



The Third Quarterly Report

(30 September 2023)

Phnom Penh Commercial Bank Plc.

Financial Highlights

Financial Situation (in KHR million)	Quarter 3 2023	2022
Total Assets	4,347,803	4,043,530
Total Liabilities	3,468,770	3,238,038
Total Equity	879,032	805,492
Financial Results (in KHR million)	Quarter 3 2023	Quarter 3 2022
Total income	97,735	82,382
Profit (Loss) before tax	37,139	31,399
Profit (Loss) after tax	28,281	25,206
Total comprehensive income	27,703	29,024
Financial ratio (%)	Quarter 3 2023	2022
Solvency Ratio ❶	19.72	21.81
Debt to Equity Ratio	394.61	402.00
Liquidity Coverage Ratio ❶	110.55	127.46
Non-performing Credit Ratio ❷	5.44	4.61
Loan to Deposit Ratio (A/B)	104.41	105.03
Profitability Ratio (%)	Quarter 3 2023	Quarter 3 2022
Return on assets (ROA) ❸	2.53	2.83
Return on equity (ROE) ❹	12.50	14.66
Interest coverage ratio	772.85	935.66
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

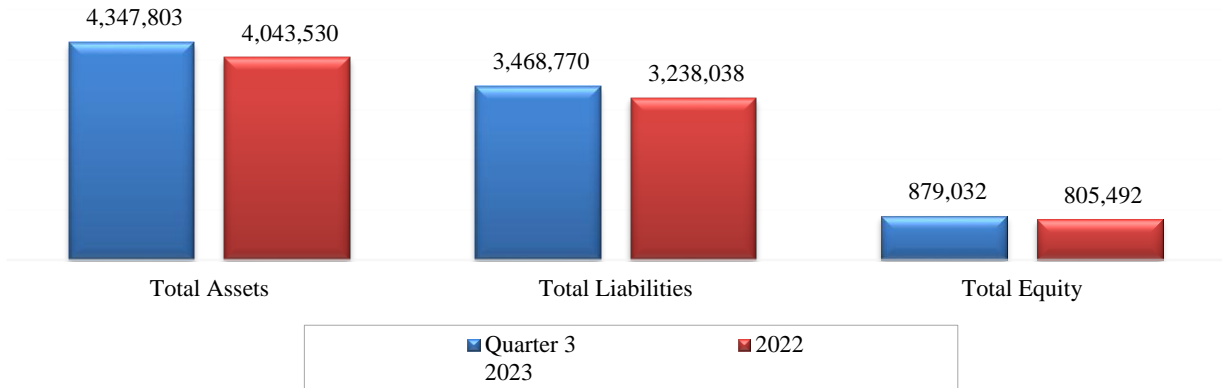
Note:

- : ❶ Follow NBC's regulation
- : ❷ Non-performing loan is follow NBC's regulation provision from 20% - 100%
- : ❸ ROA: Total comprehensive income / Total Asset
- : ❹ ROE: Total comprehensive income / Total Equity

*) Total Comprehensive income seems to be lower than Actual Net profit due to the currency translation difference.

Financial Summary Charts

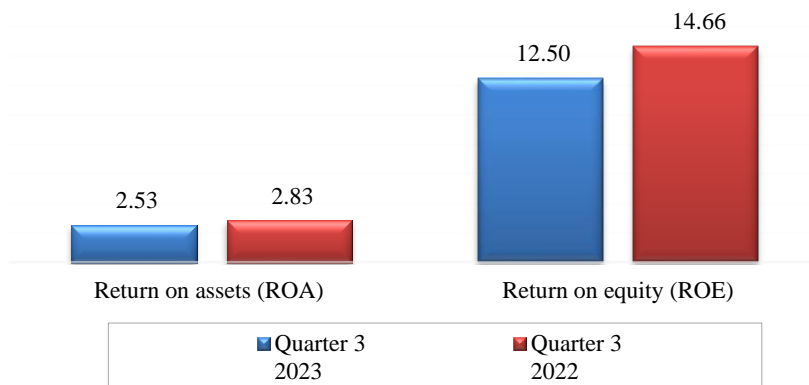
Financial Situation (in KHR million)



Financial Results (in KHR million)



Profitability Ratio (%)



Board of Directors



YIM, Yong Taick

Chairman



SIM, Sang Ton

Executive Director



BANG, Keuk Bong

Executive Director



HONG, Jee Soo

Independent Director



LEE, Myunsang

Independent Director

Message from the Chairman

On behalf of the Board of Directors, it is my great pleasure to present PPCBank's financial performance in Q3-2023 by following the requirement from the Securities and Exchange Regulator of Cambodia (SERC).

The economic and financial market situation is not favorable which is mainly caused by the Russia and Ukraine war, but also global hyperinflation squeezing Cambodia's exports and a global depression resulting in less foreign investment to Cambodia.

