

**CAMBODIA POST BANK PLC.
AND ITS SUBSIDIARY**

**Consolidated and Separate
Financial Statements
for the year ended 31 December 2019**

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of financial position as at 31 December 2019

	Note	31 December		31 December		1 January 2018	
		2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
ASSETS							
Cash on hand	6	25,158,725	19,223,992	102,521,804	77,242,000	17,613,161	71,104,331
Placements with other banks	7	52,179,640	169,270,270	212,632,033	680,127,945	128,667,834	519,432,046
Statutory deposits	8	69,247,853	71,251,369	282,185,001	286,288,001	52,617,717	212,417,724
Loans and advances to customers – net	9	661,928,721	510,413,845	2,697,359,538	2,050,842,829	365,106,621	1,473,935,429
Other assets	10	1,525,391	1,220,802	6,215,968	4,905,182	705,710	2,848,951
Intangible assets	11	960,421	927,010	3,913,716	3,724,726	920,419	3,715,732
Property and equipment	12	4,230,499	3,044,922	17,239,283	12,234,497	2,898,731	11,702,177
Right-of-use assets	13	6,007,571	5,156,269	24,480,852	20,717,889	5,699,211	23,007,715
Goodwill	14	754,215	754,215	3,073,426	3,030,436	754,215	3,044,766
Deferred tax assets – net	22	1,926,961	1,731,187	7,852,366	6,955,909	1,560,087	6,298,071
Total assets		823,919,997	782,993,881	3,357,473,987	3,146,069,414	576,543,706	2,327,506,942
LIABILITIES AND SHAREHOLDER'S EQUITY							
Liabilities							
Deposits from customers	15	471,060,211	510,710,185	1,919,570,360	2,052,033,523	359,822,419	1,452,603,106
Deposits from other banks	16	81,168,815	72,667,791	330,762,921	291,979,184	72,070,152	290,947,204
Borrowings	17	89,819,019	67,731,583	366,012,502	272,145,500	41,915,222	169,211,751
Subordinated debts	18	34,000,000	6,300,000	138,550,000	25,313,400	-	-
Lease liabilities	19	5,931,948	5,013,684	24,172,688	20,144,982	5,280,482	21,317,306
Other liabilities	20	19,820,196	19,634,474	80,767,298	78,891,318	15,044,261	60,733,682
Provision for employee benefits	21	410,049	666,900	1,670,950	2,679,604	111,874	451,635
Current income tax liabilities	22	4,784,108	3,703,931	19,495,240	14,882,395	2,287,001	9,232,623
Total liabilities		706,994,346	686,428,548	2,881,001,959	2,758,069,906	496,531,411	2,004,497,307

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of financial position (continued) as at 31 December 2019

	Note	31 December		31 December		1 January 2018	
		2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Shareholder's equity							
Share capital	23	76,000,000	76,000,000	304,093,780	304,093,780	70,790,000	283,160,000
Regulatory reserves	24	5,734,785	3,955,873	23,164,489	15,915,423	1,090,822	4,403,648
Retained earnings		35,190,866	16,609,460	142,313,066	67,062,123	8,131,473	32,550,638
Currency translation reserves		-	-	6,900,693	928,182	-	2,895,349
Total shareholder's equity		<u>116,925,651</u>	<u>96,565,333</u>	<u>476,472,028</u>	<u>387,999,508</u>	<u>80,012,295</u>	<u>323,009,635</u>
Total liabilities and shareholder's equity		<u><u>823,919,997</u></u>	<u><u>782,993,881</u></u>	<u><u>3,357,473,987</u></u>	<u><u>3,146,069,414</u></u>	<u><u>576,543,706</u></u>	<u><u>2,327,506,942</u></u>

