

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL
INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

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Report on review of interim financial information

To the shareholders of Phnom Penh Commercial Bank Plc.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Phnom Penh Commercial Bank Plc. (the Bank) and its subsidiary, J&A (Cambodia) Investment Co., Ltd. (together the Group) as at 30 June 2022, condensed separate statement of financial position of the Bank as at 30 June 2022, and the related condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and condensed consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information of the Group and condensed separate interim financial information of the Bank in accordance with Cambodian International Accounting Standard 34, "Interim financial reporting". Our responsibility is to express a conclusion on this condensed consolidated and separate interim financial information based on our review.

Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and separate interim financial information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, "Interim financial reporting".

For PricewaterhouseCoopers (Cambodia) Ltd.




By Kuy Lim
Partner

Phnom Penh, Kingdom of Cambodia
8 August 2022

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	30 June 2022		31 December 2021	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand		29,947,397	121,885,906	35,428,236	144,334,633
Balances with the central bank		24,962,073	101,595,637	20,962,263	85,400,259
Balances with other banks and financial institutions		97,401,968	396,426,010	87,356,096	355,888,735
Statutory deposits with the central bank		56,958,366	231,820,550	60,603,162	246,897,282
Loans to customers	6	769,313,892	3,131,107,541	742,346,672	3,024,320,342
Investment securities	7	207,496	844,509	3,164,405	12,891,786
Intangible assets		5,828,497	23,721,983	6,658,228	27,125,620
Property and equipment		13,222,424	53,815,265	13,792,136	56,189,162
Right of use assets		9,351,526	38,060,711	9,697,968	39,509,521
Other assets		6,349,106	25,840,861	5,518,811	22,483,636
TOTAL ASSETS		1,013,542,745	4,125,118,973	985,527,977	4,015,040,976
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from other banks		187,077,393	761,404,990	97,992,038	399,219,563
Deposits from non-bank customers		580,517,699	2,362,707,035	646,376,177	2,633,336,545
Current income tax liabilities		-	-	3,853,020	15,697,203
Deferred tax liabilities	8	3,418,063	13,911,516	85,274	347,406
Borrowings		4,843,586	19,713,395	11,288,241	45,988,294
Debt securities issued	9	19,819,971	80,667,282	19,683,096	80,188,933
Lease liabilities		10,095,454	41,088,498	10,335,805	42,108,070
Employee benefit obligations		119,338	485,706	129,022	525,635
Other liabilities		3,098,759	12,611,949	1,908,320	7,774,495
Subordinated debts		20,037,128	81,551,111	20,037,128	81,631,259
TOTAL LIABILITIES		829,027,391	3,374,141,482	811,688,121	3,306,817,403
EQUITY					
Share capital	10	114,000,000	463,980,000	102,000,000	415,548,000
Regulatory reserve	11	32,458,088	133,566,597	14,852,049	62,086,079
Retained earnings		38,057,266	153,756,201	56,987,807	230,614,195
Other reserves		-	(325,307)	-	(24,701)
TOTAL EQUITY		184,515,354	750,977,491	173,839,856	708,223,573
TOTAL LIABILITIES AND EQUITY		1,013,542,745	4,125,118,973	985,527,977	4,015,040,976

