



The First Quarterly Report

(31 March 2022)

Phnom Penh Commercial Bank Plc.

Financial Highlights

Financial Situation (in KHR million)	Quarter 1 2022	2021
Total Assets	4,085,528	4,015,041
Total Liabilities	3,353,826	3,306,817
Total Equity	731,702	708,224
Financial Results (in KHR million)	Quarter 1 2022	Quarter 1 2021
Total income	78,610	76,908
Profit (Loss) before tax	34,677	17,155
Profit (Loss) after tax	27,739	13,606
Total comprehensive income	25,926	13,561
Financial ratio (%)	Quarter 1 2022	2021
Solvency Ratio ❶	19.22	19.19
Debt to Equity Ratio	458.36	466.92
Liquidity Coverage Ratio ❶	123.48	125.46
Non-performing Credit Ratio ❷	3.64	1.82
Loan to Deposit Ratio (A/B)	95.61	97.08
Profitability Ratio (%)	Quarter 1 2022	Quarter 1 2021
Return on assets (ROA)	2.57	1.30
Return on equity (ROE)	14.37	8.55
Interest coverage ratio	965.26	640.37
Earnings per share (for equity listed entity)	NA	NA
Dividend per share (for equity listed entity)	NA	NA
Other Important Ratios (if any)	NA	NA

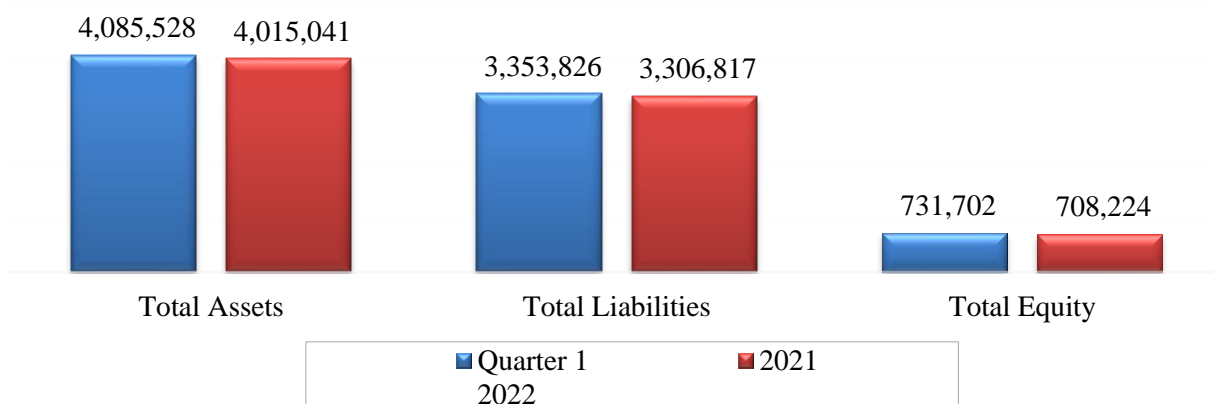
Note:

: ❶ Follow NBC's regulation

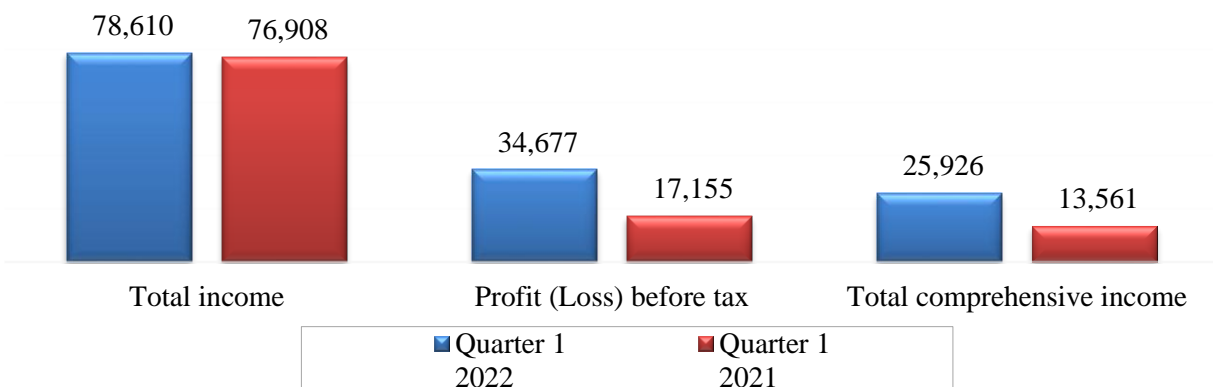
: ❷ Non-performing loan is follow NBC's regulation provision from 20% - 100%