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	Note	2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)
Operating income					
Interest income	25	84,417,468	68,983,551	342,059,580	279,038,464
Interest expense	26	<u>(37,111,532)</u>	<u>(30,600,228)</u>	<u>(150,375,928)</u>	<u>(123,777,922)</u>
Net interest income		47,305,936	38,383,323	191,683,652	155,260,542
Net fee and commission income	27	409,400	100,465	1,658,889	406,381
Other income	28	<u>3,276,763</u>	<u>2,960,371</u>	<u>13,277,444</u>	<u>11,974,701</u>
Total operating profit		50,992,099	41,444,159	206,619,985	167,641,624
Personnel expenses	29	(13,145,838)	(11,618,646)	(53,266,936)	(46,997,423)
Other operating expenses	30	<u>(9,005,217)</u>	<u>(7,842,800)</u>	<u>(36,489,139)</u>	<u>(31,724,126)</u>
Total operating expenses		<u>(22,151,055)</u>	<u>(19,461,446)</u>	<u>(89,756,075)</u>	<u>(78,721,549)</u>
Operating profit before impairment		28,841,044	21,982,713	116,863,910	88,920,075
Impairment losses on financial instruments	9	<u>(2,952,527)</u>	<u>(1,246,956)</u>	<u>(11,963,639)</u>	<u>(5,043,937)</u>
Profit before income tax		25,888,517	20,735,757	104,900,271	83,876,138
Income tax expense	22	<u>(5,528,199)</u>	<u>(4,182,719)</u>	<u>(22,400,262)</u>	<u>(16,919,098)</u>
Net profit for the year		<u>20,360,318</u>	<u>16,553,038</u>	<u>82,500,009</u>	<u>66,957,040</u>
Other comprehensive income					
Currency translation reserves		-	-	5,972,511	(1,967,167)
Total comprehensive income for the year		<u>20,360,318</u>	<u>16,553,038</u>	<u>89,142,692</u>	<u>64,989,873</u>

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of changes in equity for the year ended 31 December 2019

	Share capital		Regulatory reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2018	70,790,000	283,160,000	1,090,822	4,403,648	8,131,473	32,550,638	-	2,895,349	80,012,295	323,009,635
Transactions recognised directly in equity										
Transfers to share capital	5,210,000	20,933,780	-	-	(5,210,000)	(20,933,780)	-	-	-	-
Transfers from retained earnings to regulatory reserves	-	-	2,865,051	11,511,775	(2,865,051)	(11,511,775)	-	-	-	-
Comprehensive income										
Net profit for the year	-	-	-	-	16,553,038	66,957,040	-	-	16,553,038	66,957,040
Currency translation reserves	-	-	-	-	-	-	-	(1,967,167)	-	(1,967,167)
At 31 December 2018	<u>76,000,000</u>	<u>304,093,780</u>	<u>3,955,873</u>	<u>15,915,423</u>	<u>16,609,460</u>	<u>67,062,123</u>	-	<u>928,182</u>	<u>96,565,333</u>	<u>387,999,508</u>

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of changes in equity (continued) for the year ended 31 December 2019

	Share capital		Regulatory reserves		Retained earnings		Translation Reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2019	76,000,000	304,093,780	3,955,873	15,915,423	16,609,460	67,062,123	-	928,182	96,565,333	387,999,508
Transactions recognised directly in equity										
Transfers from retained earnings to regulatory reserves	-	-	1,778,912	7,249,066	(1,778,912)	(7,249,066)	-	-	-	-
Comprehensive income										
Net profit for the year	-	-	-	-	20,360,318	82,500,009	-	-	20,360,318	82,500,009
Currency translation reserves	-	-	-	-	-	-	-	5,972,511	-	5,972,511
At 31 December 2019	<u>76,000,000</u>	<u>304,093,780</u>	<u>5,734,785</u>	<u>23,164,489</u>	<u>35,190,866</u>	<u>142,313,066</u>	<u>-</u>	<u>6,900,693</u>	<u>116,925,651</u>	<u>476,472,028</u>

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of cash flows for the year ended 31 December 2019

	Note	2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)
Cash flows from operating activities					
Net profit for the year		20,360,318	16,553,038	82,500,009	66,957,040
<i>Adjustments for:</i>					
Depreciation and amortisation		3,641,925	3,189,813	14,757,080	12,902,794
(Gain) on disposal of property and equipment		(12,769)	(60,957)	(51,740)	(246,572)
Income tax expense		5,528,199	4,182,719	22,400,262	16,919,098
Net impairment loss on loans		2,927,294	1,329,245	11,861,395	5,376,796
Provision for employee benefits		(256,851)	555,026	(1,040,760)	2,245,080
		<u>32,188,116</u>	<u>25,748,884</u>	<u>130,426,246</u>	<u>104,154,236</u>
<i>Changes in:</i>					
Placements with other banks		(260,886)	(133,836)	(1,063,110)	(545,382)
Loans and advances		(154,442,170)	(146,636,469)	(629,351,843)	(589,185,332)
Statutory deposits		2,003,516	(18,633,652)	8,164,328	(74,870,014)
Other assets		(304,589)	(515,092)	(1,241,200)	(2,069,640)
Deposits from customers		(39,649,974)	150,887,766	(161,573,644)	606,267,044
Deposits from other banks		8,501,024	597,639	34,641,673	2,401,314
Other liabilities		1,103,986	4,323,415	4,498,743	17,371,481
Cash used in operations		(150,860,977)	15,638,655	(615,498,807)	63,523,707
Income tax paid		(4,643,796)	(2,936,889)	(18,816,661)	(11,879,716)
Net cash used in operating activities		<u>(155,504,773)</u>	<u>12,701,766</u>	<u>(634,315,468)</u>	<u>51,643,991</u>
Cash flows from investing activities					
Purchase of property and equipment and intangible assets		(3,126,744)	(1,839,912)	(12,669,567)	(7,442,444)
Proceeds from disposal of property and equipment		29,882	95,231	121,082	385,209
Net cash used in investing activities		<u>(3,096,862)</u>	<u>(1,744,681)</u>	<u>(12,548,485)</u>	<u>(7,057,235)</u>