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

	Notes	For the three-month period ended				For the six-month period ended			
		30 June 2022		30 June 2021		30 June 2022		30 June 2021	
		US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Interest income		18,612,587	75,492,653	18,541,646	75,334,708	37,353,213	151,654,045	36,441,774	147,990,044
Interest expense		(5,933,591)	(24,066,645)	(6,893,658)	(28,008,932)	(11,794,470)	(47,885,548)	(14,174,456)	(57,562,466)
Net interest income		12,678,996	51,426,008	11,647,988	47,325,776	25,558,743	103,768,497	22,267,318	90,427,578
Fees and commission income		635,090	2,575,925	122,208	496,531	1,236,944	5,021,993	868,597	3,527,372
Fees and commission expense		(182,484)	(740,155)	(279,396)	(1,135,186)	(415,073)	(1,685,196)	(541,237)	(2,197,963)
Net fees and commission income/(expense)		452,606	1,835,770	(157,188)	(638,655)	821,871	3,336,797	327,360	1,329,409
Impairment losses on financial assets	12	(676,500)	(2,743,884)	(368,410)	(1,496,850)	(1,090,457)	(4,427,255)	(2,162,846)	(8,783,318)
Other (losses)/gains – net		(393,453)	(1,595,845)	(167,370)	(680,024)	1,065	4,324	(102,640)	(416,821)
Other operating income		17,947	72,793	352,540	1,432,370	23,283	94,529	653,460	2,653,701
Net other operating loss		(1,052,006)	(4,266,936)	(183,240)	(744,504)	(1,066,109)	(4,328,402)	(1,612,026)	(6,546,438)
Personnel expenses		(1,982,851)	(8,042,444)	(2,011,730)	(8,173,659)	(3,647,915)	(14,810,535)	(3,850,865)	(15,638,363)
Depreciation and amortisation		(1,650,364)	(6,693,876)	(1,912,074)	(7,768,757)	(3,316,575)	(13,465,294)	(3,798,459)	(15,425,541)
Other operating expenses		(1,658,602)	(6,727,290)	(2,754,644)	(11,192,119)	(3,027,420)	(12,291,325)	(4,477,738)	(18,184,094)
Profit before income tax		6,787,779	27,531,232	4,629,112	18,808,082	15,322,595	62,209,738	8,855,590	35,962,551
Income tax expense		(1,439,495)	(5,838,592)	(905,596)	(3,679,437)	(3,147,097)	(12,777,214)	(1,779,960)	(7,228,418)
Profit for the period		5,348,284	21,692,640	3,723,516	15,128,645	12,175,498	49,432,524	7,075,630	28,734,133
Other comprehensive income									
<i>Items that will not be reclassified to profit or loss</i>									
Currency translation differences		-	1,512,304	-	1,609,353	-	(300,606)	-	1,564,615
		-	1,512,304	-	1,609,353	-	(300,606)	-	1,564,615
Total comprehensive income for the period		5,348,284	23,204,944	3,723,516	16,737,998	12,175,498	49,131,918	7,075,630	30,298,748
Profit attributable to owners of the Group		5,348,284	21,692,640	3,723,516	15,128,645	12,175,498	49,432,524	7,075,630	28,734,133
Total comprehensive income attributable to owners of the Group		5,348,284	23,204,944	3,723,516	16,737,998	12,175,498	49,131,918	7,075,630	30,298,748

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	7,075,630	28,734,133	-	-	7,075,630	28,734,133
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,564,615	-	1,564,615
Total comprehensive income for the period	-	-	-	-	7,075,630	28,734,133	-	1,564,615	7,075,630	30,298,748
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note 10)	10,000,000	40,610,000	-	-	(10,000,000)	(40,610,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,190,720	12,957,514	(3,190,720)	(12,957,514)	-	-	-	-
Currency translation differences	-	2,390,000	-	-	-	-	-	-	-	2,390,000
Total transactions with owners	10,000,000	43,000,000	3,190,720	12,957,514	(13,190,720)	(53,567,514)	-	-	-	2,390,000
Balance at 30 June 2021	<u>102,000,000</u>	<u>415,140,000</u>	<u>14,873,887</u>	<u>62,152,581</u>	<u>45,839,080</u>	<u>185,303,978</u>	-	<u>(354,783)</u>	<u>162,712,967</u>	<u>662,241,776</u>
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	-	-	-	-	12,175,498	49,432,524	-	-	12,175,498	49,432,524
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(300,606)	-	(300,606)
Total comprehensive income for the period	-	-	-	-	12,175,498	49,432,524	-	(300,606)	12,175,498	49,131,918
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note 10)	12,000,000	48,720,000	-	-	(12,000,000)	(48,720,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	17,606,039	71,480,518	(17,606,039)	(71,480,518)	-	-	-	-
Dividend provided for but not yet paid	-	-	-	-	(1,500,000)	(6,090,000)	-	-	(1,500,000)	(6,090,000)
Currency translation differences	-	(288,000)	-	-	-	-	-	-	-	(288,000)
Total transactions with owners	12,000,000	48,432,000	17,606,039	71,480,518	(31,106,039)	(126,290,518)	-	-	(1,500,000)	(6,378,000)
Balance at 30 June 2022	<u>114,000,000</u>	<u>463,980,000</u>	<u>32,458,088</u>	<u>133,566,597</u>	<u>38,057,266</u>	<u>153,756,201</u>	-	<u>(325,307)</u>	<u>184,515,354</u>	<u>750,977,491</u>

