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# QUARTERLY REPORT: QUARTER 3

(End 30/09/20)

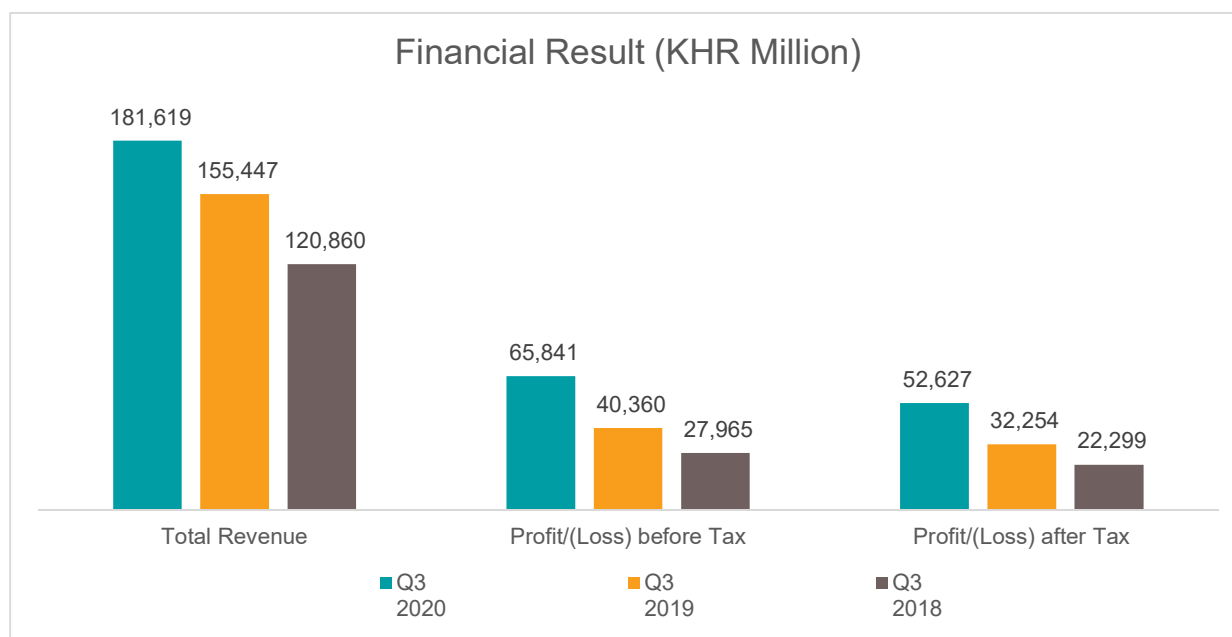
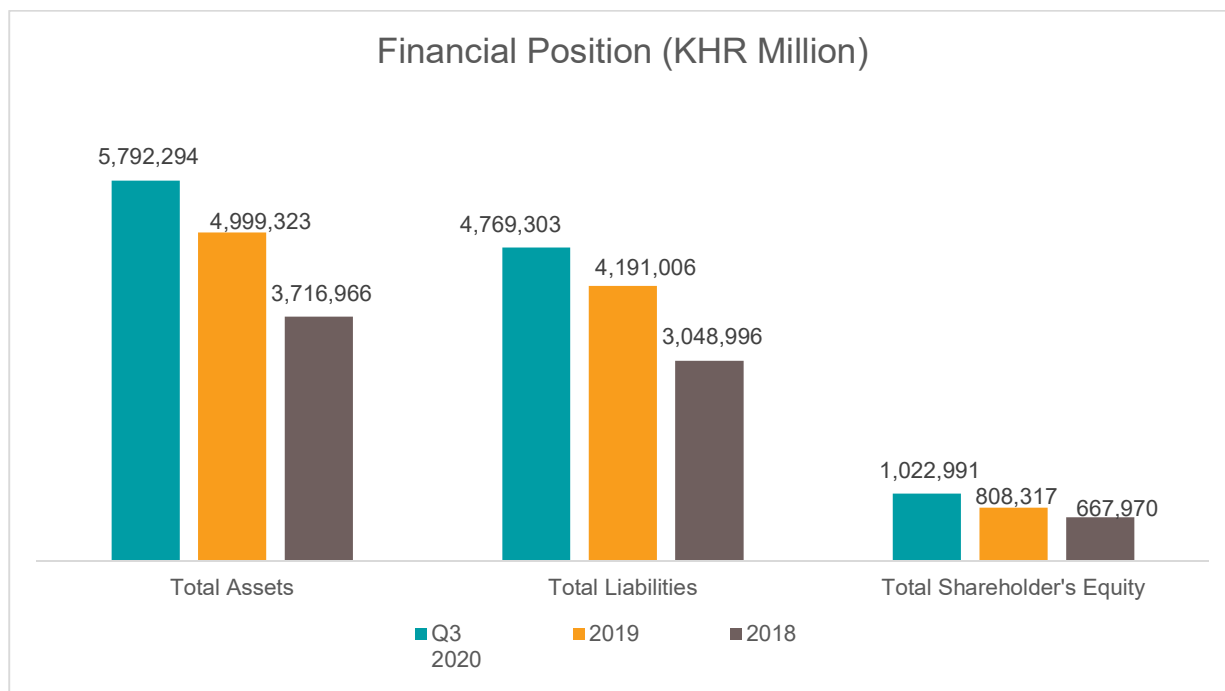


