

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

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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 September 2020, condensed separate statement of financial position of the Bank as at 30 September 2020, and the related condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and condensed consolidated and separate statements of changes in equity and cash flows for the nine-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".



#### Other matter

The comparative information for the condensed consolidated and separate statements of financial position is based on the audited consolidated and separate financial statements as at 31 December 2019. The comparative information for the condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, condensed consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and related explanatory notes for the three-month and nine-month periods ended 30 September 2019 has not been audited or reviewed.

For PricewaterhouseCoopers (Cambodia) Ltd.

A blue ink signature of Kuy Lim is written over a circular blue ink stamp. The stamp contains the text "ព្រះរាជាណាចក្រកម្ពុជា" (Kingdom of Cambodia) at the top, "ក្រុមហ៊ុន" (Company) in the middle, "ហាមឌូតើស (ខេមបូឌា)" (Ham Dutey (Cambodia)) below it, and "PricewaterhouseCoopers (Cambodia) Ltd." at the bottom. The signature is written in a cursive style.

By Kuy Lim  
Partner

Phnom Penh, Kingdom of Cambodia  
3 November 2020

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

		30 September 2020		31 December 2019	
	Notes	US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand		48,806,375	200,106,138	35,393,946	144,230,330
Balances with the central bank		69,824,900	286,282,090	93,903,019	382,654,802
Balances with other banks and financial institutions		113,302,035	464,538,344	36,800,649	149,962,645
Statutory deposits with the central bank		58,233,303	238,756,542	83,033,615	338,361,982
Loans to customers	6	706,076,956	2,894,915,520	648,753,833	2,643,671,869
Investment securities		3,195,069	13,099,783	3,178,194	12,951,141
Intangible assets		8,509,620	34,889,442	8,451,311	34,439,092
Property and equipment		16,426,484	67,348,584	15,905,545	64,815,096
Right of use assets	7	8,898,503	36,483,862	6,078,035	24,767,993
Deferred tax assets		12,190	49,979	500,163	2,038,164
Other assets		4,626,599	18,969,056	4,287,783	17,472,716
<b>TOTAL ASSETS</b>		<u>1,037,912,034</u>	<u>4,255,439,340</u>	<u>936,286,093</u>	<u>3,815,365,830</u>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from other banks		89,176,537	365,623,802	64,182,658	261,544,330
Deposits from non-bank customers		713,961,140	2,927,240,674	646,275,606	2,633,573,094
Current income tax liabilities		2,440,605	10,006,481	4,412,840	17,982,323
Deferred tax liabilities		208,309	854,067	-	-
Borrowings		29,189,692	119,677,737	52,198,004	212,706,866
Subordinated debts		20,037,128	82,152,225	20,037,128	81,651,297
Debt securities issued	8	19,696,325	80,754,933	-	-
Lease liabilities	7	9,249,306	37,922,155	6,743,741	27,480,745
Employee benefit obligations		302,243	1,239,196	302,243	1,231,640
Other liabilities		2,997,897	12,291,377	3,634,390	14,810,140
<b>TOTAL LIABILITIES</b>		<u>887,259,182</u>	<u>3,637,762,647</u>	<u>797,786,610</u>	<u>3,250,980,435</u>
<b>EQUITY</b>					
Share capital	9	92,000,000	377,200,000	80,000,000	326,000,000
Regulatory reserve		11,355,724	47,915,935	8,252,811	35,209,506
Retained earnings		47,297,128	191,097,506	50,246,672	203,175,889
Other reserves		-	1,463,252	-	-
<b>TOTAL EQUITY</b>		<u>150,652,852</u>	<u>617,676,693</u>	<u>138,499,483</u>	<u>564,385,395</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		1,037,912,034	4,255,439,340	936,286,093	3,815,365,830

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2020**

Notes	For the three-month period ended				For the nine-month period ended			
	30 September 2020		30 September 2019		30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>
Interest income	17,427,748	71,366,628	14,891,330	60,860,866	50,553,462	206,359,232	43,678,990	176,812,552
Interest expense	(7,508,798)	(30,748,528)	(5,313,288)	(21,715,408)	(20,644,590)	(84,271,216)	(15,126,685)	(61,232,821)
<b>Net interest income</b>	<u>9,918,950</u>	<u>40,618,100</u>	<u>9,578,042</u>	<u>39,145,458</u>	<u>29,908,872</u>	<u>122,088,016</u>	<u>28,552,305</u>	<u>115,579,731</u>
Fees and commission income	811,600	3,323,502	634,138	2,591,722	2,695,351	11,002,423	2,029,512	8,215,465
Fees and commission expense	(210,573)	(862,296)	(148,177)	(605,599)	(807,280)	(3,295,317)	(370,403)	(1,499,391)
<b>Net fees and commission income</b>	<u>601,027</u>	<u>2,461,206</u>	<u>485,961</u>	<u>1,986,123</u>	<u>1,888,071</u>	<u>7,707,106</u>	<u>1,659,109</u>	<u>6,716,074</u>
Impairment losses on financial assets	161,244	660,294	54,278	221,834	(347,854)	(1,419,940)	(136,812)	(553,815)
Other gains/(losses) - net	14,830	60,729	(129,438)	(529,013)	10,377	42,359	(205,196)	(830,633)
Other operating income	23,029	94,304	7,004	28,625	43,447	177,351	130,686	529,016
<b>Net other operating income/(loss)</b>	<u>199,103</u>	<u>815,327</u>	<u>(68,156)</u>	<u>(278,554)</u>	<u>(294,030)</u>	<u>(1,200,230)</u>	<u>(211,322)</u>	<u>(855,432)</u>
Personnel expenses	(1,917,787)	(7,853,338)	(1,762,699)	(7,204,151)	(5,873,810)	(23,976,892)	(5,105,488)	(20,667,015)
Depreciation and amortisation	(1,821,610)	(7,459,493)	(1,419,909)	(5,803,168)	(4,890,648)	(19,963,625)	(3,779,428)	(15,299,125)
General and administrative expenses	(1,773,911)	(7,264,166)	(1,914,601)	(7,824,974)	(5,108,890)	(20,854,489)	(4,596,794)	(18,607,822)
<b>Profit before income tax</b>	<u>5,205,772</u>	<u>21,317,636</u>	<u>4,898,638</u>	<u>20,020,734</u>	<u>15,629,565</u>	<u>63,799,886</u>	<u>16,518,382</u>	<u>66,866,411</u>
Income tax expense	(1,084,847)	(4,442,448)	(1,240,746)	(5,070,929)	(3,476,196)	(14,189,832)	(3,894,254)	(15,763,940)
<b>Profit for the period</b>	<u>4,120,925</u>	<u>16,875,188</u>	<u>3,657,892</u>	<u>14,949,805</u>	<u>12,153,369</u>	<u>49,610,054</u>	<u>12,624,128</u>	<u>51,102,471</u>
<b>Other comprehensive income</b>								
<i>Items that will not be reclassified to profit or loss</i>								
Currency translation differences	-	479,704	-	1,504,842	-	1,465,244	-	3,132,592
	-	479,704	-	1,504,842	-	1,465,244	-	3,132,592
<b>Total comprehensive income for the period</b>	<u>4,120,925</u>	<u>17,354,892</u>	<u>3,657,892</u>	<u>16,454,647</u>	<u>12,153,369</u>	<u>51,075,298</u>	<u>12,624,128</u>	<u>54,235,063</u>
<b>Profit attributable to owners of the Group</b>	<u>4,120,925</u>	<u>16,875,188</u>	<u>3,657,892</u>	<u>14,949,805</u>	<u>12,153,369</u>	<u>49,610,054</u>	<u>12,624,128</u>	<u>51,102,471</u>
<b>Total comprehensive income attributable to owners of the Group</b>	<u>4,120,925</u>	<u>17,354,892</u>	<u>3,657,892</u>	<u>16,454,647</u>	<u>12,153,369</u>	<u>51,075,298</u>	<u>12,624,128</u>	<u>54,235,063</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020