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

	For the six-month period ended			
	30 June 2022		30 June 2021	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Profit before income tax	15,322,595	62,209,738	8,855,590	35,962,551
<i>Adjustments for:</i>				
Provision for employee benefit obligations	(9,684)	(39,317)	-	-
Depreciation and amortisation	3,316,575	13,465,294	3,798,458	15,425,541
Impairment losses on financial assets	1,090,457	4,427,255	2,162,846	8,783,318
Unrealised exchange gains on investment securities	(38,596)	(156,700)	(18,180)	(73,829)
Unrealised exchange loss/(gains) on borrowings and debt securities	186,765	758,266	(264,708)	(1,074,979)
Interest income	(37,353,213)	(151,654,045)	(36,441,774)	(147,990,044)
Interest expense	11,794,470	47,885,548	14,174,456	57,562,466
<i>Changes in working capital:</i>				
Reserve requirement with the central bank	4,844,750	19,669,685	(1,388,647)	(5,639,295)
Loans to customers	(29,769,477)	(120,864,077)	(4,213,755)	(17,112,059)
Other assets	(830,295)	(3,370,998)	(424,951)	(1,725,726)
Deposits from other banks	88,375,435	358,804,266	(8,589,387)	(34,881,501)
Deposit from non-bank customers	(64,987,113)	(263,847,679)	(42,589,974)	(172,957,884)
Other liabilities	(305,550)	(1,240,533)	2,192,815	8,905,022
Cash used in from operations	(8,362,881)	(33,953,297)	(62,747,211)	(254,816,419)
Interest received	39,020,884	158,424,789	36,167,581	146,876,546
Interest paid	(12,335,059)	(50,080,340)	(14,523,873)	(58,981,448)
Income tax paid	(3,667,328)	(14,889,352)	(3,608,735)	(14,655,073)
Net cash generated from/(used in) operating activities	<u>14,655,616</u>	<u>59,501,800</u>	<u>(44,712,238)</u>	<u>(181,576,394)</u>
Cash flows from investing activities				
Capital guarantee deposits	(1,200,000)	(4,872,000)	(1,000,000)	(4,061,000)
Purchases of property and equipment	(591,425)	(2,401,186)	(683,996)	(2,777,708)
Purchases of intangible assets	(172,990)	(702,339)	(232,299)	(943,366)
Proceeds from matured investment securities	2,947,317	11,966,107	-	-
Withdrawals/(placements) of Negotiable Certificate of Deposits with the central bank	7,152,000	29,037,120	(10,027,000)	(40,719,647)
Balances with other banks and financial institutions	(3,000,000)	(12,180,000)	7,945,525	32,266,777
Net cash generate from/(used in) investing activities	<u>5,134,902</u>	<u>20,847,702</u>	<u>(3,997,770)</u>	<u>(16,234,944)</u>
Cash flows from financing activities				
Proceeds from borrowings	1,326,500	5,385,590	15,759,665	64,000,000
Repayment of borrowings	(7,441,901)	(30,214,118)	(11,910,869)	(48,370,039)
Principal elements of lease payments	(1,046,627)	(4,249,306)	(1,047,527)	(4,254,007)
Net cash (used in)/generated from financing activities	<u>(7,162,028)</u>	<u>(29,077,834)</u>	<u>2,801,269</u>	<u>11,375,954</u>
Net increase/(decrease) in cash and cash equivalents	12,628,490	51,271,668	(45,908,739)	(186,435,384)
Cash and cash equivalents at beginning of period	65,822,934	268,162,631	110,973,850	448,889,223
Currency translation differences	-	(137,003)	-	2,361,163
Cash and cash equivalents at end of period	<u>78,451,424</u>	<u>319,297,296</u>	<u>65,065,111</u>	<u>264,815,002</u>

Non-cash financing activities

Retained earnings amounting to US\$12,000,000 of the Bank was converted into share capital during the period (see note 10).