## Financial Highlight

Financial Position	Q 3 2020	2019	2018
Total Assets (KHR Million)	5,792,294	4,999,323	3,716,966
Total Liabilities (KHR Million)	4,769,303	4,191,006	3,048,996
Total Shareholder's Equity (KHR Million)	1,022,991	808,317	667,970
Profit/ (Loss)	Q 3 2020	Q 3 2019	Q 3 2018
Total Revenue (KHR Million)	181,619	155,447	120,860
Profit/ (Loss) before Tax (KHR Million)	65,841	40,360	27,965
Profit/ (Loss) after Tax (KHR Million)	52,627	32,254	22,299
Total Comprehensive Income (KHR Million)	54,503	34,652	24,826
Financial Ratios	Q 3 2020	2019	2018
Solvency ratio (%)	18.6	19.4	20.0
Debt to Equity (%)	466	518	456
Liquidity Coverage Ratio (%)	299.7	113.9	177.0
NPL <sup>1</sup> (%)	1.12	0.30	0.67
Deposit to Loan Ratio (%)	59.5	57.0	63.4
	Q 3 2020	Q 3 2019	Q 3 2018
Return on Assets (%)	0.91	0.76	0.70
Return on Equity (%)	5.14	4.54	3.78
Interest Coverage Ratio (%)	190	164	157

<sup>1</sup> NBC's Definition

## Financial Summary Charts



## Board of Directors



**Mr. Dan HARSONO**  
Chairman



**Mr. Ieng Tong HOUT**  
Director



**Miss. Duangdao WONGPANITKRIT**  
Director



**Mrs. Voranuch DEJAKAISAYA**  
Director



**Mr. Chandrashekar S.K.**  
Director



**Mr. Wanchairabin JITWATTANATAM**  
Director



**Mr. Hay LONH**  
Independent Director



**Dr. Davuth DY**  
Independent Director



**Mr. Sereivathana PAK**  
Independent Director

## Message from Chairman

First of all, I would like to share our great news that the National Bank of Cambodia (NBC) granted a Commercial Bank license to Hattha Kaksekar Limited (HKL) on August 5, 2020. We renamed HKL to Hattha Bank Plc. and made public announcement on September 7, 2020. This marked our key milestone accomplishment as a result of continuous efforts to strengthen the company and meet regulatory requirements as well as customer expectations. I would like to take this opportunity to thank to all regulators, our customers, and other stakeholders for your support and trust in our business. Hattha Bank Plc. will leverage this opportunity to provide broader products and services to the market not only domestic but also international business for the years to come.

Globally, the Covid-19 still deeply impacts all economies. The situation in Cambodia has been well contained and improving compared to other countries in ASEAN. Although the economy contraction is inevitable, we hope that it continues to recover.

It is a vital priority to help our customers. By end of September, Hattha Bank Plc. has granted loan restructuring support to more than 12,000 customers who have been impacted by the Covid-19 situation especially those related to tourism and garment sectors.