Financial Summary Charts

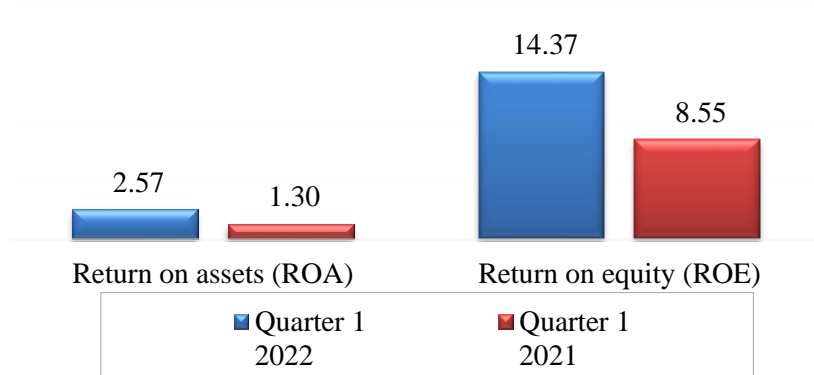
Financial Situation (in KHR million)



Financial Results (in KHR million)



Profitability Ratio (%)



Board of Directors



YIM, Yong Taick

Chairman



SIM, Sang Ton

Member



KIM, Sung Chul

Member



PARK, Chong Tae

Independent Member



LEE, Myunsang

Independent Member

Message from the Chairman

On behalf of the Board of Directors, it is such an honor to present PPCBank's performance for Q1 2022 by following the requirement from the Securities and Exchange Regulator of Cambodia (SERC).

As you are aware the steady decrease in Covid-19 cases, the Royal Government announced the full reopening of the country in all sectors to restore the national economy after it was severely affected by the Covid-19 pandemic as well as announced an end to the February 20 event. In order to prevent the spread of Covid-19, the Royal Government is still putting an effort to provide the Covid-19 vaccines as rapidly as possible to protect people from severe disease, reduce hospitalizations and help save lives and drive the country's economic recovery.

Despite Covid-19 is not over, in Q1-2022, PPCBank officially launched the National Social Security Fund (NSSF) fee payment service which allows customer to pay NSSF monthly fee through various channels such as PPCBank Mobile App, smartBiz, Service Counter and has upgraded the new function on Mobile App which allows PPCBank Credit Card holder to pay their Credit Card Bill on their PPCBank Mobile App. Also, PPCBank got approval from National Bank of Cambodia for Bancassurance business (referral model) on life insurance products to Prudential (Cambodia) Life Assurance Plc. and other approval from NBC for branch managers' appointment.

As of Q1 2022, our growth in assets expansions equivalently to approximately 2.4% from USD 986 million to USD 1,009 million, 1.9% increase in loan outstanding from USD 746 million to USD 760 million, 3.4% increase in deposits from USD 744 million to USD 770 million, 3.9% increase in shareholder's equity from USD 174 million to USD 181 million respectively from Q4 2021 to Q1 2022.

In the name of the Board of Directors, I would like to take this opportunity to thank our loyal shareholders, board of directors, executives of PPCBank for their guidance and leadership, our dedicated employees for their contribution and commitment, our customers for their trust in PPCBank especially National Bank of Cambodia (NBC) and Securities and Exchange Regulator of Cambodia (SERC) for their advice and support.

I, Yim Yong Taick have taken gratitude to express that we have executed a successful conclusive performance during our Q1-2022 and going forward to be best achievement in Q2-2022.

May 11, 2022

Signature and Stamp

A blue circular stamp of Phnom Penh Commercial Bank PLC (PPCBank) is shown. The stamp contains the text "ព្រះរាជាណាចក្រកម្ពុជា" (Kingdom of Cambodia) at the top, "ធនាគារ ផ្សព្វផ្សាយ ពាណិជ្ជ ប.ក" (Phnom Penh Commercial Bank PLC) in the center, and "PPCBank" at the bottom. A signature is written over the 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	14
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.	15

PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY

A. Identity of the Listed Entity

Entity Name in Khmer	ធនាគារ ភ្នំពេញ ពាណិជ្ជ ម.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/(+855) 999500
Website	www.ppcbank.com.kh
Email	info@ppcb.com.kh
Registration Number	00015794dated 20 th May, 2008
License Number	B23 issued by National Bank of Cambodia dated 16 th December, 2019.
Disclosure Document Registration Number Issued by SECC	192/20 SECC date 01 st September 2020
Representative of the Listed Entity	Mr. Baek Jongil

