



The Fourth Quarterly Report

(31 December 2020)

Phnom Penh Commercial Bank Plc.

Financial Highlights

Financial Situation (in KHR million)	2020	2019
Total Assets	4,179,286	3,815,366
Total Liabilities	3,549,733	3,250,980
Total Equity	629,553	564,385
Financial Results (in KHR million)	Quarter 4 2020	Quarter 4 * 2019
Total income	79,623	69,335
Profit (Loss) before tax	23,450	20,744
Profit (Loss) after tax	20,257	17,683
Total comprehensive income	16,872	14,936
Financial ratio (%)	Quarter 4 2020	2019
Solvency Ratio ❶	17.30	19.09
Debt to Equity Ratio	563.85	576.02
Liquidity Coverage Ratio ❶	123.59	149.23
Non-performing Credit Ratio ❷	1.26	1.21
Loan to Deposit Ratio (A/B)	87.03	86.58
Profitability Ratio (%)	Quarter 4 2020	Quarter 4 * 2019
Return on assets (ROA)	1.61	1.55
Return on equity (ROE)	10.66	10.50
Interest coverage ratio	656.58	686.93
Earnings per share (for equity listed entity)	NA	NA
Dividend per share (for equity listed entity)	NA	NA
Other Important Ratios (if any)	NA	NA

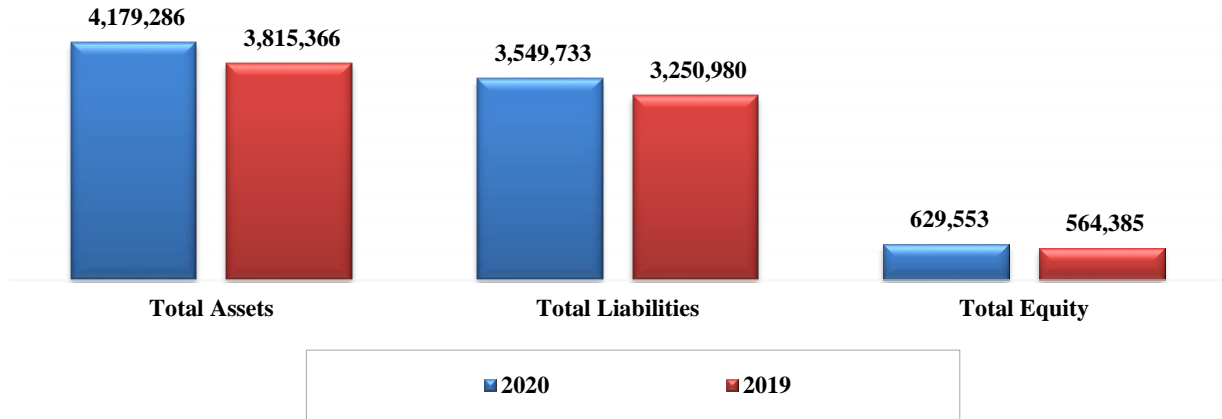
Note: : * Quarter 4 2019 is un-audited

: ❶ Follow NBC's regulation

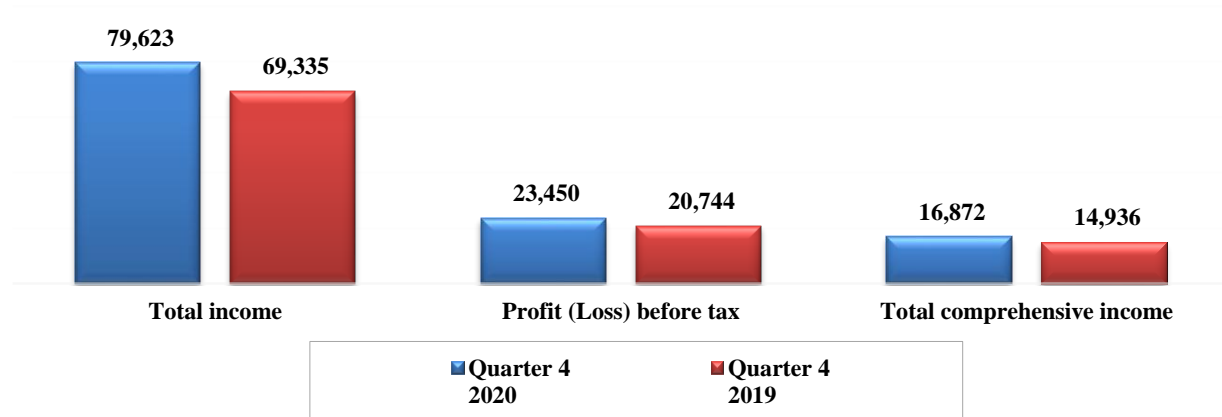
: ❷ Non-performing loan is follow NBC's regulation provision from 20% - 100%