	Attributable to owners of the Group									
	Share capital		Regulatory reserve		Retained earnings		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Balance at 1 January 2019</b>	80,000,000	321,440,000	8,200,983	32,951,553	34,515,434	139,432,914	-	-	122,716,417	493,824,467
Profit for the period	-	-	-	-	12,624,128	51,102,471	-	-	12,624,128	51,102,471
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	3,132,592	-	3,132,592
<b>Total comprehensive income for the period</b>	-	-	-	-	12,624,128	51,102,471	-	3,132,592	12,624,128	54,235,063
<b>Transactions with owners in their capacity as owners:</b>										
Transfers from retained earnings to regulatory reserve	-	-	1,221,352	4,944,033	(1,221,352)	(4,944,033)	-	-	-	-
Currency translation differences	-	6,160,000	-	-	-	-	-	-	-	6,160,000
<b>Total transactions with owners</b>	-	6,160,000	1,221,352	4,944,033	(1,221,352)	(4,944,033)	-	-	-	6,160,000
<b>Balance at 30 September 2019 (un-reviewed)</b>	<u>80,000,000</u>	<u>327,600,000</u>	<u>9,422,335</u>	<u>37,895,586</u>	<u>45,918,210</u>	<u>185,591,352</u>	<u>-</u>	<u>3,132,592</u>	<u>135,340,545</u>	<u>554,219,530</u>
<b>Balance at 1 January 2020</b>	80,000,000	326,000,000	8,252,811	35,209,506	50,246,672	203,175,889	-	-	138,499,483	564,385,395
Profit for the period	-	-	-	-	12,153,369	49,610,054	-	-	12,153,369	49,610,054
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,465,244	-	1,465,244
<b>Total comprehensive income for the period</b>	-	-	-	-	12,153,369	49,610,054	-	1,465,244	12,153,369	51,075,298
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 9)	12,000,000	48,984,000	-	-	(12,000,000)	(48,984,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,102,913	12,666,091	(3,102,913)	(12,666,091)	-	-	-	-
Currency translation differences	-	2,216,000	-	-	-	-	-	-	-	2,216,000
<b>Total transactions with owners</b>	<u>12,000,000</u>	<u>51,200,000</u>	<u>3,102,913</u>	<u>12,666,091</u>	<u>(15,102,913)</u>	<u>(61,650,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,216,000</u>
<b>Balance at 30 September 2020</b>	<u>92,000,000</u>	<u>377,200,000</u>	<u>11,355,724</u>	<u>47,875,597</u>	<u>47,297,128</u>	<u>191,135,852</u>	<u>-</u>	<u>1,465,244</u>	<u>150,652,852</u>	<u>617,676,693</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

