022.

The condensed consolidated and separate interim financial information for the three-month period ended 31 March 2022 has been reviewed, not audited.

2. BASIS OF PREPARATION

This condensed consolidated and separate interim financial information for the three-month period ended 31 March 2022 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 2021, 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 THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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:

- Property, Plant, and Equipment: Proceeds before intended use – Amendments to CIAS 16,
- Reference to the Conceptual Framework – Amendments to CIFRS 3,
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to CIAS 37, and
- Annual Improvement to CIFRS Standards 2018 – 2020.

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 and separate 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:

	For the three-month period ended	
	31 March 2022	31 March 2021
Average rate	KHR 4,063	KHR 4,059
	31 March 2022	31 December 2021
Closing rate	KHR 4,050	KHR 4,074

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. The country economy has been 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 government, 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. Moreover, management overlays have been applied to ensure allowance for ECL for its financial assets are appropriate. This has resulted in additional impairment charges for the period.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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 slowed down over the short term and started to recover gradually in the period. Moreover, the impact of Covid-19 pandemic would not lead to a going concern issue given the size of operations, current profitability level and liquidity headroom of the Bank.

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 the Bank 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 chose to implement the requirement by 31 January 2022 and reflected the impact of more retained earnings amount to be transferred to the regulatory reserve (see note 8 below).

In addition, the increase of regulatory provisions resulting from this requirement caused the increase in deferred tax liabilities for the period because there was more deductible expense from the loan provisioning, which result in increased temporary reduction of the taxable profit in the current period (see note 7).

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 2021.

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 THREE-MONTH PERIOD ENDED 31 MARCH 2022

6. LOANS TO CUSTOMERS

(a) Details of loans to customers:

	Consolidated financial information				Separate financial information			
	31 March 2022		31 December 2021		31 March 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Loans to customers at amortised costs	760,017,649	3,078,071,478	745,687,452	3,037,930,680	766,279,417	3,103,431,639	751,920,160	3,063,322,733
Less: Allowance for expected credit losses	(3,768,315)	(15,261,676)	(3,340,780)	(13,610,338)	(3,772,195)	(15,277,390)	(3,343,211)	(13,620,242)
Net loans to customers	756,249,334	3,062,809,802	742,346,672	3,024,320,342	762,507,222	3,088,154,249	748,576,949	3,049,702,491

(b) Allowance for expected credit losses

	Consolidated financial information				Separate financial information			
	31 March 2022		31 December 2021		31 March 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	1,773,407	7,182,299	1,541,775	6,281,193	1,777,287	7,198,012	1,544,206	6,291,096
Lifetime ECL - not credit impaired (Stage 2)	366,468	1,484,195	281,993	1,148,838	366,468	1,484,195	281,993	1,148,838
Lifetime ECL - credit impaired (Stage 3)	1,628,440	6,595,182	1,517,012	6,180,307	1,628,440	6,595,183	1,517,012	6,180,308
	3,768,315	15,261,676	3,340,780	13,610,338	3,772,195	15,277,390	3,343,211	13,620,242

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

7. DEFERRED TAX ASSETS/(LIABILITIES)

	Consolidated financial information				Separate financial information			
	31 March 2022		31 December 2021		31 March 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Non-current								
Deferred tax assets	1,259,974	5,102,896	1,210,329	4,930,880	1,436,449	5,817,618	1,390,520	5,664,978
Deferred tax liabilities	(3,075,319)	(12,455,042)	(1,295,603)	(5,278,286)	(3,075,319)	(12,455,042)	(1,307,560)	(5,326,999)
Deferred tax (liabilities)/assets - net	(1,815,345)	(7,352,146)	(85,274)	(347,406)	(1,638,870)	(6,637,424)	82,960	337,979

The movement of net deferred tax assets/(liabilities) during the period as follows:

	Consolidated financial information				Separate financial information			
	31 March 2022		31 December 2021		31 March 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At 1 January	(85,274)	(347,406)	237,010	958,705	82,960	337,979	371,863	1,504,186
Charged to profit or loss	(1,730,071)	(7,029,278)	(322,284)	(1,311,051)	(1,721,830)	(6,995,795)	(288,903)	(1,175,257)
Currency translation differences	-	24,538	-	4,940	-	20,392	-	9,050
At 31 March/December	(1,815,345)	(7,352,146)	(85,274)	(347,406)	(1,638,870)	(6,637,424)	82,960	337,979

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

7. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax assets:

	Consolidated financial information					
	Unamortised loan processing fees US\$	Unrealised exchange losses US\$	Leases US\$	Seniority payment US\$	Accelerated depreciation US\$	Total US\$
At 1 January 2021	462,866	-	28,957	24,864	242,656	759,343
(Charged)/credited to profit or loss	178,227	20,256	87,270	(283)	165,516	450,986
At 31 December 2021	641,093	20,256	116,227	24,581	408,172	1,210,329
<i>In KHR'000 equivalent</i>	2,611,813	82,523	473,509	100,143	1,662,892	4,930,880
At 1 January 2022	641,093	20,256	116,227	24,581	408,172	1,210,329
(Charged)/credited to profit or loss	55,740	(20,256)	37,504	10,980	(34,323)	49,645
At 31 March 2022	696,833	-	153,731	35,561	373,849	1,259,974
<i>In KHR'000 equivalent</i>	2,822,174	-	622,611	144,022	1,514,089	5,102,896