Financial Summary Charts

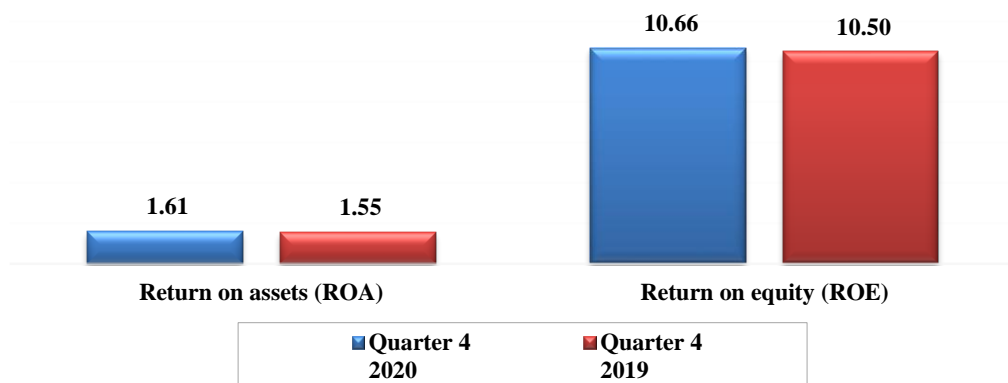
Financial Situation (in KHR million)



Financial Results (in KHR million)



Profitability Ratio (%)



Board of Directors



YIM, Yong Taick

Chairman



SIM, Sang Ton

Member



HEO, Ryeon

Member



PARK, Chong Tae

Independent Member



LEE, Myunsang

Independent Member

Message from the Chairman

In the name of the Board of Directors, it is such an honor to present PPCBank's performance for Q4 2020 by following the requirement from the Securities and Exchange Commission of Cambodia (SECC).

As we all know the new corona virus disease (Covid-19) pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restriction on movement to halt the spread of the virus. A global pandemic has closed schools, exacerbated child poverty and risks to halt development opportunities for children across Cambodia. The impact of the crisis is immediate, as many families in Cambodia have lost their jobs, they are not able to pay for their basic needs, such as food, water, medicine and access to health care and education due to the economic fallout of Covid-19. The Government of Cambodia has taken the right steps to respond to the crisis, including providing wage support for garment workers and tax and credit relief for businesses. The government has also created the fiscal space to minimize the economic impact of this crisis, especially on the most vulnerable people. Despite the Covid-19 pandemic squeezing crucial industries, Cambodia's financial and agriculture sector remains on a sustainable growth but tourism, garments and footwear have borne the brunt of the Covid-19 impact.

During the coronavirus pandemic, PPCBank got insurance license agent from Ministry of Economy and Finance dated 26th November, 2020 for bancassurance business (customer referral) by the collaboration with Prudential (Cambodia) Life Assurance Plc.

In the last few months, PPCBank has seen its positive business performance and continued stable growth in terms of volume and profitability and are executing planned investments. To serve customers better, PPCBank had relocated Central Market Branch to Calmette branch with the approval from National Bank of Cambodia (NBC) dated 6th November, 2020. We believe, relocating our branch will improve customer's accessibility and convenience.

As of Q4 2020, our growth in assets expansions reach to USD 1,033 million, 1.55% increase in loan outstanding from USD 710 million to USD 721 million, 1.77% rise in deposits from USD 791 million to USD 805 million, 4.00% increase in shareholder's equity from USD 150 million to USD

156 million respectively from Q3 to Q4 2020, our achievement has been at triumphant rate amongst many financial competitors in the market.

In Q4 2020, PPCBank implemented Bakong transfer function on Mobile Banking to enable more channel and expand availability for PPCBank customers to transfer to Bakong account in bid to promote Bakong service as a member bank. Also, providing better convenience of fund movement between PPCBank Mobile App user and Bakong account holder.