	For the nine-month period ended			
	30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<b>Cash flows from operating activities</b>				
Profit before income tax	15,629,565	63,799,886	16,518,382	66,866,411
<i>Adjustments for:</i>				
Provision for employee benefit obligations	-	-	(267,314)	(1,082,087)
Depreciation and amortisation	4,890,648	19,963,625	3,779,428	15,299,125
Impairment losses on financial assets	347,854	1,419,940	136,812	553,815
Unrealised exchange losses on investment securities	48,491	197,940	-	-
Unrealised exchange gains on borrowings and debt securities	(227,726)	(929,578)	-	-
Interest income	(50,553,462)	(206,359,232)	(43,678,990)	(176,812,552)
Interest expense	20,644,590	84,271,216	15,126,685	61,232,821
<i>Changes in working capital:</i>				
Reserve requirement with the central bank	25,960,872	105,972,280	(22,747,076)	(92,080,164)
Loans to customers	(57,426,185)	(234,413,687)	(79,371,330)	(321,295,144)
Other assets	(338,816)	(1,383,047)	(1,260,598)	(5,102,901)
Deposits from other banks	25,094,625	102,436,259	46,863,423	189,703,136
Deposit from non-bank customers	65,868,502	268,875,225	(3,516,237)	(14,233,727)
Other liabilities	359,709	1,468,332	1,351,542	5,471,042
Cash generated from/(used in) operations	50,298,667	205,319,159	(67,065,273)	(271,480,225)
Interest received	49,533,853	202,197,188	42,911,607	173,706,186
Interest paid	(18,460,657)	(75,356,402)	(15,339,757)	(62,095,336)
Income tax paid	(4,752,149)	(19,398,272)	(3,319,114)	(13,435,773)
<b>Net cash generated from/(used in) operating activities</b>	<b>76,619,714</b>	<b>312,761,673</b>	<b>(42,812,537)</b>	<b>(173,305,148)</b>
<b>Cash flows from investing activities</b>				
Placements of capital guarantee deposits	(1,200,000)	(4,898,400)	-	-
Purchases of property and equipment	(2,775,003)	(11,327,562)	(2,004,319)	(8,113,483)
Purchases of intangible assets	(1,507,403)	(6,153,219)	(3,266,585)	(13,223,136)
Payments for acquisition of investment securities	-	-	(3,465,239)	(14,027,287)
Placements of Negotiable Certificate of Deposits with the central bank	16,870,000	68,863,340	-	-
Balances with other banks and financial institutions	(65,661,677)	(268,030,966)	12,767,889	51,684,415
<b>Net cash (used in)/generated from investing activities</b>	<b>(54,274,083)</b>	<b>(221,546,807)</b>	<b>4,031,746</b>	<b>16,320,509</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(1,000,000)	(4,082,000)	-	-
Proceeds from borrowings	18,862,410	76,996,358	18,451,748	74,692,676
Repayments of borrowings	(41,953,060)	(171,252,391)	-	-
Proceeds from issuance of debt securities	19,538,742	79,757,145	-	-
Principal elements of lease payments	(1,502,394)	(6,132,772)	(1,672,378)	(6,769,786)
<b>Net cash (used in)/generated from financing activities</b>	<b>(6,054,302)</b>	<b>(24,713,660)</b>	<b>16,779,370</b>	<b>67,922,890</b>
Net increase/(decrease) in cash and cash equivalents	16,291,329	66,501,206	(22,001,421)	(89,061,749)
Cash and cash equivalents at beginning of period	98,262,036	400,417,797	101,559,781	408,067,196
Currency translation differences	-	2,749,794	-	6,786,037
Cash and cash equivalents at end of period	<u>114,553,365</u>	<u>469,668,797</u>	<u>79,558,360</u>	<u>325,791,484</u>

**Non-cash investing activities**

Retained earnings amounting to US\$12,000,000 of the Bank was converted to be share capital during the period (see note 9).

Negotiable Certificate of Deposits of US\$13,700,000 (2019: nil) were rolled over from the year ended 31 December 2019.

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.



**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

		30 September 2020		31 December 2019	
	Notes	US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand		48,806,375	200,106,138	35,393,946	144,230,330
Balances with the central bank		69,824,900	286,282,090	93,903,019	382,654,802
Balances with other banks and financial institutions		113,302,035	464,538,344	36,800,649	149,962,645
Statutory deposits with the central bank		58,233,303	238,756,542	83,033,615	338,361,982
Loans to customers	6	712,308,367	2,920,464,305	654,986,167	2,669,068,631
Investment securities		3,195,069	13,099,783	3,178,194	12,951,141
Investment in subsidiary		490,000	2,009,000	490,000	1,996,750
Intangible assets		8,509,620	34,889,442	8,451,311	34,439,092
Property and equipment		9,780,538	40,100,206	9,250,510	37,695,828
Right of use assets	7	18,377,342	75,347,102	11,874,357	48,388,005
Deferred tax assets		-	-	602,239	2,454,124
Other assets		4,620,372	18,943,525	4,281,128	17,445,597
<b>TOTAL ASSETS</b>		<b>1,047,447,921</b>	<b>4,294,536,477</b>	<b>942,245,135</b>	<b>3,839,648,927</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from other banks		89,176,537	365,623,802	64,182,658	261,544,332
Deposits from non-bank customers		713,976,494	2,927,303,625	646,314,238	2,633,730,520
Current income tax liabilities		2,446,691	10,031,433	4,414,012	17,987,099
Deferred tax liabilities		69,613	285,413	-	-
Borrowings		29,189,692	119,677,737	52,198,004	212,706,866
Subordinated debts		20,037,128	82,152,225	20,037,128	81,651,297
Debt securities issued	8	19,696,325	80,754,933	-	-
Lease liabilities	7	19,421,627	79,628,671	13,112,451	53,433,238
Employee benefit obligations		302,243	1,239,196	302,243	1,231,640
Other liabilities		2,989,574	12,257,254	3,576,592	14,574,613
<b>TOTAL LIABILITIES</b>		<b>897,305,924</b>	<b>3,678,954,289</b>	<b>804,137,326</b>	<b>3,276,859,605</b>
<b>EQUITY</b>					
Share capital	9	92,000,000	377,200,000	80,000,000	326,000,000
Regulatory reserve		11,416,681	48,147,478	8,314,820	35,445,357
Retained earnings		46,725,316	188,781,844	49,792,989	201,343,965
Other reserves		-	1,452,866	-	-
<b>TOTAL EQUITY</b>		<b>150,141,997</b>	<b>615,582,188</b>	<b>138,107,809</b>	<b>562,789,322</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,047,447,921</b>	<b>4,294,536,477</b>	<b>942,245,135</b>	<b>3,839,648,927</b>