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	30 June 2022		31 December 2021	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand		29,947,397	121,885,906	35,428,236	144,334,633
Balances with the central bank		24,962,073	101,595,637	20,962,263	85,400,258
Balances with other banks and financial institutions		97,401,968	396,426,010	87,356,097	355,888,739
Statutory deposits with the central bank		56,958,366	231,820,550	60,603,162	246,897,282
Loans to customers	6	775,601,482	3,156,698,032	748,576,949	3,049,702,491
Investment securities	7	207,496	844,509	3,164,405	12,891,786
Investment in subsidiary		490,000	1,994,300	490,000	1,996,260
Intangible assets		5,828,497	23,721,983	6,658,228	27,125,621
Property and equipment		6,596,625	26,848,263	7,161,337	29,175,287
Right of use assets		17,526,161	71,331,475	18,200,395	74,148,409
Deferred tax assets	8	-	-	82,960	337,979
Other assets		6,347,566	25,834,594	5,517,271	22,477,362
TOTAL ASSETS		<u>1,021,867,631</u>	<u>4,159,001,259</u>	<u>994,201,303</u>	<u>4,050,376,107</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from other banks		187,077,393	761,404,990	97,992,038	399,219,563
Deposits from non-bank customers		581,044,851	2,364,852,544	646,768,326	2,634,934,160
Current income tax liabilities		-	-	3,859,106	15,721,998
Deferred tax liabilities	8	3,233,825	13,161,668	-	-
Borrowings		4,843,586	19,713,395	11,288,241	45,988,294
Debt securities issued	9	19,819,971	80,667,282	19,683,096	80,188,933
Lease liabilities		19,270,776	78,432,058	19,756,232	80,486,889
Employee benefit obligations		119,338	485,706	129,022	525,636
Other liabilities		3,061,915	12,461,994	1,900,053	7,740,814
Subordinated debts		20,037,128	81,551,111	20,037,128	81,631,259
TOTAL LIABILITIES		<u>838,508,783</u>	<u>3,412,730,748</u>	<u>821,413,242</u>	<u>3,346,437,546</u>
EQUITY					
Share capital	10	114,000,000	463,980,000	102,000,000	415,548,000
Regulatory reserve	11	32,516,289	133,786,959	14,911,718	62,312,401
Retained earnings		36,842,559	148,827,536	55,876,343	226,104,698
Other reserves		-	(323,984)	-	(26,538)
TOTAL EQUITY		<u>183,358,848</u>	<u>746,270,511</u>	<u>172,788,061</u>	<u>703,938,561</u>
TOTAL LIABILITIES AND EQUITY		<u>1,021,867,631</u>	<u>4,159,001,259</u>	<u>994,201,303</u>	<u>4,050,376,107</u>

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

Notes	For the three-month period ended				For the six-month period ended			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Interest income	18,743,626	76,024,147	18,673,984	75,872,397	37,612,814	152,708,025	36,703,972	149,054,830
Interest expense	(6,030,507)	(24,459,736)	(6,995,764)	(28,423,789)	(11,980,057)	(48,639,031)	(14,369,358)	(58,353,963)
Net interest income	12,713,119	51,564,411	11,678,220	47,448,608	25,632,757	104,068,994	22,334,614	90,700,867
Fees and commission income	660,643	2,679,568	122,208	496,531	1,287,497	5,227,238	868,597	3,527,372
Fees and commission expense	(182,449)	(740,013)	(279,396)	(1,135,186)	(415,036)	(1,685,046)	(541,237)	(2,197,963)
Net fees and commission income/(expense)	478,194	1,939,555	(157,188)	(638,655)	872,461	3,542,192	327,360	1,329,409
Impairment losses on financial assets	(676,519)	(2,743,961)	(368,409)	(1,496,846)	(1,091,925)	(4,433,216)	(2,164,134)	(8,788,548)
Other (losses)/gains – net	(393,450)	(1,595,833)	(142,122)	(577,442)	19,479	79,085	(62,759)	(254,864)
Other operating income	17,947	72,793	352,541	1,432,374	23,283	94,529	653,461	2,653,705
Net other operating loss	(1,052,022)	(4,267,001)	(157,990)	(641,914)	(1,049,163)	(4,259,602)	(1,573,432)	(6,389,707)
Personnel expenses	(1,982,851)	(8,042,444)	(2,011,730)	(8,173,659)	(3,647,915)	(14,810,535)	(3,850,865)	(15,638,363)
Depreciation and amortisation	(1,811,760)	(7,348,499)	(2,072,616)	(8,421,039)	(3,639,367)	(14,775,830)	(4,119,544)	(16,729,468)
Other operating expenses	(1,671,863)	(6,781,076)	(2,780,471)	(11,297,054)	(3,050,033)	(12,383,134)	(4,559,100)	(18,514,505)
Profit before income tax	6,672,817	27,064,946	4,498,225	18,276,287	15,118,740	61,382,085	8,559,033	34,758,233
Income tax expense	(1,429,475)	(5,797,951)	(883,167)	(3,588,308)	(3,047,953)	(12,374,689)	(1,748,354)	(7,100,066)
Profit for the period	5,243,342	21,266,995	3,615,058	14,687,979	12,070,787	49,007,396	6,810,679	27,658,167
Other comprehensive income								
<i>Items that will not be reclassified to profit or loss</i>								
Currency translation difference	-	1,490,226	-	1,592,373	-	(297,446)	-	1,547,635
	-	1,490,226	-	1,592,373	-	(297,446)	-	1,547,635
Total comprehensive income for the period	5,243,342	22,757,221	3,615,058	16,280,352	12,070,787	48,709,950	6,810,679	29,205,802
Profit attributable to owners of the Bank	5,243,342	21,266,995	3,615,058	14,687,979	12,070,787	49,007,396	6,810,679	27,658,167
Total comprehensive income attributable to owners of the Bank	5,243,342	22,757,221	3,615,058	16,280,352	12,070,787	48,709,950	6,810,679	29,205,802