To overcome this tough situation and continue to prosper, the banking industry has played the important roles in the sources of the finance or as a source of the funding major in order to provide the power to the recovering economy, and needing the financial resources to convince and spread the economy's activities. In term of the recovering the economy, PPCBank has been providing loan to the private sectors, especially small enterprise and medium enterprise which have played the crucial roles in order to make the job opportunities, increase the people's income, in the ways of developing the national economic growth.

In the name of the Board of Directors, I would like to extend my gratitude 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 and Securities and Exchange Regulator of Cambodia for their advice and support.

I firmly believe that with continued commitment and hard work, PPCBank will continue to grow, and the best performance in 2023 with further achievements of goals.

November 13, 2023

Signature and Stamp



YIM, Yong Taick

Chairman

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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) 23 909 909/(+855) 23 999 500
Website	www.ppcbank.com.kh
Email	info@ppcb.com.kh
Registration Number	00015794 dated 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. Lee Jin Young

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 3rd Quarter, 2023 our total asset was US\$ 1,055 million, 23 branches national wide and 68 ATMs and 2 CRMs are in operation across the country (other more ATMs and CRMs 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 (Mobile Banking, smartBiz, SMS Alert Service) to make banking experience easier for customers. Besides that, we keep creating more and more product/services for both on/off channels to meet customer's need such as payment service (Visa Debit Card, Visa Credit Card, POS Merchant, ATM Acquiring on Visa Card), deposit products (Saving Account, Current Account, Fixed Deposit Account, Installment Account), 3rd parties alliance services (with Wing, PPWSA, EDC, NSSF,AMK, Truemoney, Banhji, Bakong etc), loan products (Housing Loan, Car Loan, SME Loan and other Business Loan), and many other products (KHQR, Trade Finance, Payroll Service, Fund Transfer, Western Union, Foreign Exchange etc). Customers also can connect with us through live chat embedded on all PPCBank's digital channels for 24/7. 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

As we are an easy banking, we try to expand our business operation activities and bring the easier way for customer to feel more convenient.

So on 18th July 2023, PPCBank has an exciting offer to our customer. Enjoy a shopping 50% discount on Pick up Orders every Wednesday when customer pay with PPCBank VISA Card on the food Panda app. This promotion is available until 30th September 2023.

On 25th July 2023, with Real-Time Money Transfers between Cambodia and South Korea Free of Charge. A special opportunity is being offered to our customers, allowing them to transfer money back and forth to their relative or engage in other payment transactions in South Korea. Through the PPCBank Mobile App, you can conveniently and instantly transfer money to your beneficiary who holds a bank account with Jeonbuk Bank. Customers can enjoy our special offer free of charge of the transfer amount up to US\$5,000, effective until end of year 2023.

On 17th August 2023, PPCBank provides online shopping with confidence and security by using PPCBank Visa Card. We have introduced a new security feature (3D-Secure) to safeguard customers' finances. Now, every time you make online purchases via any app or website, you will receive a verification code through PPCBank Mobile or SMS.

On 25th August 2023, PPCBank provides the bill payment with PPCBank Mobile Banking app for free of charge. Customers can conveniently and securely pay contribution through Mobile Banking, smartBiz, or any PPCBank branches, completely free for service charge.

PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. Business Operation Performance including business segments information

Key Achievement	Quarter 3 2023	2022
Loan		
Loan Accounts	10,002	8,837
Total Gross Loans <i>(in KHR million)</i>	3,472,940	3,202,982
Deposit		
Deposit Accounts	164,510	148,380
Total Deposits <i>(in KHR million)</i>	3,228,780	2,974,183
Others		
Operating Branches	23	23
Number of Staffs	451	485
ATMs	70	71
POS Terminals	224	215

B. Revenue Structures

No	Sources of Revenue	Quarter 3 2023		Quarter 3 2022	
		Amount <i>(in KHR million)</i>	Percentage (%)	Amount <i>(in KHR million)</i>	Percentage (%)
1	Interest of Income	94,302	96.49	78,958	95.84
2	Fee and Commission Income	3,341	3.42	1,891	2.30
3	Other Income	92	0.09	1,533	1.86
Total Income		97,735	100	82,382	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 30 September 2023 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 3 2023		Quarter 3 2022	
		Amount (in KHR million)	Percentage (%)	Amount (in KHR million)	Percentage (%)
1	Interest of Income	94,302	96.49	78,958	95.84
2	Fee and Commission Income	3,341	3.42	1,891	2.30
3	Other Income	92	0.09	1,533	1.86
Total Income		97,735	100	82,382	100

PPCBank earns most income from interest income representing 96% of total income in Q3 2023.