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2020

Notes	For the three-month period ended				For the nine-month period ended			
	30 September 2020		30 September 2019		30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			Un-reviewed	Un-reviewed			Un-reviewed	Un-reviewed
Interest income	17,591,381	72,036,705	15,022,283	61,396,071	50,949,293	207,975,014	44,070,583	178,397,720
Interest expense	(7,760,631)	(31,779,784)	(5,423,667)	(22,166,527)	(21,250,050)	(86,742,704)	(15,348,321)	(62,130,003)
<b>Net interest income</b>	<b>9,830,750</b>	<b>40,256,921</b>	<b>9,598,616</b>	<b>39,229,544</b>	<b>29,699,243</b>	<b>121,232,310</b>	<b>28,722,262</b>	<b>116,267,717</b>
Fees and commission income	811,600	3,323,502	634,138	2,591,722	2,695,351	11,002,423	2,029,512	8,215,465
Fees and commission expense	(210,573)	(862,296)	(148,177)	(605,599)	(807,248)	(3,295,186)	(370,398)	(1,499,371)
<b>Net fees and commission income</b>	<b>601,027</b>	<b>2,461,206</b>	<b>485,961</b>	<b>1,986,123</b>	<b>1,888,103</b>	<b>7,707,237</b>	<b>1,659,114</b>	<b>6,716,094</b>
Impairment losses on financial assets	161,512	661,392	59,378	242,678	(348,906)	(1,424,234)	(131,764)	(533,381)
Other gains/(losses) - net	(663,635)	(2,717,585)	(129,438)	(529,013)	92,611	378,038	(205,196)	(830,633)
Other operating income	23,029	94,304	7,004	28,625	43,447	177,351	130,685	529,013
<b>Net other operating loss</b>	<b>(479,094)</b>	<b>(1,961,889)</b>	<b>(63,056)</b>	<b>(257,710)</b>	<b>(212,848)</b>	<b>(868,845)</b>	<b>(206,275)</b>	<b>(835,001)</b>
Personnel expenses	(1,917,787)	(7,853,338)	(1,781,599)	(7,281,395)	(5,873,810)	(23,976,892)	(5,162,188)	(20,896,537)
Depreciation and amortisation	(1,913,291)	(7,834,927)	(1,610,092)	(6,580,446)	(5,287,528)	(21,583,689)	(4,156,764)	(16,826,581)
General and administrative expenses	(1,620,847)	(6,637,368)	(1,763,452)	(7,207,228)	(4,727,205)	(19,296,451)	(4,331,233)	(17,532,831)
<b>Profit before income tax</b>	<b>4,500,758</b>	<b>18,430,605</b>	<b>4,866,378</b>	<b>19,888,888</b>	<b>15,485,955</b>	<b>63,213,670</b>	<b>16,524,916</b>	<b>66,892,861</b>
Income tax expense	(953,999)	(3,906,626)	(1,269,105)	(5,186,832)	(3,451,767)	(14,090,113)	(3,951,138)	(15,994,207)
<b>Profit for the period</b>	<b>3,546,759</b>	<b>14,523,979</b>	<b>3,597,273</b>	<b>14,702,056</b>	<b>12,034,188</b>	<b>49,123,557</b>	<b>12,573,778</b>	<b>50,898,654</b>
<b>Other comprehensive income</b>								
Items that will not be reclassified to profit or loss								
Currency translation difference	-	467,083	-	1,490,752	-	1,453,309	-	3,109,113
	-	467,083	-	1,490,752	-	1,453,309	-	3,109,113
<b>Total comprehensive income for the period</b>	<b>3,546,759</b>	<b>14,991,062</b>	<b>3,597,273</b>	<b>16,192,808</b>	<b>12,034,188</b>	<b>50,576,866</b>	<b>12,573,778</b>	<b>54,007,767</b>
<b>Profit attributable to owners of the Bank</b>	<b>3,546,759</b>	<b>14,523,979</b>	<b>3,597,273</b>	<b>14,702,056</b>	<b>12,034,188</b>	<b>49,123,557</b>	<b>12,573,778</b>	<b>50,898,654</b>
<b>Total comprehensive income attributable to owners of the Bank</b>	<b>3,546,759</b>	<b>14,991,062</b>	<b>3,597,273</b>	<b>16,192,808</b>	<b>12,034,188</b>	<b>50,576,866</b>	<b>12,573,778</b>	<b>54,007,767</b>

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

	Attributable to owners of the Bank									
	Share capital		Regulatory reserve		Retained earnings		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Balance at 1 January 2019</b>	80,000,000	321,440,000	8,263,044	33,200,911	34,062,017	137,602,068	-	-	122,325,061	492,242,979
Profit for the period	-	-	-	-	12,573,778	50,898,654	-	-	12,573,778	50,898,654
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	3,109,113	-	3,109,113
<b>Total comprehensive income for the period</b>	-	-	-	-	12,573,778	50,898,654	-	3,109,113	12,573,778	54,007,767
<b>Transactions with owners in their capacity as owners:</b>										
Transfers from retained earnings to regulatory reserve	-	-	1,221,300	4,944,362	(1,221,300)	(4,944,362)	-	-	-	-
Currency translation differences	-	6,160,000	-	-	-	-	-	-	-	6,160,000
<b>Total transactions with owners</b>	-	6,160,000	1,221,300	4,944,362	(1,221,300)	(4,944,362)	-	-	-	6,160,000
<b>Balance at 30 September 2019 (un-reviewed)</b>	<u>80,000,000</u>	<u>327,600,000</u>	<u>9,484,344</u>	<u>38,145,273</u>	<u>45,414,495</u>	<u>183,556,360</u>	<u>-</u>	<u>3,109,113</u>	<u>134,898,839</u>	<u>552,410,746</u>
<b>Balance at 1 January 2020</b>	80,000,000	326,000,000	8,314,820	35,445,357	49,792,989	201,343,965	-	-	138,107,809	562,789,322
Profit for the period	-	-	-	-	12,034,188	49,123,557	-	-	12,034,188	49,123,557
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,453,309	-	1,453,309
<b>Total comprehensive income for the period</b>	-	-	-	-	12,034,188	49,123,557	-	1,453,309	12,034,188	50,576,866
<b>Transactions with owners in their capacity as owners:</b>										
Conversion of retained earnings to share capital (Note 9)	12,000,000	48,984,000	-	-	(12,000,000)	(48,984,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,101,861	12,661,797	(3,101,861)	(12,661,797)	-	-	-	-
Currency translation difference	-	2,216,000	-	-	-	-	-	-	-	2,216,000
<b>Total transactions with owners</b>	<u>12,000,000</u>	<u>51,200,000</u>	<u>3,101,861</u>	<u>12,661,797</u>	<u>(15,101,861)</u>	<u>(61,645,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,216,000</u>
<b>Balance at 30 September 2020</b>	<u>92,000,000</u>	<u>377,200,000</u>	<u>11,416,681</u>	<u>48,107,154</u>	<u>46,725,316</u>	<u>188,821,725</u>	<u>-</u>	<u>1,453,309</u>	<u>150,141,997</u>	<u>615,582,188</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