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	6,810,679	27,658,167	-	-	6,810,679	27,658,167
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,547,635	-	1,547,635
Total comprehensive income for the period	-	-	-	-	6,810,679	27,658,167	-	1,547,635	6,810,679	29,205,802
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note 10)	10,000,000	40,610,000	-	-	(10,000,000)	(40,610,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,189,431	12,952,279	(3,189,431)	(12,952,279)	-	-	-	-
Currency translation differences	-	2,390,000	-	-	-	-	-	-	-	2,390,000
Total transactions with owners	10,000,000	43,000,000	3,189,431	12,952,279	(13,189,431)	(53,562,279)	-	-	-	2,390,000
Balance at 30 June 2021	102,000,000	415,140,000	14,933,555	62,378,908	44,930,655	181,622,289	-	(353,862)	161,864,210	658,787,335
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	-	-	-	-	12,070,787	49,007,396	-	-	12,070,787	49,007,396
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	(297,446)	-	(297,446)
Total comprehensive income for the period	-	-	-	-	12,070,787	49,007,396	-	(297,446)	12,070,787	48,709,950
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note10)	12,000,000	48,720,000	-	-	(12,000,000)	(48,720,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	17,604,571	71,474,558	(17,604,571)	(71,474,558)	-	-	-	-
Dividend provided for but not yet paid	-	-	-	-	(1,500,000)	(6,090,000)	-	-	(1,500,000)	(6,090,000)
Currency translation difference	-	(288,000)	-	-	-	-	-	-	-	(288,000)
Total transactions with owners	12,000,000	48,432,000	17,604,571	71,474,558	(31,104,571)	(126,284,558)	-	-	(1,500,000)	(6,378,000)
Balance at 30 June 2022	114,000,000	463,980,000	32,516,289	133,786,959	36,842,559	148,827,536	-	(323,984)	183,358,848	746,270,511

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED SEPARATE STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

	For the six-month period ended			
	30 June 2022		30 June 2021	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Profit before income tax	15,118,740	61,382,085	8,559,033	34,758,233
<i>Adjustments for:</i>				
Provision for employee benefit obligations	(9,684)	(39,317)	-	-
Depreciation and amortisation	3,639,367	14,775,830	4,119,545	16,729,468
Impairment losses on financial assets	1,091,925	4,433,215	2,164,134	8,788,549
Unrealised exchange losses on investment securities	(38,596)	(156,700)	(18,180)	(73,829)
Unrealised exchange gains on borrowings and debt securities	186,765	758,266	(264,708)	(1,074,979)
Interest income	(37,612,814)	(152,708,025)	(36,703,972)	(149,054,830)
Interest expense	11,980,057	48,639,031	14,369,358	58,353,963
<i>Changes in working capital:</i>				
Placements of reserve requirement with the central bank	4,844,750	19,669,685	(1,388,647)	(5,639,295)
Loans to customers	(29,769,478)	(120,864,081)	(4,213,755)	(17,112,059)
Other assets	(830,295)	(3,370,998)	(424,951)	(1,725,726)
Deposits from other banks	88,375,435	358,804,266	(8,589,387)	(34,881,501)
Deposits from non-bank customers	(64,881,972)	(263,420,806)	(42,445,212)	(172,370,006)
Other liabilities	(334,127)	(1,356,556)	2,192,803	8,904,973
Cash used in operations	(8,239,927)	(33,454,105)	(62,643,939)	(254,397,039)
Interest received	39,221,705	159,240,122	36,429,920	147,941,905
Interest paid	(12,490,784)	(50,712,583)	(14,718,775)	(59,772,945)
Income tax paid	(3,590,274)	(14,576,512)	(3,544,950)	(14,396,042)
Net cash generated from/(used in) operating activities	14,900,720	60,496,922	(44,477,744)	(180,624,121)
Cash flows from investing activities				
Capital guarantee deposits	(1,200,000)	(4,872,000)	(1,000,000)	(4,061,000)
Purchases of property and equipment	(591,425)	(2,401,186)	(683,996)	(2,777,708)
Purchases of intangible assets	(172,990)	(702,339)	(232,299)	(943,366)
Proceeds from matured investment securities	2,947,317	11,966,107	-	-
Withdrawals/(placements) of Negotiable Certificate of Deposits with the central bank	7,152,000	29,037,120	(10,027,000)	(40,719,647)
Balances with other banks and financial institutions	(3,000,000)	(12,180,000)	7,945,525	32,266,777
Net cash generated from/(used in) investing activities	5,134,902	20,847,702	(3,997,770)	(16,234,944)
Cash flows from financing activities				
Proceeds from borrowings	1,326,500	5,385,590	15,759,665	64,000,000
Repayments of borrowings	(7,441,901)	(30,214,118)	(11,910,869)	(48,370,039)
Principal elements of lease payments	(1,291,731)	(5,244,428)	(1,282,021)	(5,206,287)
Net cash (used in)/generated from financing activities	(7,407,132)	(30,072,956)	2,566,775	10,423,674
Net increase/(decrease) in cash and cash equivalents	12,628,490	51,271,668	(45,908,739)	(186,435,391)
Cash and cash equivalents at beginning of period	65,822,934	268,162,631	110,973,850	448,889,223
Currency translation differences	-	(137,003)	-	2,361,170
Cash and cash equivalents at end of period	78,451,424	319,297,296	65,065,111	264,815,002