B. Nature of Business

Phnom Penh Commercial Bank Plc (PPCBank) started its banking operations on 1st September 2008 at our head office located in N° 217, Preah Norodom Blvd (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh and is a fully licensed commercial bank. In September 2016, PPCBank welcomed a new beginning with strong shareholders Jeonbuk Bank Co., Ltd (a subsidiary company of JB Financial Group Co., Ltd.), Apro Financial Co., Ltd (a subsidiary company of J&K Capital Co., Ltd. which is under the supervision of OK Financial Group) and JB

Woori Capital Co., Ltd (a subsidiary company of JB Financial Group Co., Ltd.) based in Republic of Korea.

As we stand, we celebrate our past success in supporting a wide range of customers with their banking needs and also seek ways to improve our services to support our current and future clients. As of March, 2022 our total asset was US\$ 1,009 million, serving more than 132,000 customers, 23 branches national wide and 70 ATMs are in operation across the country (other more ATMs are being considered to install at major popular location across the country). Moreover, PPCBank will continue to deliver other convenient services and support through our digital channels to make banking experience easier for customers. Customers also can connect with us through live chat embedded on all PPCBank's digital channels for 24/7. In addition, PPCBank established first SME Center that will go beyond providing SME oriented financial products and services. Small and medium size enterprises will also be served with business consultation. Also, we have already expanded services with our foreign desk (Korea, Japan and China desk), Gold Club and SME Center that will go beyond providing SME oriented financial products and services. We truly value all of our customers and we will continue to develop new products and services to best serve customers.

C. Quarterly Key Events

In order to comply with new NBC Prakas on “Conditions for Bancassurance Business of Banks and Financial Institutions” and NBC notification letter No. F7-021-602 dated 6th April, 2021, PPCBank has submitted request letter and got approval from National Bank of Cambodia for Bancassurance business (referral model) on life insurance products to Prudential (Cambodia) Life Assurance Plc. with approved five operating branches are Main Branch, Boeng Trabaek Branch, Ou Ruessei Branch, Saensokh Branch and Mao Tse Toung Branch on 12th January, 2022.

PPCBank officially launched the National Social Security Fund (NSSF) fee payment service which allows customer to pay NSSF monthly fee through various channels such as Mobile App, smartBiz, and Service Counter with the effective from 24th February, 2022.

PPCBank has upgraded the new function on Mobile App which allows PPCBank Credit Card holder to pay their Credit Card Bill on their PPCBank Mobile App starting from 1st March, 2022. Credit Card holder can pay outstanding amount when there is a credit card billing statement available. There are 3 payment type customer can pay such Full payment, Minimum payment, and Other Amount (from minimum up to full amount).

PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. Business Operation Performance including business segments information

Key Achievement	Quarter 1 2022	2021
Loan		
Loan Accounts	7,511	7,308
Total Gross Loans (in KHR million)	3,078,071	3,037,931
Deposit		
Deposit Accounts	161,561	158,561
Total Deposits (in KHR million)	3,117,242	3,032,556
Others		
Operating Branches	23	23
Number of Staffs	452	445
ATMs	70	68
POS Terminals	254	238

B. Revenue Structures

No	Sources of Revenue	Quarter 1 2022		Quarter 1 2021	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest of Income	76,143	96.86	72,657	94.47
2	Fee and Commission Income	2,445	3.11	3,030	3.94
3	Other Income	22	0.03	1,221	1.59
Total Income		78,610	100	76,908	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 March 2022 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 1 2022		Quarter 1 2021	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest of Income	76,143	96.86	72,657	94.47
2	Fee and Commission Income	2,445	3.11	3,030	3.94
3	Other Income	22	0.03	1,221	1.59
Total Income		78,610	100	76,908	100

PPCBank earns most income from interest income representing 97% of total income in Q1 2022.

3. Gross Profit Margin Analysis

PPCBank prepares its Consolidated Statement of Profit or Loss and Other Comprehensive Income in which the format did not present the gross profit margin, but it presented the net interest income which resulted from the total interest income less interest expenses discussed under the next section on the Profit (Loss) before Tax Analysis.