**PHNOM PENH COMMERCIAL BANK PLC.**

**CONDENSED SEPARATE STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

	For the nine-month period ended			
	30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<b>Cash flows from operating activities</b>				
Profit before income tax	15,485,955	63,213,670	16,524,916	66,892,861
<i>Adjustments for:</i>				
Provision for employee benefit obligations	-	-	(267,314)	(1,082,087)
Depreciation and amortisation	5,287,528	21,583,689	4,156,764	16,826,581
Impairment losses on financial assets	348,906	1,424,234	131,764	533,381
Unrealised exchange losses on investment securities	48,491	197,940	-	-
Unrealised exchange gains on borrowings and debt securities	(227,726)	(929,578)	-	-
Interest income	(50,949,293)	(207,975,014)	(44,070,583)	(178,397,720)
Interest expense	21,250,050	86,742,704	15,348,321	62,130,003
<i>Changes in working capital:</i>				
Placements of reserve requirement with the central bank	25,960,872	105,972,280	(22,747,076)	(92,080,164)
Loans to customers	(57,426,183)	(234,413,679)	(79,371,279)	(321,294,937)
Other assets	(339,244)	(1,384,794)	(1,255,464)	(5,082,118)
Deposits from other banks	25,094,625	102,436,259	46,863,423	189,703,136
Deposits from non-bank customers	65,845,224	268,780,204	(3,753,743)	(15,195,152)
Other liabilities	409,182	1,670,281	1,316,085	5,327,512
Cash generated from/(used in) operations	50,788,387	207,318,196	(67,124,186)	(271,718,704)
Interest received	49,929,553	203,812,435	43,294,112	175,254,565
Interest paid	(19,066,117)	(77,827,890)	(15,561,393)	(62,992,519)
Income tax paid	(4,747,236)	(19,378,217)	(3,319,114)	(13,435,773)
<b>Net cash generated from/(used in) operating activities</b>	<b>76,904,587</b>	<b>313,924,524</b>	<b>(42,710,581)</b>	<b>(172,892,431)</b>
<b>Cash flows from investing activities</b>				
Placements of capital guarantee deposits	(1,200,000)	(4,898,400)	-	-
Purchases of property and equipment	(2,775,003)	(11,327,562)	(2,004,319)	(8,113,483)
Purchases of intangible assets	(1,507,403)	(6,153,219)	(3,266,585)	(13,223,136)
Payments for acquisition of investment securities	-	-	(3,465,239)	(14,027,287)
Placements of Negotiable Certificate of Deposits with the central bank	16,870,000	68,863,340	-	-
Balances with other banks and financial institutions	(65,661,677)	(268,030,966)	12,767,889	51,684,415
<b>Net cash (used in)/generated from investing activities</b>	<b>(54,274,083)</b>	<b>(221,546,807)</b>	<b>4,031,746</b>	<b>16,320,509</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(1,000,000)	(4,082,000)	-	-
Proceeds from borrowings	18,862,410	76,996,358	18,451,748	74,692,676
Repayments of borrowings	(41,953,060)	(171,252,391)	-	-
Proceeds from issuance of debt securities	19,538,742	79,757,145	-	-
Principal elements of lease payments	(1,787,267)	(7,295,624)	(1,774,334)	(7,182,504)
<b>Net cash (used in)/generated from financing activities</b>	<b>(6,339,175)</b>	<b>(25,876,512)</b>	<b>16,677,414</b>	<b>67,510,172</b>
Net increase/(decrease) in cash and cash equivalents	16,291,329	66,501,205	(22,001,421)	(89,061,750)
Cash and cash equivalents at beginning of period	98,262,036	400,417,797	101,559,781	408,067,196
Currency translation differences	-	2,749,795	-	6,786,038
Cash and cash equivalents at end of period	<b>114,553,365</b>	<b>469,668,797</b>	<b>79,558,360</b>	<b>325,791,484</b>

**Non-cash from investing activities**

Retained earnings amounting to US\$12,000,000 of the Bank was converted to be share capital during the period (see note 9).

Negotiable Certificate of Deposits of US\$13,700,000 (2019: nil) were rolled over from the year ended 31 December 2019.

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

## **PHNOM PENH COMMERCIAL BANK PLC.**

### **NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

#### **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 September 2020, 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.

The condensed consolidated and separate interim financial information was authorised for issue by the Board of Directors on 3 November 2020.

The condensed consolidated and separate interim financial information for the nine-month period ended 30 September 2020 has been reviewed, not audited.

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

This condensed consolidated and separate interim financial information for the nine-month period ended 30 September 2020 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 2019, 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.

The comparative information for the condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, condensed consolidated and separate statements of changes in equity and cash flows for the nine-month periods then ended, and related explanatory notes for the three-month and nine-month periods ended 30 September 2019 has not been audited or reviewed.

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

A number of new or amended standards became applicable for the current reporting period. The Group and the Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

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

**New and amended standards adopted by the Group and the Bank (continued)**

*COVID-19 Related Rent Concessions – Amendments to CIFRS 16*

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to CIFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The Bank does not have any rent concession during the period so the amendment has no impact on the condensed consolidated and separate interim financial information.