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of cash flows (continued) for the year ended 31 December 2019

	Note	2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)
Cash flows from financing activities					
Proceeds from borrowings		37,064,551	26,811,881	150,185,561	108,454,059
Repayments of borrowings		(14,977,115)	(995,520)	(60,687,270)	(4,026,878)
Proceeds from subordinated debts		27,700,000	6,300,000	112,240,400	25,483,500
Payments of lease liabilities		(2,602,584)	(994,015)	(10,545,670)	(4,020,791)
Net cash generated from financing activities		<u>47,184,852</u>	<u>31,122,346</u>	<u>191,193,021</u>	<u>125,889,890</u>
Net decrease in cash and cash equivalents		(111,416,783)	42,079,431	(455,670,932)	170,476,646
Cash and cash equivalents at beginning of the year		188,510,410	146,430,979	757,434,827	591,141,862
Currency translation difference		<u>-</u>	<u>-</u>	<u>12,392,635</u>	<u>(4,183,681)</u>
Cash and cash equivalents at end of the year	6	<u><u>77,093,627</u></u>	<u><u>188,510,410</u></u>	<u><u>314,156,530</u></u>	<u><u>757,434,827</u></u>

Cambodia Post Bank Plc.

Separate statement of financial position as at 31 December 2019

	Note	31 December		31 December		1 January 2018	
		2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
ASSETS							
Cash on hand	6	24,813,127	18,934,494	101,113,493	76,078,797	17,445,018	70,425,538
Placements with other banks	7	51,442,981	169,028,908	209,630,148	679,158,152	126,840,708	512,055,938
Statutory deposits	8	68,847,853	70,851,369	280,555,001	284,680,801	52,217,717	210,802,924
Loans and advances to customers – net	9	606,971,782	464,005,091	2,473,410,012	1,864,372,456	337,318,052	1,361,752,976
Other assets	10	1,279,231	1,018,778	5,212,866	4,093,449	619,838	2,502,285
Investment in subsidiary	14	8,685,818	8,685,818	35,394,708	34,899,617	8,685,818	35,064,647
Intangible assets	11	854,876	784,756	3,483,620	3,153,150	748,863	3,023,160
Property and equipment	12	3,631,392	2,815,384	14,797,922	11,312,213	2,708,293	10,933,379
Rights-of-use assets	13	4,614,191	4,476,878	18,802,828	17,988,096	5,023,823	20,281,173
Deferred tax assets – net	22	1,803,309	1,466,811	7,348,484	5,893,647	1,300,726	5,251,031
Total assets		<u>772,944,560</u>	<u>742,068,287</u>	<u>3,149,749,082</u>	<u>2,981,630,378</u>	<u>552,908,856</u>	<u>2,232,093,051</u>
LIABILITIES AND SHAREHOLDER'S EQUITY							
Liabilities							
Deposits from customers	15	471,597,891	510,710,185	1,921,761,406	2,052,033,523	359,822,419	1,452,603,106
Deposits from other banks	16	81,168,815	72,752,693	330,762,921	292,320,320	72,103,410	291,081,466
Borrowings	17	49,220,859	31,039,821	200,575,000	124,718,001	19,000,000	76,703,000
Subordinated debts	18	31,000,000	6,300,000	126,325,000	25,313,400	-	-
Lease liabilities	19	4,633,170	4,429,827	18,880,168	17,799,045	4,701,390	18,979,511
Other liabilities	20	18,941,161	18,854,628	77,185,232	75,757,897	14,726,070	59,449,145
Provision for employee benefits	21	356,525	500,171	1,452,839	2,009,687	-	-
Current income tax liabilities	22	4,067,233	3,144,583	16,573,974	12,634,934	2,225,391	8,983,903
Total liabilities		<u>660,985,654</u>	<u>647,731,908</u>	<u>2,693,516,540</u>	<u>2,602,586,807</u>	<u>472,578,680</u>	<u>1,907,800,131</u>

Cambodia Post Bank Plc.