Non-cash from financing activities

Retained earnings amounting to US\$12,000,000 of the Bank was converted into share capital during the period (see note 10).

The accompanying notes on pages 10 to 27 form an integral part of this condensed interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 30 June 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) is 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 8 August 2022.

The condensed consolidated and separate interim financial information for the six-month period ended 30 June 2022 has been reviewed, not audited.

2. BASIS OF PREPARATION

This condensed consolidated and separate interim financial information for the six-month reporting period ended 30 June 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 these 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 SIX-MONTH PERIOD ENDED 30 JUNE 2022**

2. BASIS OF PREPARATION (continued)

New and amended standards adopted by the group

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 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		For the six-month period ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Average rate	KHR 4,056	KHR 4,063	KHR 4,060	KHR 4,061
			30 June 2022	31 December 2021
Closing rate			KHR 4,070	KHR 4,074

PHNOM PENH COMMERCIAL BANK PLC.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

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

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. Cambodian 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 this financial information. This includes the extent and duration of the disruption to business arising from the actions of the 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.

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 11 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 8).

The maturity of investment securities - corporate bond

On 22 April 2022, the Bank received a principal payment of KHR12 billion, equivalent to US\$2,947,317, on its corporate bonds from LOLC (Cambodia) Co., Ltd. upon the bond maturity (see note 7).

PHNOM PENH COMMERCIAL BANK PLC.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

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

The breach of debt covenant – debt securities

As of 30 June 2022, the Bank's non-performing loan (NPL) ratio per the central bank's classification exceeded the 5% ceiling of the required debt covenant. As a result, the Bank's debt securities amounting to US\$19,819,971 became redeemable on demand before the maturity date and are classified as current liabilities (see note 9).

The conversion of retained earnings to share capital

During the period, the Bank transferred its retained earnings amounting to US\$12 million to be its share capital, which was approved by the Central Bank and the Ministry of Commerce on 24 June 2022 and 27 July 2022, respectively (see note 10).

Dividend declaration

On 22 April 2022, the Board of Directors has approved the declaration of dividend to be paid of US\$1,500,000, which was approved by the Central Bank on 24 June 2022. The dividend has not been paid as at 30 June 2022.

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 period.

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

6. LOANS TO CUSTOMERS

(a) Details of loans to customers:

	Consolidated financial information				Separate financial information			
	30 June 2022		31 December 2021		30 June 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Loans to customers at amortised costs	773,757,867	3,149,194,519	745,687,452	3,037,930,680	780,049,355	3,174,800,875	751,920,160	3,063,322,733
Less: Allowance for expected credit loss	(4,443,975)	(18,086,978)	(3,340,780)	(13,610,338)	(4,447,873)	(18,102,843)	(3,343,211)	(13,620,242)
Net loans to customers	769,313,892	3,131,107,541	742,346,672	3,024,320,342	775,601,482	3,156,698,032	748,576,949	3,049,702,491

(b) Allowance for expected credit loss

	Consolidated financial information				Separate financial information			
	30 June 2022		31 December 2021		30 June 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	1,860,670	7,572,926	1,541,775	6,281,191	1,864,568	7,588,791	1,544,206	6,291,095
Lifetime ECL - not credit impaired (Stage 2)	304,126	1,237,793	281,993	1,148,839	304,126	1,237,793	281,993	1,148,839
Lifetime ECL - credit impaired (Stage 3)	2,279,179	9,276,259	1,517,012	6,180,308	2,279,179	9,276,259	1,517,012	6,180,308
	4,443,975	18,086,978	3,340,780	13,610,338	4,447,873	18,102,843	3,343,211	13,620,242