**Presentation in Khmer Riel (KHR)**

In compliance with the Law on Accounting and Auditing, the condensed consolidated financial information of the Group and condensed separate financial information of the Bank shall be expressed in Khmer Riel. The condensed consolidated and separate statements of profit or loss and other comprehensive income and cash flows are translated into Khmer Riel using the average rates for the period. Assets and liabilities for condensed consolidated and separate statements of financial position presented are translated at the closing rates as of the reporting date. Resulting exchange difference arising from the translation of shareholders' capital is recognised directly in equity; all other resulting exchange differences are recognised in the other comprehensive income.

As at the reporting date, the average rates and closing rates are based on the following exchange rates per \$1:

	<b>For the three-month period ended</b>		<b>For the nine-month period ended</b>	
	<b>30 September 2020</b>	<b>30 September 2019</b>	<b>30 September 2020</b>	<b>30 September 2019</b>
Average rate	KHR 4,095	KHR 4,087	KHR 4,082	KHR 4,048
			<b>30 September 2020</b>	<b>31 December 2019</b>
Closing rate			KHR 4,100	KHR 4,075

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

The financial position and performance of the Group and the Bank was particularly affected by the following events and transactions during the nine-month period to 30 September 2020:

*The COVID-19 Outbreak*

The novel coronavirus (COVID-19) declared as pandemic has spread into Cambodia since late January 2020. Since then, the country is facing sustained risk of further national spread causing disruption to business and economic activities. However, management considers that Group and the Bank's activities may be slow in this short period but would not lead to a going concern issue given the size of the operations, current profitability level and liquidity headroom of the Group and the Bank.

**PHNOM PENH COMMERCIAL BANK PLC.**

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

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

*The lease modification*

On 10 March 2020, J&A (Cambodia) Investment Co., Ltd. (the 'Subsidiary'), as a lessor, amended the rental agreement with the Bank, as a lessee, to increase the rental fees for the remaining lease periods. The Bank has to remeasure the lease liability and corresponding right-of-use asset at the effective date of the modification on 1 May 2020 (see note 7).

*The corporate bond issuance*

During the period, the Bank successfully listed its corporate bonds on the CSX amounting to KHR40,000 million during the first phase and another KHR40,000 million during the second phase of its bond issuance process. These bonds were fully subscribed (see note 8).

*The conversion of retained earnings to share capital*

On 18 May 2020, the Bank transferred its retained earnings amounting to US\$12,000,000 to be its share capital, which was approved by the central bank on 30 June 2020 by the Ministry of Commerce on 27 July 2020 (see note 9).

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

The Bank and the Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period are outlined below:

The Bank assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from credit commitments (including overdraft and revolving facilities) and financial guarantee contracts. The measurement of ECL allowance reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Management noted the impact of COVID-19 outbreak on its assessment of the ECL allowance on its financial assets including the restructured loans resulted from impact of COVID-19 outbreak. The Bank has restructured loans for its borrowers who are having financial difficulties during the period. As a result, the Bank has downgraded the staging of the borrowers for ECL allowance calculation purpose. However, the result in downgrading the staging does not significantly impact on the ECL allowance of the financial assets up to the reporting date.

The other 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 consolidated and separate financial statements for the year ended 31 December 2019.

**5. SEGMENT AND REVENUE INFORMATION**

The Group and the Bank has only one reportable segment, namely, interest income. The chief operating decision-maker ("the management team") reviews the internal management report, which reports the performances of the interest income segment as a whole, to assess performance and allocate resources. The management team 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020

6. LOANS TO CUSTOMERS

(a) Details of loans to customers:

	Consolidated financial information				Separate financial information			
	30 September 2020		31 December 2019		30 September 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Loans to customers at amortised costs	707,049,099	2,898,901,306	649,771,449	2,647,818,655	713,281,655	2,924,454,786	656,003,874	2,673,215,787
Less: Allowance for expected credit loss	(972,143)	(3,985,786)	(1,017,616)	(4,146,786)	(973,288)	(3,990,481)	(1,017,707)	(4,147,156)
<b>Net loans to customers</b>	<b>706,076,956</b>	<b>2,894,915,520</b>	<b>648,753,833</b>	<b>2,643,671,869</b>	<b>712,308,367</b>	<b>2,920,464,305</b>	<b>654,986,167</b>	<b>2,669,068,631</b>

(b) Allowance for expected credit loss

	Consolidated financial information				Separate financial information			
	30 September 2020		31 December 2019		30 September 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	237,908	975,423	28,706	116,977	239,053	980,117	28,797	117,347
Lifetime ECL - not credit impaired (Stage 2)	32,823	134,574	5,754	23,448	32,823	134,574	5,754	23,448
Lifetime ECL - credit impaired (Stage 3)	701,412	2,875,789	983,156	4,006,361	701,412	2,875,790	983,156	4,006,361
	<b>972,143</b>	<b>3,985,786</b>	<b>1,017,616</b>	<b>4,146,786</b>	<b>973,288</b>	<b>3,990,481</b>	<b>1,017,707</b>	<b>4,147,156</b>



**PHNOM PENH COMMERCIAL BANK PLC.**

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020**

**7. LEASES**

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

The Group and the Bank leases various buildings for its head office and branch operations. Rental contracts are typically made for fixed periods of 1 to 20 years.

On 10 March 2020, J&A (Cambodia) Investment Co., Ltd. (the 'Subsidiary'), as a lessor, amended its lease agreement with the Bank, as a lessee, to increase the rental fees price as follows:

- From US\$ 40,000 to US\$ 69,000 per month from 1 May 2020 to 31 December 2025; and
- From US\$ 69,000 to US\$ 80,000 from 1 January 2026 to 31 December 2034.

The Bank has to remeasure the lease liability and corresponding right-of-use asset at the effective date of the modification, which was on 1 May 2020, using a revised discount rate.

For the separate interim financial information, the modification increases the carrying amount of lease liabilities on the date of the modification by US\$ 4,088,486 and a corresponding amount to right-of-used assets to reflect the amendment of the lease.