As the representative of the Board of Directors, I would like to express my sincere thanks to our loyal shareholders, board of directors, executives of PPCBank for their guidance and leadership, our dedicated employees for their contribution and commitment, our customers for their trust in PPCBank especially National Bank of Cambodia (NBC) and Securities and Exchange Commission of Cambodia (SECC) for their advice and support.

I, Yim Yong Taick have taken gratitude to express that we have executed a successful conclusive performance during our Q4 2020 and going forward to be best achievement in Q1 2021.

Phnom Penh, February 12, 2021

Signature and Stamp



YIM, Yong Taick

Chairman

Table of Contents

Financial Highlights	1
Financial Summary Charts	2
Board of Directors.....	3
Message from the Chairman	4
PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY	7
A. Identity of the Listed Entity.....	7
B. Nature of Business.....	7
C. Quarterly Key Events	8
PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE	9
A. Business Operation Performance including business segments information	9
B. Revenue Structures	9
PART 3 - FINANCIAL STATEMENT REVIEWED BY THE EXTERNAL AUDITOR	10
PART 4 - MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A).....	11
A. Overview of Operations	11
B. Significant Factors Affecting Profit	13
C. Material Changes in Sale and Revenue	15
D. Impact of Foreign Exchange, Interest Rate and Commodity Prices	15
E. Impact of Inflation	15
F. Economic / Fiscal / Monetary Policy of Royal Government	15
Signature of Directors of Phnom Penh Commercial Bank Plc.....	16

PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY

A. Identity of the Listed Entity

Entity Name in Khmer	ធនាគារភ្នំពេញពាណិជ្ជកម្ម.ក
In Latin	Phnom Penh Commercial Bank Plc.
Standard Code	KH2000111A46
Address	N° 217, Norodom Blvd (Street 41), Sangkat TonleBasak, Khan Chamkar Mon, Phnom Penh.
Phone	(+855) 23909 909/999500
Fax	(+855) 23999540
Website	www.ppcbank.com.kh
Email	info@ppcb.com.kh
Registration Number	00015794dated 20th May, 2008
License Number	B23 issued by National Bank of Cambodia date 16 th December, 2019.
Disclosure Document Registration Number Issued by SECC	069/20 SECC date 02 nd April 2020
Representative of the Listed Entity	Mr. Shin Chang Moo

B. Nature of Business

Phnom Penh Commercial Bank Plc (PPCBank) started its banking operations on 1st September 2008 at our head office located in N° 217, Preah Norodom Blvd (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh and is a fully licensed commercial bank. In September 2016, PPCBank welcomed a new beginning with strong shareholders Jeonbuk Bank Co., Ltd (a

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

As we stand, we celebrate our past success in supporting a wide range of customers with their banking needs and also seek ways to improve our services to support our current and future clients. As of December, 2020 our total asset increase to USD 1,033 million, serving more than 122,000 customers, 23 branches national wide and 66 ATMs are in operation across the country (other more ATMs are being considered to install at major popular location across the country). Moreover, PPCBank will continue to deliver other convenient services and support through our digital channels to make banking experience easier for customers. Customers also can connect with us through live chat embedded on all PPCBank's digital channels for 24/7. In addition, PPCBank established first SME Center that will go beyond providing SME oriented financial products and services. Small and medium size enterprises will also be served with business consultation. Also, we have already expanded services with our foreign desk (Korea, Japan and China desk) and Gold Club in order to provide the best financial products and services. We truly value all of our customers and we will continue to develop new products and services to best serve customers.

C. Quarterly Key Events

On 26th November, 2020, PPCBank received license for bancassurance business (customer referral) from Ministry of Economy and Finance for the collaboration with Prudential (Cambodia) Life Assurance Plc.

In Q4 2020, PPCBank relocated Central Market Branch to Calmette branch located at N° 26B, Preah Monivong Blvd. Phum 8, Sangkat Srah Chak, Khan Doun Penh, Phnom Penh in order to serve customers better and improve the customer's accessibility and convenience.

On 28th December, 2020, PPCBank implemented Bakong transfer function on Mobile Banking to enable more channel and expand availability for PPCBank customers to transfer to Bakong account in bid to promote Bakong service as a member bank.

PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. Business Operation Performance including business segments information

Key Achievement	2020	2019
Loan		
Loan Accounts	6,785	5,571
Total Gross Loans (in KHR million)	2,928,254	2,647,819
Deposit		
Deposit Accounts	148,026	134,750
Total Deposits (in KHR million)	3,257,792	2,895,117
Others		
Operating Branches	23	21
Number of Staffs	472	447
ATMs	66	43
POS Terminals	287	171

B. Revenue Structures

No	Sources of Revenue	Quarter 4 2020		Quarter 4 2019	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest of Income	76,338	95.87	65,686	94.74
2	Fee and Commission Income	3,143	3.95	3,447	4.97
3	Other Income	141	0.18	201	0.29
Total Income		79,623	100	69,335	100

PART 3 - FINANCIAL STATEMENT REVIEWED BY THE EXTERNAL AUDITOR

(Please refer to the Annex for Interim Financial Statement Reviewed by External Auditor)

PART 4 - MANAGEMENT'S DISCUSSION AND ANALYSIS

(MD&A)

The analyses focus on the operational and financial results based on interim Consolidated Financial Statement of Phnom Penh Commercial Bank (PPCBank) and its subsidiary, J&A (Cambodia) Investment Co., Ltd (the "Group") as of 31 December 2020 reviewed by Independent Auditors. The Interim Consolidated Financial Statements have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRS") and follows regulations and guidelines of National Bank of Cambodia.

A. Overview of Operations

1. Revenue Analysis

PPCBank has three main sources of revenue including Interest Income, Fees and Commissions Income and Other Incomes.

- Interest Income includes the interest income from loan and advance to customers, deposit with other banks, and securities investment.
- Fee and Commission Income mainly includes Loan commission fees, Local and Overseas remittance fees, Deposit fees, LC fees and Card fees.
- Other Income includes foreign exchange gains, dividend on investments and other fee incomes.

2. Revenue by Segment Analysis

No	Source of Revenue	Quarter 4 2020		Quarter 4 2019	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest of Income	76,338	95.87	65,686	94.74
2	Fee and Commission Income	3,143	3.95	3,447	4.97
3	Other Income	141	0.18	201	0.29
Total Income		79,623	100	69,335	100

PPCBank earns most income from interest income representing 96% of total income in Q4 2020.

3. Gross Profit Margin Analysis

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

4. Profit/ (Loss) Before Tax Analysis

Statement of Profit or Loss before Tax	Quarter 4 2020 (in KHR million)	Quarter 4 2019 (in KHR million)	Variance (in KHR million)	Variance (%)
Interest income	76,338	65,686	10,651	16.22
Interest expense	(30,850)	(24,605)	(6,245)	25.38
Net interest income	45,488	41,082	4,406	10.73
Fee and commission income	3,143	3,447	(304)	(8.81)
Fee and commission expense	(1,097)	(1,355)	259	(19.07)
Net fee and commission Income	2,047	2,092	(45)	(2.16)
Other operating income	141	201	(60)	(29.66)
Personal expenses	(7,660)	(7,051)	(609)	8.63
Other expenses	(7,974)	(6,699)	(1,276)	19.04
Depreciation and amortization	(8,142)	(6,650)	(1,492)	22.43
Operating profit	23,900	22,975	925	4.03
Net impairment losses on financial instruments	(449)	(2,231)	1,782	(79.85)
Profit before tax	23,450	20,744	2,707	13.05

In Q4 2020, profit before tax was KHR23,450 million (13% higher than Q4 2019). The increasing of the profit is mainly from increasing of net interest income driven by loan from customer and due from banks.

5. Profit/ (Loss) After Tax Analysis

Statement of Profit or Loss after Tax	Quarter 4 2020 (in KHR million)	Quarter 4 2019 (in KHR million)	Variance (in KHR million)	Variance (%)
Profit before tax	23,450	20,744	2,707	13.05
Income tax expense	(3,193)	(3,061)	(133)	4.33
Net profit for the period	20,257	17,683	2,574	14.56

In Q4 2020, the net profit for the period was KHR20,257 million with 14.56% higher than Q4 2019 mainly from increasing of net interest income as mention in section 4 (Profit (loss) before tax analysis).