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

7. INVESTMENT SECURITIES

	Consolidated financial statements				Separate financial statements			
	30 June 2022		31 December 2021		30 June 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Non-current								
<i>Debt investment at amortised cost:</i>								
<i>Listed corporate bonds</i>								
LOLC (Cambodia) Co., Ltd.	-	-	2,965,058	12,079,646	-	-	2,965,058	12,079,646
Total debt investment at amortised cost	-	-	2,965,058	12,079,646	-	-	2,965,058	12,079,646
<i>Equity investment at FVOCI:</i>								
<i>Listed securities</i>								
Phnom Penh Autonomous Port	185,678	755,710	177,529	723,253	185,678	755,710	177,529	723,253
<i>Unlisted securities</i>								
Credit bureau (Cambodia) Co., Ltd.	21,818	88,799	21,818	88,887	21,818	88,799	21,818	88,887
Total equity investment at FVOCI	207,496	844,509	199,347	812,140	207,496	844,509	199,347	812,140
	207,496	844,509	3,164,405	12,891,786	207,496	844,509	3,164,405	12,891,786

The Bank, on 22 April 2022, redeemed its corporate bonds of KHR12 billion, equivalent to US\$2,947,317, from LOLC (Cambodia) Co., Ltd upon maturity.

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

8. DEFERRED TAX ASSETS/(LIABILITIES)

	Consolidated financial information				Separate financial information			
	30 June 2022		31 December 2021		30 June 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Non-current								
Deferred tax assets	1,300,942	5,294,834	1,210,329	4,930,880	1,496,857	6,092,209	1,390,520	5,664,978
Deferred tax liabilities	(4,719,005)	(19,206,350)	(1,295,603)	(5,278,286)	(4,730,682)	(19,253,876)	(1,307,560)	(5,326,999)
Deferred tax liabilities - net	<u>(3,418,063)</u>	<u>(13,911,516)</u>	<u>(85,274)</u>	<u>(347,406)</u>	<u>(3,233,825)</u>	<u>(13,161,667)</u>	<u>82,960</u>	<u>337,979</u>

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

	Consolidated financial information				Separate financial information			
	30 June 2022		31 December 2021		30 June 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	(3,332,789)	(13,531,123)	(322,284)	(1,311,051)	(3,316,785)	(13,476,097)	(288,903)	(1,175,257)
Currency translation differences	-	(32,987)	-	4,940	-	(23,549)	-	9,050
At 30 June/31 December	<u>(3,418,063)</u>	<u>(13,911,516)</u>	<u>(85,274)</u>	<u>(347,406)</u>	<u>(3,233,825)</u>	<u>(13,161,667)</u>	<u>82,960</u>	<u>337,979</u>

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

8. 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	(423)	(20,256)	36,781	(713)	75,224	90,613
At 30 June 2022	640,670	-	153,008	23,868	483,396	1,300,942
<i>In KHR'000 equivalent</i>	2,607,527	-	622,742	97,143	1,967,422	5,294,834

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

8. 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	(423)	(20,256)	52,505	(713)	75,224	106,337
At 30 June 2022	640,670	-	348,923	23,868	483,396	1,496,857
<i>In KHR'000 equivalent</i>	2,607,527	-	1,420,117	97,143	1,967,422	6,092,209

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8. 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	3,407,090	16,312	3,423,402	3,406,810	16,312	3,423,122
At 30 June 2022	4,702,693	16,312	4,719,005	4,714,370	16,312	4,730,682
<i>In KHR'000 equivalent</i>	19,139,960	66,390	19,206,350	19,187,486	66,390	19,253,876

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9. DEBT SECURITIES ISSUED

	Consolidated financial statements				Separate financial statements			
	30 June 2022		31 December 2021		30 June 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Current	19,819,971	80,667,282	1,397,592	5,693,790	19,819,971	80,667,282	1,397,592	5,693,790
Non-current	-	-	18,285,504	74,495,143	-	-	18,285,504	74,495,143
	<u>19,819,971</u>	<u>80,667,282</u>	<u>19,683,096</u>	<u>80,188,933</u>	<u>19,819,971</u>	<u>80,667,282</u>	<u>19,683,096</u>	<u>80,188,933</u>
	Consolidated financial statements				Separate financial statements			
	30 June 2022		31 December 2021		30 June 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Principal amount	19,466,599	79,229,058	19,328,073	78,742,569	19,466,599	79,229,058	19,328,073	78,742,569
Interest payables	353,372	1,438,224	355,023	1,446,364	353,372	1,438,224	355,023	1,446,364
	<u>19,819,971</u>	<u>80,667,282</u>	<u>19,683,096</u>	<u>80,188,933</u>	<u>19,819,971</u>	<u>80,667,282</u>	<u>19,683,096</u>	<u>80,188,933</u>

The Bank's debt securities will mature in April 2023 and September 2023. As of 30 June 2022, the Bank's non-performing loan (NPL) ratio per the central bank's classification is 5.14%, which exceeded the 5% ceiling of the required debt covenant stated in its bond term sheets. As a result, the Bank's debt securities became redeemable on demand before the maturity date and are classified as current liabilities. On 1 August 2022, the Bank submitted a letter to ACLEDA Securities Plc., the bondholders' representative, to inform about the NPL ratio. In case the bondholders redeem the debt securities before the maturity date, the Bank will utilise the credit line facility of US\$10 million from Jeonbuk Bank Co., Ltd and fixed deposits with other banks and financial institutions to repay the bonds. However, there is no request for redemption up to the reporting date.