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

	Consolidated financial information				Separate financial information			
	30 September 2020		31 December 2019		30 September 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Right-of-use assets (Non-current)</i>								
Office space	8,487,267	34,797,795	5,731,519	23,355,940	17,966,106	73,661,035	11,527,841	46,975,952
ATM space	177,347	727,123	69,314	282,455	177,347	727,123	69,314	282,455
Billboard	60,341	247,398	37,428	152,519	60,341	247,398	37,428	152,519
Generator	79,994	327,975	116,341	474,090	79,994	327,975	116,341	474,090
Vehicle	93,554	383,571	123,433	502,989	93,554	383,571	123,433	502,989
	<u>8,898,503</u>	<u>36,483,862</u>	<u>6,078,035</u>	<u>24,767,993</u>	<u>18,377,342</u>	<u>75,347,102</u>	<u>11,874,357</u>	<u>48,388,005</u>
<i>Lease liabilities</i>								
Current	2,100,506	8,612,075	2,190,936	8,928,064	2,100,506	8,612,075	2,190,936	8,928,064
Non-current	7,148,800	29,310,080	4,552,805	18,552,681	17,321,121	71,016,596	10,921,515	44,505,174
	<u>9,249,306</u>	<u>37,922,155</u>	<u>6,743,741</u>	<u>27,480,745</u>	<u>19,421,627</u>	<u>79,628,671</u>	<u>13,112,451</u>	<u>53,433,238</u>

Right-of-use assets' additions for the Group and the Bank during the period were US\$4,424,767 (2019: US\$ 1,392,773).

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**7. LEASES (continued)**

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

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

	Consolidated financial information							
	For the three-month period ended				For the nine-month period ended			
	30 September 2020		30 September 2019		30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<i>Depreciation of right-of-use assets</i>								
Office spaces	392,970	1,609,212	287,815	1,176,300	846,090	3,453,739	853,158	3,453,584
ATM spaces	34,025	139,332	13,851	56,609	52,842	215,701	52,089	210,856
Billboards	28,888	118,296	41,139	168,135	111,519	455,221	130,462	528,110
Generators	34,837	142,658	28,719	117,375	94,610	386,198	86,157	348,764
Vehicles	37,380	153,071	32,322	132,100	82,429	336,475	96,966	392,518
	<u>528,100</u>	<u>2,162,569</u>	<u>403,846</u>	<u>1,650,519</u>	<u>1,187,490</u>	<u>4,847,334</u>	<u>1,218,832</u>	<u>4,933,832</u>
Interest expense	78,703	322,289	61,331	250,660	238,219	972,410	171,868	695,722
Expense relating to leases of low-value assets (included in operating expenses)	<u>30,861</u>	<u>126,376</u>	<u>131,451</u>	<u>537,240</u>	<u>74,091</u>	<u>302,439</u>	<u>220,769</u>	<u>893,673</u>
Total expenses related to leases	<u>109,564</u>	<u>448,665</u>	<u>192,782</u>	<u>787,900</u>	<u>312,310</u>	<u>1,274,849</u>	<u>392,637</u>	<u>1,589,395</u>

The total cash outflow for leases for the period ended 30 September 2020 was US\$1,828,947 (30 September 2019: US\$1,672,378).

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**7. LEASES** (continued)

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

	Separate financial information							
	For the three-month period ended				For the nine-month period ended			
	30 September 2020		30 September 2019		30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<i>Depreciation of right-of-use assets</i>								
Office spaces	559,266	2,290,194	481,027	1,965,957	1,252,058	5,110,901	1,239,582	5,017,828
ATM spaces	34,025	139,332	13,851	56,609	52,842	215,701	52,089	210,856
Billboards	28,888	118,296	41,139	168,135	111,519	455,221	130,462	528,110
Generators	34,837	142,658	28,719	117,375	94,610	386,198	86,157	348,764
Vehicles	37,380	153,071	32,322	132,100	82,429	336,475	96,966	392,518
	<u>694,396</u>	<u>2,843,551</u>	<u>597,058</u>	<u>2,440,176</u>	<u>1,593,458</u>	<u>6,504,496</u>	<u>1,605,256</u>	<u>6,498,076</u>
Interest expense	167,037	684,017	116,631	476,671	326,553	1,332,989	247,767	1,002,961
Expense relating to leases of low-value assets (included in operating expenses)	<u>30,861</u>	<u>126,376</u>	<u>131,451</u>	<u>537,240</u>	<u>74,091</u>	<u>302,439</u>	<u>220,769</u>	<u>893,673</u>
Total expenses related to leases	<u>197,898</u>	<u>810,393</u>	<u>248,082</u>	<u>1,013,911</u>	<u>400,644</u>	<u>1,635,428</u>	<u>468,536</u>	<u>1,896,634</u>

The total cash outflow for leases for the period ended 30 September 2020 was US\$2,113,820. (30 September 2019: US\$1,774,334).

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**8. DEBT SECURITIES ISSUED**

The Bank issued its bond securities for the first phase with a par value of KHR100,000 totaling to KHR40,000 million and maturity of three-year period. On 22 September 2020, the Bank issued its bond securities for the second phase with a par value of KHR100,000 totaling to KHR40,000 million and maturity of three-year period. These bonds are classified as foreign exchange-indexed bond with coupon rate of 6.5% per annum with the interest to be paid semi-annually.

	Consolidated financial information				Separate financial information			
	30 September 2020		31 December 2019		30 September 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Current	320,909	1,315,727	-	-	320,909	1,315,727	-	-
Non-current	19,375,416	79,439,206	-	-	19,375,416	79,439,206	-	-
	19,696,325	80,754,933	-	-	19,696,325	80,754,933	-	-
	Consolidated financial information				Separate financial information			
	30 September 2020		31 December 2019		30 September 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Principal amount	19,375,416	79,439,206	-	-	19,375,416	79,439,206	-	-
Interest payables	320,909	1,315,727	-	-	320,909	1,315,727	-	-
	19,696,325	80,754,933	-	-	19,696,325	80,754,933	-	-

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**9. SHARE CAPITAL**

On 18 May 2020, the Bank requested the central bank to increase its share capital from US\$80,000,000 to US\$92,000,000 by converting its retained earnings of US\$12,000,000 to the share capital, which was approved by the central bank on 30 June 2020 and by the Ministry of Commerce on 27 July 2020.