Separate statement of financial position (continued) as at 31 December 2019

	Note	31 December		31 December		1 January 2018	
		2019	2018	2019	2018	US\$	KHR'000
		US\$	US\$	KHR'000	KHR'000		(Note 5)
Shareholder's equity							
Share capital	23	76,000,000	76,000,000	304,093,780	304,093,780	70,790,000	283,160,000
Regulatory reserves	24	5,384,020	3,598,243	21,755,507	14,478,466	1,090,822	4,403,647
Retained earnings		30,574,886	14,738,136	123,885,975	59,756,536	8,449,354	34,110,042
Currency translation differences		-	-	6,497,280	714,789	-	2,619,231
Total shareholder's equity		<u>111,958,906</u>	<u>94,336,379</u>	<u>456,232,542</u>	<u>379,043,571</u>	<u>80,330,176</u>	<u>324,292,920</u>
Total liabilities and shareholder's equity		<u>772,944,560</u>	<u>742,068,287</u>	<u>3,149,749,082</u>	<u>2,981,630,378</u>	<u>552,908,856</u>	<u>2,232,093,051</u>

Cambodia Post Bank Plc.

Separate statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	Note	2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)
Operating income					
Interest income	25	72,304,870	58,801,878	292,979,333	237,853,597
Interest expense	26	<u>(34,003,111)</u>	<u>(28,051,516)</u>	<u>(137,780,606)</u>	<u>(113,468,382)</u>
Net interest income		38,301,759	30,750,362	155,198,727	124,385,215
Net fee and commission income	27	409,400	100,465	1,658,889	406,381
Other income	28	<u>2,901,438</u>	<u>2,568,143</u>	<u>11,756,627</u>	<u>10,388,138</u>
Total operating profit		41,612,597	33,418,970	168,614,243	135,179,734
Personnel expenses	29	(10,014,641)	(8,267,665)	(40,579,325)	(33,442,705)
Other operating expenses	30	<u>(6,816,725)</u>	<u>(6,121,944)</u>	<u>(27,621,369)</u>	<u>(24,763,263)</u>
Total operating expenses		<u>(16,831,366)</u>	<u>(14,389,609)</u>	<u>(68,200,694)</u>	<u>(58,205,968)</u>
Operating profit before impairment		24,781,231	19,029,361	100,413,549	76,973,766
Impairment losses on financial instruments	9	<u>(2,606,866)</u>	<u>(1,487,089)</u>	<u>(10,563,021)</u>	<u>(6,015,275)</u>
Profit before income tax		22,174,365	17,542,272	89,850,528	70,958,491
Income tax expense	22	<u>(4,551,838)</u>	<u>(3,536,069)</u>	<u>(18,444,048)</u>	<u>(14,303,399)</u>
Net profit for the year		<u>17,622,527</u>	<u>14,006,203</u>	<u>71,406,480</u>	<u>56,655,092</u>
Other comprehensive income					
Currency translation reserves		<u>-</u>	<u>-</u>	<u>5,782,491</u>	<u>(1,904,442)</u>
Total comprehensive income for the year		<u>17,622,527</u>	<u>14,006,203</u>	<u>77,188,971</u>	<u>54,750,650</u>

Cambodia Post Bank Plc.

Separate statement of changes in equity for the year ended 31 December 2019

	Share capital		Regulatory reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2018	70,790,000	283,160,000	1,090,822	4,403,647	8,449,354	34,110,042	-	2,619,231	80,330,176	324,292,920
Transactions recognised directly in equity										
Transfers to share capital	5,210,000	20,933,780	-	-	(5,210,000)	(20,933,780)	-	-	-	-
Transfers from retained earnings to regulatory reserves	-	-	2,507,421	10,074,818	(2,507,421)	(10,074,818)	-	-	-	-
Comprehensive income										
Net profit for the year	-	-	-	-	14,006,203	56,655,092	-	-	14,006,203	56,655,092
Currency translation reserves	-	-	-	-	-	-	-	(1,904,442)	-	(1,904,442)
At 31 December 2018	<u>76,000,000</u>	<u>304,093,780</u>	<u>3,598,243</u>	<u>14,478,466</u>	<u>14,738,136</u>	<u>59,756,536</u>	<u>-</u>	<u>714,789</u>	<u>94,336,379</u>	<u>379,043,571</u>

Cambodia Post Bank Plc.