At the same time, several business sectors have well resumed their activities. As a result, our business performance picked up favorably in this quarter. We grew loan portfolio to \$ 1,128 million, 5.5% upward from the previous quarter. Our deposit much increased to \$686 million, 17% growth quarter on quarter, reflecting customer trust in commercial bank status as well as relatively improving business outlook. Our PAR30+ also improved from 2.56% to 1.44% as we continued to strengthen asset quality management. All of these positive trends contribute to fairly stronger results compared to the second quarter. During this period, we also introduced our brand new Mobile Banking application to enhance customer convenience and promote our priority in digital business going forward.

As the prolonged global pandemic is still uncertain and worrisome. We will ensure to cautiously navigate the bank to grow with safe and sound direction as well as supporting impacted clients to the extent possible. Our internal enhancement toward digital and greater commercial bank capabilities still remain active to ensure we are ready to serve clients and help them succeed through this challenging time.

Date: 13-Nov-2020

Signature and Stamp



Mr. Dan HARSONO

Chairman

## Message from President & CEO

For more than 26 years, despite the border war, economic crisis, floods and the global epidemic of COVID-19, we have been struggling to provide capital to help Cambodians and develop our company. By working together with confidence, honesty, hard work and effort to build and expand our organization to grow with a clear strategy and plan, trust from customers and authorities at all levels, now we achieve a proud and great achievement by transforming itself into a fully commercial bank, officially known as Hattha Bank Plc. The conversion as Hattha Bank Plc. is a source of pride for all of us who have made a significant contribution to bring a historic new face to our organization, and I sincerely hope that all staffs are ready to provide banking services to customers through a modern technology and simple in order to make Hattha Bank Plc. as a leading bank in the future.

As of September 30, 2020, Hattha Bank Plc. has achieved the following good results:

- Loan balance was behind operational plan by USD 5.6 million
- Deposit showed very good growth, which was over operational plan by almost USD 13 million
- Net Income was higher than operational plan by USD 3.6 million
- PAR 30+ was at 1.44% which was favorable than operational plan by 0.74%

Finally, let the management and staff continue to work hard in their respective skills and expand their banking skills to continue our process as our motto " BUILDING A BRIGHT FUTURE TOGETHER! ". We will continue to work together to build the reputation of Hattha Bank Plc. to become more famous both in Cambodia and international stage.

Date: 13-Nov-2020

Signature



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Ieng Tong HOUT  
President & CEO

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## PART 1 : General Information of the Listed Entity

### A. Identity of the Listed Entity

Name of the Listed Entity in Khmer	ធនាគារ ហត្ថា ម.ក
Name in Latin	Hattha Bank Plc.
Standard Code	KH20000718B4
Address	#606, Street 271, Phum Sansom Kosal 3, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh
Phone number	023 994 304
Website	<a href="http://www.hatthabank.com">www.hatthabank.com</a>
Email	<a href="mailto:info@hatthabank.com">info@hatthabank.com</a>
Company registration number	00005355 dated on April 03, 2001)
License Number	B-56 issued by National Bank of Cambodia dated on Aug 5, 2020
Disclosure Document registration number	No 165/18គ.ម.ក. dated on November 01, 2018
Representative of the listed entity	Mr. Ieng Tong HOUT

### B. Nature of Business

Hattha Bank Plc. is one of the leading banks in Cambodia, which received license from the National Bank of Cambodia and the Ministry of Commerce to conduct its commercial banking operations officially from August 26, 2020. With more than 26 years of experience in providing financial services to Cambodian people, after its transformation, Hattha Bank has improved and introduced many financial services, including: Improvement of mobile banking service (named: Hattha Mobile), introduction of interbank transfers, overdraft loan, new deposit products (HYSA Flexi and HYSA Corporate), in addition to its existing services such as: loans, deposits, local money transfer, ATM, payroll and insurance referral service.

As of September 2020, Hattha Bank has total deposit balance over USD 676 million from 260,759 depositors and total loan portfolio over USD 844 million serving to its 128,760 customers through 177 office locations and 137 ATMs nationwide.