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10. SHARE CAPITAL

During the period, the Bank requested the central bank to increase its share capital from US\$102 million to US\$114 million by converting its retained earnings of US\$12 million to be the share capital, which was approved by the central bank on 24 June 2022.

	Consolidated financial information				Separate financial information			
	30 June 2022		31 December 2021		30 June 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At beginning of the period	102,000,000	415,548,000	92,000,000	372,140,000	102,000,000	415,548,000	92,000,000	372,140,000
Conversion of retained earnings to share capital	12,000,000	48,720,000	10,000,000	40,680,000	12,000,000	48,720,000	10,000,000	40,680,000
Currency translation differences	-	(288,000)	-	2,728,000	-	(288,000)	-	2,728,000
At end of the period	<u>114,000,000</u>	<u>463,980,000</u>	<u>102,000,000</u>	<u>415,548,000</u>	<u>114,000,000</u>	<u>463,980,000</u>	<u>102,000,000</u>	<u>415,548,000</u>
	30 June 2022			31 December 2021				
	Number of shares	%	US\$	Number of shares	%	US\$		
Shareholders:								
Jeonbuk Bank Co., Ltd	57,000	50%	57,000,000	51,000	50%	51,000,000		
Apro Financial Co., Ltd	45,600	40%	45,600,000	40,800	40%	40,800,000		
JB Woori Capital Co., Ltd	11,400	10%	11,400,000	10,200	10%	10,200,000		
			<u>114,000,000</u>			<u>102,000,000</u>		
<i>In KHR'000 equivalent</i>			<u>463,980,000</u>			<u>415,548,000</u>		

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11. REGULATORY RESERVE

	Consolidated financial information				Separate financial information			
	30 June 2022		31 December 2021		30 June 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	17,606,039	71,480,518	3,168,882	12,891,012	17,604,571	71,474,558	3,167,594	12,885,772
At end of the period	32,458,088	133,566,597	14,852,049	62,086,079	32,516,289	133,786,959	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 December 2021 and implemented in January 2022, which results in an increase in non-performing loans per the central bank's classification in the current period.

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12. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Consolidated financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Loss (ECL):</i>								
Loans to customers	684,936	2,778,100	305,482	1,241,173	1,094,468	4,443,540	2,068,509	8,400,215
Off-balance sheet financial commitments	(8,436)	(34,216)	62,928	255,677	(4,011)	(16,285)	94,337	383,103
	<u>676,500</u>	<u>2,743,884</u>	<u>368,410</u>	<u>1,496,850</u>	<u>1,090,457</u>	<u>4,427,255</u>	<u>2,162,846</u>	<u>8,783,318</u>
	Separate financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Loss (ECL):</i>								
Loans to customers	684,955	2,778,177	305,481	1,241,169	1,095,936	4,449,501	2,069,797	8,405,446
Off-balance sheet financial commitments	(8,436)	(34,216)	62,928	255,677	(4,011)	(16,285)	94,337	383,102
	<u>676,519</u>	<u>2,743,961</u>	<u>368,409</u>	<u>1,496,846</u>	<u>1,091,925</u>	<u>4,433,216</u>	<u>2,164,134</u>	<u>8,788,548</u>

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

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

(a) Fair value hierarchy

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

The following table presents the Group and the Bank's financial assets measured and recognised at fair value at 30 June 2022 and 31 December 2021 on a recurring basis:

As at 30 June 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	185,678	-	21,818	207,496
Total financial assets	185,678	-	21,818	207,496
<i>In KHR'000 equivalent</i>	755,709	-	88,799	844,508
As at 31 December 2021				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	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

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13. 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 30 June 2022				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	185,678	-	21,818	207,496
Total financial assets	185,678	-	21,818	207,496
<i>In KHR'000 equivalent</i>	<u>755,709</u>	<u>-</u>	<u>88,799</u>	<u>844,508</u>
As at 31 December 2021				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	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.

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13. 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 approximate the carrying amount. There is no loss allowance for this FVOCI at 30 June 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.

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13. 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 issued*

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.