Separate statement of changes in equity (continued) for the year ended 31 December 2019

	Share capital		Regulatory reserves		Retained earnings		Currency translation reserve		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2019	76,000,000	304,093,780	3,598,243	14,478,466	14,738,136	59,756,536	-	714,789	94,336,379	379,043,571
Transactions recognised directly in equity										
Transfers from retained earnings to regulatory reserves	-	-	1,785,777	7,277,041	(1,785,777)	(7,277,041)	-	-	-	-
Comprehensive income										
Net profit for the year	-	-	-	-	17,622,527	71,406,480	-	-	17,622,527	71,406,480
Currency translation reserves	-	-	-	-	-	-	-	5,782,491	-	5,782,491
At 31 December 2019	<u>76,000,000</u>	<u>304,093,780</u>	<u>5,384,020</u>	<u>21,755,507</u>	<u>30,574,886</u>	<u>123,885,975</u>	<u>-</u>	<u>6,497,280</u>	<u>111,958,906</u>	<u>456,232,542</u>

Cambodia Post Bank Plc.

Separate statement of cash flows for the year ended 31 December 2019

Note	2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)
Cash flows from operating activities				
Net profit for the year	17,622,527	14,006,203	71,406,480	56,655,092
<i>Adjustments for:</i>				
Depreciation and amortisation	2,928,182	2,564,581	11,864,993	10,373,730
Gain on disposals of property, plant and equipment	(12,768)	(50,251)	(51,736)	(203,265)
Income tax expense	4,551,838	3,536,069	18,444,048	14,303,399
Allowances for losses on loans	2,581,633	1,569,378	10,460,777	6,348,134
Provision for employee benefits	(143,646)	500,171	(582,054)	2,023,192
	<u>27,527,766</u>	<u>22,126,151</u>	<u>111,542,508</u>	<u>89,500,282</u>
<i>Changes in:</i>				
Placements with other banks	(272,007)	(82,289)	(1,108,429)	(335,328)
Loans and advances	(145,548,324)	(128,256,417)	(593,109,420)	(515,334,284)
Statutory deposits	2,003,516	(18,633,652)	8,164,328	(74,870,014)
Other assets	(260,453)	(398,940)	(1,061,346)	(1,602,941)
Deposits from customers	(39,112,294)	150,887,766	(159,382,598)	606,267,044
Deposits from other banks	8,416,122	649,283	34,295,697	2,608,819
Other liabilities	289,876	3,856,995	1,181,245	15,497,406
Cash used in operations	(146,955,798)	30,148,897	(599,478,015)	121,730,984
Income tax paid	(3,965,686)	(2,782,962)	(16,068,960)	(11,257,081)
Net cash used in operating activities	<u>(150,921,484)</u>	<u>27,365,935</u>	<u>(615,546,975)</u>	<u>110,473,903</u>
Cash flows from investing activities				
Purchase of property and equipment and intangible assets	(2,590,766)	(1,634,633)	(10,497,784)	(6,612,090)
Proceeds from disposal of property, plant and equipment	29,882	80,588	121,082	325,978
Net cash used in investing activities	<u>(2,560,884)</u>	<u>(1,554,045)</u>	<u>(10,376,702)</u>	<u>(6,286,112)</u>

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Separate statement of cash flows (continued) for the year ended 31 December 2019

	Note	2019 US\$	2018 US\$	2019 KHR'000 (Note 5)	2018 KHR'000 (Note 5)
Cash flows from financing activities					
Proceeds from borrowings		31,181,038	12,039,821	126,345,566	48,701,076
Repayments of borrowings		(13,000,000)	-	(52,676,000)	-
Proceeds from subordinated debts		24,700,000	6,300,000	100,084,400	25,483,500
Payments of lease liabilities		(1,377,971)	(556,324)	(5,583,538)	(2,250,331)
		<u>41,503,067</u>	<u>17,783,497</u>	<u>168,170,428</u>	<u>71,934,245</u>
Net cash generated from financing activities		41,503,067	17,783,497	168,170,428	71,934,245
Net decrease in cash and cash equivalents		(111,979,301)	43,595,387	(457,753,249)	176,122,036
Cash and cash equivalents at beginning of the year		187,975,711	144,380,324	755,286,407	582,863,368
Currency translation difference		-	-	12,152,213	(3,698,997)
		<u>-</u>	<u>-</u>	<u>12,152,213</u>	<u>(3,698,997)</u>
Cash and cash equivalents at end of the year	6	<u><u>75,996,410</u></u>	<u><u>187,975,711</u></u>	<u><u>309,685,371</u></u>	<u><u>755,286,407</u></u>