4. Profit/ (Loss) Before Tax Analysis

Statement of Profit or Loss before Tax	Quarter 1 2022 (in KHR million)	Quarter 1 2021 (in KHR million)	Variance (in KHR million)	Variance (%)
Interest income	76,143	72,657	2,084	2.87
Interest expense	(23,813)	(29,553)	5,740	(19.42)
Net interest income	52,330	43,104	7,824	18.15
Fee and commission income	2,445	3,030	818	27.01
Fee and commission expense	(945)	(1,063)	118	(11.08)
Net fee and commission Income	1,500	1,967	936	47.60
Other operating income	22	1,221	(1,200)	(98.23)
Personal expenses	(6,765)	(7,465)	700	(9.38)
Other expenses	(3,959)	(6,731)	2,773	(41.19)
Depreciation and amortization	(6,770)	(7,657)	887	(11.58)
Operating profit	36,359	24,439	11,920	48.77
Net impairment losses on financial instruments	(1,682)	(7,284)	5,602	(76.91)
Profit before tax	34,677	17,155	17,522	102.14

In Q1 2022, profit before tax was KHR 34,677 million (102% higher than Q1 2021). The increasing of the profit is mainly from increasing of interest income driven from loan products and decreasing of interest expense.

5. Profit/ (Loss) After Tax Analysis

Statement of Profit or Loss after Tax	Quarter 1 2022 (in KHR million)	Quarter 1 2021 (in KHR million)	Variance (in KHR million)	Variance (%)
Profit before tax	34,677	17,155	17,522	102.14
Income tax expense	(6,938)	(3,549)	(3,389)	95.49
Net profit for the period	27,739	13,606	14,133	103.87

In Q1 2022, the net profit for the period was KHR 27,739 million with 104% higher than Q1 2021 mainly from increasing of interest income as mention in section 4 (Profit (loss) before tax analysis).

6. Total Comprehensive Income (loss) Analysis

Total Comprehensive Income	Quarter 1 2022 (in KHR million)	Quarter 1 2021 (in KHR million)	Variance (in KHR million)	Variance (%)
Net profit for the period	27,739	13,606	14,133	103.87
Other comprehensive loss	(1,813)	(45)	(1,768)	3,952.29
Total comprehensive income	25,926	13,561	12,365	91.17

7. Factors and Trends Analysis affecting financial Conditions and Results

The impact from the COVID-19 virus is not over yet, including the conflict between Russia and Ukraine will affect the global economy via three main channels: financial sanctions, commodities prices and supply-chain disruptions, and with the new COVID-19 lockdowns in China are also disrupting trade by sea. However, management considers that Group and the Bank's activities may be slow in the 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**

With the current fuel prices have been rising rapidly, as well as the new COVID-19 lockdowns in China are also disrupting trade by sea. This could lead to new shortages of raw materials which

may be affected the demand and supply chain in Cambodia as well. Thus, to keep the growing in term of profitability and asset quality to ensure the sustainable growth, the acquiring new lower cost of funds and the growth of SME loans are still the most importance factors. To achieve it, the bank continuous development of the Bank's digital platform and partnership collaboration in addition as below:

- PPCBank officially launched the National Social Security Fund (NSSF) fee payment service which allows customer to pay NSSF monthly fee through various channels such as Mobile App, smartBiz, and at Service Counter.
- PPCBank has upgraded the new function on Mobile App which allows PPCBank Credit Card holder to pay their Credit Card Bill on their PPCBank Mobile App. Credit Card holder can pay outstanding amount when there is a credit card billing statement available. There are 3 payment type customer can pay such Full payment, Minimum payment, and Other Amount (from minimum up to full amount).

2. Fluctuations in Price of Raw Material Analysis

PPCBank operates in the service industry, therefore, the fluctuations on raw material price are not applicable to the Bank.

3. Tax Analysis

PPCBank is under the governance of Commercial Law on Taxation; therefore, the Bank is obligated to pay taxes as determined by the General Department of Taxation.

4. Exceptional and Extraordinary Items Analysis

Economic conditions that impacted from the conflict between Russia and Ukraine recently, and the new COVID-19 lockdowns in China may affect the financial results of the Bank.

C. Material Changes in Sale and Revenue

In Q1 2022, PPCBank recorded increase in the revenue, net interest income KHR 50,928 million, which represents 18.2% higher compared to the same period in 2021.

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. Thus, 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

There is no material impact of inflation on the Bank's operational business.

F. Economic / Fiscal / Monetary Policy of Royal Government

According to the General Department of Taxation (GDT), the implementation of capital gains tax has officially delayed to Jan 1, 2024. The decision is in support the government's new vision to foster post-pandemic economic growth through "Strategic Framework and Programs for Economic Recovery in the Context of Living with the COVID-19 in a New Normal 2021-2023".

Signature of Directors of Phnom Penh Commercial Bank Plc.

May 11, 2022

Seen and Agreed



YIM, Yong Taick

Chairman