6. Total Comprehensive Income (loss) Analysis

Total Comprehensive Income	Quarter 4 2020 (in KHR million)	Quarter 4 2019 (in KHR million)	Variance (in KHR million)	Variance (%)
Net profit for the period	20,257	17,683	2,574	14.56
Other comprehensive loss	(3,385)	(2,747)	(638)	23.23
Total comprehensive income	16,872	14,936	1,936	12.96

7. Factors and Trends Analysis affecting financial Conditions and Results

The novel corona virus (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.

B. Significant Factors Affecting Profit**1. Demand and Supply Conditions Analysis**

Although the COVID-19 vaccine has been developed, but the affect from novel coronavirus (COVID-19) pandemic is still has had significant impact. Thus, to get an effective direction against

COVID-19, the continuous acquiring new funds with the lower cost and the growth of SME loan products segment are still the most importance factors in term of profitability for the bank. To achieve such objectives, the partnership collaborations are fruitfully additional benefit both for bank and customers. On 26th November, 2020, PPCBank got insurance license agent from Ministry of Economy and Finance for bancassurance business (customer referral) by the collaboration with Prudential (Cambodia) Life Assurance Plc. to provide more of customer care and bank experience, and in term of the bank's digital platform continuous development providing customers with innovative and modern financial products and services, On 28th December, 2020, PPCBank implemented Bakong transfer function on Mobile Banking to enable more channel and expand availability for PPCBank customers to transfer to Bakong account in bid to promote Bakong service as a member bank.

In order to serve customers better and improve the customer's accessibility and convenience, The Bank continuous significantly invested in the enhancement of its self-banking facilities by installing more ATMs, POS-terminals, relocated Central Market Branch to Calmette branch located at N° 26B, Preah Monivong Blvd. Phum 8, Sangkat Srah Chak, Khan Doun Penh, Phnom Penh and expanding more its network of electronic payments.

2. Fluctuations in Price of Raw Material Analysis

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

3. Tax Analysis

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

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

4. Exceptional and Extraordinary Items Analysis

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

C. Material Changes in Sale and Revenue

In Q4 2020, PPCBank recorded slightly increase in the revenue, net interest income KHR 45,488 million, which represents 10.7% higher compared to the same period in 2019.

D. Impact of Foreign Exchange, Interest Rate and Commodity Prices

The foreign exchange position has strictly followed the regulatory requirements for the Net Open Position and can be regularly monitored and managed to avoid any significant impact to the bank's performance outcomes.

The bank had applied fixed interest rates for both deposits and loans. So, no any significant impact to the bank's as reporting period.

The commodity price is not affect due to the bank had not involved in dealing with the commodity items.

E. Impact of Inflation

In Q4 2020, there is no material impact of inflation on the Bank's operational business.

F. Economic / Fiscal / Monetary Policy of Royal Government

The COVID-19 pandemic is still having a negative pressure on Cambodia economic. The Royal Government of Cambodia and National Bank of Cambodia (NBC) issued and prepared another step for an effective direction against COVID-19.

As a result, to support the Royal Government's Policy on matters regarding the COVID-19 pandemic and the impact from flood, the National Bank of Cambodia has decided to relief the conditions to be complimentary to Circular No. B7-020-001 as follows:

1. To allow Loan Restructuring to all sectors impacted by COVID-19 pandemic and floods based on banks and FIs own evaluation. The restructuring should be based on the mutual understanding between Banks/FIs and their clients including the availability of reducing interest rate and waive other additional fees.
2. To allow Banks and FIs to do loan restructuring until the 30th June 2021 and
3. To allow Loan Restructuring up to 03 times without impacting the loan classification during the referred period.

The Royal Government of Cambodia announced extension of tax cuts and exemptions Tax cuts and exemptions will be extended to help companies and unemployed workers better weather the ongoing effects of the COVID-19 pandemic. This include the reduction of withholding tax (WHT) on foreign and domestic borrowing by banks and financial institutions. The WHT on interest on foreign and domestic borrowings will be reduced to 5% in 2021, but will increase to 10% in 2022 and be restored to its original level in 2023. The WHT on interest on existing loans will also be reduced to 10% for 2021. The government has also decided to extend the tax exemption period for the tourism and civil aviation industries and related companies to provide relief to these heavily pandemic-struck sectors until the end of March 2021. In addition, tourism related businesses will be able to renew the business license at no expense next year.

Signature of Directors of Phnom Penh Commercial Bank Plc.

February 12, 2021

Seen and Agreed



YIM, Yong Taick

Chairman