	Consolidated financial information				Separate financial information			
	30 September 2020		31 December 2019		30 September 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At beginning of the period	80,000,000	326,000,000	80,000,000	321,440,000	80,000,000	326,000,000	80,000,000	321,440,000
Conversion of retained earnings to share capital	12,000,000	48,984,000	-	-	12,000,000	48,984,000	-	-
Currency translation differences	-	2,216,000	-	4,560,000	-	2,216,000	-	4,560,000
At end of the period	<u>92,000,000</u>	<u>377,200,000</u>	<u>80,000,000</u>	<u>326,000,000</u>	<u>92,000,000</u>	<u>377,200,000</u>	<u>80,000,000</u>	<u>326,000,000</u>

	30 September 2020			31 December 2019		
	Number of shares	%	US\$	Number of shares	%	US\$
<b>Shareholders:</b>						
Jeonbuk Bank Co., Ltd	46,000	50%	46,000,000	40,000	50%	40,000,000
Apro Financial Co., Ltd	36,800	40%	36,800,000	32,000	40%	32,000,000
JB Woori Capital Co., Ltd	9,200	10%	9,200,000	8,000	10%	8,000,000
			<u>92,000,000</u>			<u>80,000,000</u>
<i>In KHR'000 equivalent</i>			<u>377,200,000</u>			<u>326,000,000</u>

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10. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Consolidated financial information								
	For the three-month period ended				For the nine-month period ended			
	30 September 2020		30 September 2019		30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<i>Expected Credit Loss (ECL):</i>								
Loans to customers	(161,987)	(663,337)	(54,033)	(220,833)	344,056	1,404,437	131,579	532,632
Off-balance sheet financial commitments	743	3,043	(245)	(1,001)	3,798	15,503	5,233	21,183
	<u>(161,244)</u>	<u>(660,294)</u>	<u>(54,278)</u>	<u>(221,834)</u>	<u>347,854</u>	<u>1,419,940</u>	<u>136,812</u>	<u>553,815</u>
Separate financial information								
	For the three-month period ended				For the nine-month period ended			
	30 September 2020		30 September 2019		30 September 2020		30 September 2019	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			<i>Un-reviewed</i>	<i>Un-reviewed</i>			<i>Un-reviewed</i>	<i>Un-reviewed</i>
<i>Expected Credit Loss (ECL):</i>								
Loans to customers	(162,255)	(664,435)	(59,133)	(241,677)	345,108	1,408,731	131,579	532,632
Off-balance sheet financial commitments	743	3,043	(245)	(1,001)	3,798	15,503	185	749
	<u>(161,512)</u>	<u>(661,392)</u>	<u>(59,378)</u>	<u>(242,678)</u>	<u>348,906</u>	<u>1,424,234</u>	<u>131,764</u>	<u>533,381</u>

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

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

**a. Fair value hierarchy**

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

The following table presents the Group and the Bank's financial assets measured and recognised at fair value at 30 September 2020 and 31 December 2019 on a recurring basis:

As at 30 September 2020	Consolidated financial information			
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	162,719	-	21,818	184,537
<b>Total financial assets</b>	162,719	-	21,818	184,537
<i>In KHR'000 equivalent</i>	667,148	-	89,454	756,602
<b>As at 31 December 2019</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	181,919	-	21,818	203,737
<b>Total financial assets</b>	181,919	-	21,818	203,737
<i>In KHR'000 equivalent</i>	741,320	-	88,908	830,228

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11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

a. Fair value hierarchy (continued)

As at 30 September 2020	Separate financial information			Total US\$
	Level 1 US\$	Level 2 US\$	Level 3 US\$	
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	162,719	-	21,818	184,537
<b>Total financial assets</b>	<b>162,719</b>	<b>-</b>	<b>21,818</b>	<b>184,537</b>
<i>In KHR'000 equivalent</i>	<u>667,148</u>	<u>-</u>	<u>89,454</u>	<u>756,602</u>
<b>As at 31 December 2019</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	181,919	-	21,818	203,737
<b>Total financial assets</b>	<b>181,919</b>	<b>-</b>	<b>21,818</b>	<b>203,737</b>
<i>In KHR'000 equivalent</i>	<u>741,320</u>	<u>-</u>	<u>88,908</u>	<u>830,228</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. Valuation techniques used to determine fair values

Valuation techniques used to value financial instruments include the use of quoted market prices available on the Cambodian Securities Exchange (CSX).



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**11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

**c. Fair value measurements using significant unobservable inputs (level 3)**

The unlisted equity securities are the investment in Credit Bureau Cambodia (“CBC”) to be measured at fair value through other comprehensive income as they are not held for trading and the Company has irrevocably elected at initial recognition to recognise as the financial assets at FVOCI. These are the strategic investments and the Company considers this classification to be more relevant.

The fair value has been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk. There is no gain/loss recognised in other comprehensive income due to fair value approximate the carrying amount. There is no loss allowance for this FVOCI at 30 September 2020.

**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 customers**

The fair value of deposits from customers with maturities of less than one year approximate their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offered similar interest rate of the instrument with similar maturities and terms.

The estimated fair value of deposits with no stated maturities, which includes non-interest bearing deposits, deposits payable on demand is the amount payable at the reporting date.

**(iv) Other financial assets and other financial liabilities**

The carrying amounts of other financial assets and other financial liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

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**11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

**d. Financial instruments not measured at fair value (continued)**

**(v) Borrowings and subordinated debts**

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

**(vi) 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.