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

7. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax assets (continued):

	Separate financial information					Total US\$
	Unamortised loan processing fees US\$	Unrealised exchange losses US\$	Leases US\$	Seniority payment US\$	Accelerated depreciation US\$	
At 1 January 2021	462,866	-	176,012	24,864	242,656	906,398
(Charged)/credited to profit or loss	178,227	20,256	120,406	(283)	165,516	484,122
At 31 December 2021	641,093	20,256	296,418	24,581	408,172	1,390,520
<i>In KHR'000 equivalent</i>	2,611,813	82,523	1,207,607	100,143	1,662,892	5,664,978
At 1 January 2022	641,093	20,256	296,418	24,581	408,172	1,390,520
(Charged)/credited to profit or loss	55,740	(20,256)	33,788	10,980	(34,323)	45,929
At 31 March 2022	696,833	-	330,206	35,561	373,849	1,436,449
<i>In KHR'000 equivalent</i>	2,822,174	-	1,337,334	144,022	1,514,088	5,817,618

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

7. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax liabilities:

	Consolidated financial information			Separate financial information		
	Impairment loss on financial assets US\$	Unrealised exchange gains US\$	Total US\$	Impairment loss on financial assets US\$	Unrealised exchange gains US\$	Total US\$
At 1 January 2021	462,676	59,657	522,333	474,878	59,657	534,535
Charged/(credited) to profit or loss	832,927	(59,657)	773,270	832,682	(59,657)	773,025
At 31 December 2021	1,295,603	-	1,295,603	1,307,560	-	1,307,560
<i>In KHR'000 equivalent</i>	5,278,286	-	5,278,286	5,326,999	-	5,326,999
At 1 January 2022	1,295,603	-	1,295,603	1,307,560	-	1,307,560
Charged to profit or loss	1,722,597	57,119	1,779,716	1,710,640	57,119	1,767,759
At 31 March 2022	3,018,200	57,119	3,075,319	3,018,200	57,119	3,075,319
<i>In KHR'000 equivalent</i>	12,223,710	231,332	12,455,042	12,223,710	231,332	12,455,042

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

8. REGULATORY RESERVE

	Consolidated financial information				Separate financial information			
	31 March 2022		31 December 2021		31 March 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At beginning of the period	14,852,049	62,086,079	11,683,167	49,195,067	14,911,718	62,312,401	11,744,124	49,426,629
Transfers from retained earnings to regulatory reserve	9,417,360	38,262,734	3,168,882	12,891,012	9,415,911	38,256,846	3,167,594	12,885,772
At end of the period	24,269,409	100,348,813	14,852,049	62,086,079	24,327,629	100,569,247	14,911,718	62,312,401

The increase in regulatory reserve is mainly due to the implementation of the new circular on classification and provisioning of restructured loans issued by the central bank in January 2022, which results in an increase in non-performing loans per the central bank's classification in the current period.

9. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Consolidated financial information				Separate financial information			
	For the three-month period ended				For the three-month period ended			
	31 March 2022		31 March 2021		31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Losses (ECL):</i>								
Loans to customers	409,532	1,663,928	1,763,027	7,156,126	410,981	1,669,816	1,764,316	7,161,359
Off-balance sheet financial commitments	4,425	17,979	31,409	127,489	4,425	17,979	31,409	127,489
	413,957	1,681,907	1,794,436	7,283,615	415,406	1,687,795	1,795,725	7,288,848

PHNOM PENH COMMERCIAL BANK PLC.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

10. 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 March 2022 and 31 December 2021 on a recurring basis:

As at 31 March 2022	Consolidated financial information			
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	190,271	-	21,818	212,089
Total financial assets	190,271	-	21,818	212,089
<i>In KHR'000 equivalent</i>	770,598	-	88,363	858,961
As at 31 December 2021				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	177,529	-	21,818	199,347
Total financial assets	177,529	-	21,818	199,347
<i>In KHR'000 equivalent</i>	723,253	-	88,887	812,140

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

10. 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\$	
As at 31 March 2022				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	190,271	-	21,818	212,089
Total financial assets	190,271	-	21,818	212,089
<i>In KHR'000 equivalent</i>	<u>770,598</u>	<u>-</u>	<u>88,363</u>	<u>858,961</u>
As at 31 December 2021				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	177,529	-	21,818	199,347
Total financial assets	177,529	-	21,818	199,347
<i>In KHR'000 equivalent</i>	<u>723,253</u>	<u>-</u>	<u>88,887</u>	<u>812,140</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.

PHNOM PENH COMMERCIAL BANK PLC.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

10. 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 because their fair value approximates the carrying amount. There is no loss allowance for this FVOCI at 31 March 2022.

(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.

PHNOM PENH COMMERCIAL BANK PLC.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

10. 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.

11. EVENTS AFTER THE END OF REPORTING PERIOD

Dividend declaration

On 22 April 2022, the Board of Directors approved the declaration of dividend to be paid of US\$1,500,000. The Bank is still in the process of getting the approval from the NBC.

The conversion of retained earnings to share capital

On 22 April 2022, the Board of Directors approved the transfer of the Bank's retained earnings amounting to US\$12,000,000 to be its share capital. The Bank is still in the process of getting the approval from the NBC and Ministry of Commerce.