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 3 2023 (in KHR million)	Quarter 3 2022 (in KHR million)	Variance (in KHR million)	Variance (%)
Interest income	94,302	78,958	15,344	19.43
Interest expense	(38,567)	(25,926)	(12,641)	48.76
Net interest income	55,735	53,032	2,702	5.10
Fee and commission income	3,341	1,891	1,450	76.70
Fee and commission expense	(1,181)	(994)	(186)	18.72
Net fee and commission Income	2,161	897	1,264	141.00
Other operating income	92	1,533	(1,441)	(94.00)
Personal expenses	(8,532)	(8,351)	(181)	2.17
Other expenses	(5,769)	(7,960)	2,191	(27.53)
Depreciation and amortization	(6,250)	(6,879)	629	(9.15)
Operating profit	37,437	32,272	5,165	16.00
Net impairment losses on financial instruments	(297)	(873)	576	(65.95)
Profit before tax	37,139	31,399	5,741	18.28

In Q3 2023, profit before tax was KHR 37,139 million (18% higher than Q3 2022). The increasing of the profit is mainly from increasing of interest income from loans.

5. Profit/ (Loss) After Tax Analysis

Statement of Profit or Loss after Tax	Quarter 3 2023 (in KHR million)	Quarter 3 2022 (in KHR million)	Variance (in KHR million)	Variance (%)
Profit before tax	37,139	31,399	5,741	18.28
Income tax expense	(8,858)	(6,193)	(2,665)	43.04
Net profit for the period	28,281	25,206	3,075	12.20

In Q3 2023, the net profit for the period was KHR 28,281 million with 12% more than Q3 2022 mainly from the changing as mention in section 4 (Profit (loss) before tax analysis).

6. Total Comprehensive Income (loss) Analysis

Total Comprehensive Income	Quarter 3 2023 (in KHR million)	Quarter 3 2022 (in KHR million)	Variance (in KHR million)	Variance (%)
Net profit for the period	28,281	25,206	3,075	12.20
Other comprehensive loss	(578)	3,818	(4,396)	(115.13)
Total comprehensive income	27,703	29,024	(1,320)	(4.55)

7. Factors and Trends Analysis affecting financial Conditions and Results

With core inflation still high and declining slowly in many advanced economies, including real estate crisis in China, central banks may need to keep monetary policy tighter for longer than is currently priced in markets.

Hence, the Bank's activities may have some impact on the Bank's financial operations and profit margins in this such period.

B. Significant Factors Affecting Profit

1. Demand and Supply Conditions Analysis

Even though core inflation remains stubbornly high in many countries, investors remain hopeful that central banks in advanced economies will manage to engineer a soft landing, allowing them to start cutting policy rates in coming quarters. With this regards, PPCBank also added up more services to attract new sources of funds in order to retain the growth:

- Providing the Real-Time Money Transfers between Cambodia and South Korea Free of Charge. A special opportunity is being offered to our customers, allowing them to transfer money back and forth to their relative or engage in other payment transactions in South Korea. Customers can enjoy our special offer free of charge of the transfer amount up to US\$5,000, effective until end of year 2023.
- PPCBank have introduced a new security feature (3D-Secure) to safeguard customers' finances by using PPCBank Visa Card. Now, every time customers make online purchases via any app or website, will receive a verification code through PPCBank Mobile or SMS.
- Providing the bill payment with PPCBank Mobile Banking app for free of charge. Customers can conveniently and securely pay contribution through Mobile Banking, smartBiz, or any PPCBank branches, completely free for service charge.

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.

PPCBank had been awarded "**GOLD**" certificate of tax compliance from GDT with a period for year 2022 and 2023.

4. Exceptional and Extraordinary Items Analysis

With core inflation still high and declining slowly in many advanced economies, with this situation may affect the financial results of the Bank.

C. Material Changes in Sale and Revenue

In Q3 2023, PPCBank recorded increase in the revenue, net interest income KHR 55,735 million, which represents 5% higher compared to the same period in 2022.

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

On October 17, 2023, the National Bank of Cambodia issued 2 announcements:

1. The new interest rate setting for Marginal Lending Facility (MLF), the National Bank of Cambodia will change the interest rate on MLF from 4% to 6%. With this new interest rate, banks and microfinance institutions can apply for unlimited continually transactions, which will be implemented from Monday, October 23, 2023 onwards.
2. The National Bank of Cambodia has also issued a notification on the change of the 7-day Liquidity-Providing Collateralized Operation (LPCO) mechanism.

In response to the liquidity requirements of the Banking and Microfinance Institutions, the National Bank of Cambodia will adjust the payment date for Liquidity-Providing Collateralized Operation (LPCO) with Tenor 7-day from (T + 2) to (T + 0), which will be implemented from Monday, October 23, 2023 onwards.

For Liquidity-Providing Collateralized Operation (LPCO) with Tenor 91 days, 182 days and 364 days, the National Bank of Cambodia will keep the payment mechanism (T + 2) intact.

Signature of Directors of Phnom Penh Commercial Bank Plc.

November 13, 2023

Seen and Agreed



YIM, Yong Taick

Chairman