Hattha Bank is a subsidiary of Bank of Ayudhya Public Company Limited and its group companies (Krungsri) is the fifth largest financial group in Thailand in terms of assets, loans, and deposits, and one of Thailand's five Domestic Systemically Important Banks (D-SIBs) with 75 years of history in Thailand. Krungsri is a strategic member of the Mitsubishi UFJ Financial Group (MUFG), Japan's largest financial group and one of the world's largest financial organizations.



### C. Quarter's Key Event

In light of the current situation, the COVID-19 (coronavirus) pandemic has left many unpredictable and difficult situations to not only Cambodia but the globe. However, Hattha Bank still maintains its strong operations with trust from the customers, the public and all stakeholders. In line with its long-term business goals in quarter 3, 2020, another important milestone has emerged, that is the transformation from a microfinance deposit taking Institution (Hattha Kaksekar Limited) to a commercial bank (Hattha Bank Plc.) to provide more exceptional and comprehensive financial services to customers.

Following direction and recommendation from the Royal Government to boost small and medium enterprises in Cambodia, Hattha Bank offers a special interest rate of only 7% per annum as part of participating in the SME Co-Financing Scheme and accelerate the growth of the Cambodia economy. These are the most significant to prove that Hattha Bank is a fully capable bank with a clear vision to obtain its business stability in the market as well as contribute for a better growth of its customers and society.

## PART 2 : Information on Business Operations Performance

### A. Business Operation Performance including business segments information

Significant Achievements	Plan	Actual
<b>Loan Product</b>		
Loan Accounts	173,833	175,519
Total Gross Loan Balance (USD 000)	1,134,978	1,137,588
<b>Deposit Product</b>		
Deposit Accounts	263,933	260,757
Total Deposit Balance (USD 000)	597,187	676,993
<b>Other Products</b>		
ATM Card Users	52,981	50,804
Mobile Banking Users	8,978	9,031
Micro Insurance Referral Service (USD)	160,466	201,210
Credit Life Insurance Referral Service (USD)	2,545,064	4,272,457
<b>Other Information</b>		

Number of Branch	177	177
Number of ATM	142	137
Number of Staff	5,409	5,052

## B. Revenue Structure

No	Source of Revenue	Q3 2020		Q3 2019		Q3 2018	
		Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage
1	Interest Revenue	174,976	96.3	149,406	96.1	115,593	95.6
2	Other Revenues	6,643	3.7	6,041	3.9	5,267	4.4
	Total Revenue	181,619		155,447		120,860	

## **PART 3 : Financial Statements Reviewed by the External Auditor**

Please find the detailed report in the attached appendix.

## PART 4 : Management’s Discussion and Analysis (MD&A)

The below discussion and analysis are the discussions on the operational result and financial position while senior management of Hattha Bank Plc. depends on the financial statements ended September 30, 2020, which is reviewed by independent auditor as at September 30, 2020.

Financial statements of Hattha Bank Plc. is prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Senior management has discussed and analyzed some critical items in financial statements and other significant factors, affecting the net profit of Hattha Bank Plc. only.

### A. Overview of operations

#### Revenue Analysis

Hattha Bank Plc. has two main revenues, which are interest revenue and other revenues.

<b>Interest revenue:</b> the net interest from providing loan to our customers and placement with other banks. This income is monthly recognized.	<b>Other revenues include:</b> insurance referral fee, money transfer fee, other fees, fees from written-off loan, and gain on exchange rate ...etc.
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Interest revenue is the main income for Hattha Bank Plc., standing for 96.3% of the total revenues.

### B. Significant Factors affecting profit

For the period ended September 30, 2020, senior management of Hattha Bank Plc. found that the impact on the business from Covid-19 outbreak has been reduced during this quarter, leading higher net profit than the previous quarter.

### C. Material changes in sales and revenue

For the period ended September 30, 2020, senior management of Hattha Bank Plc. found that sale or revenue has been increased amid of Covid-19 outbreak.

### D. Impact of foreign exchange, interest rates and commodity prices

Hattha Bank Plc. records its own book by using USD as the functional currency. All business transactions in KHR and THB shall be translated to functional currency by using exchange rate at the transaction date. Gain or loss causing from such transactions, translating from assets and liabilities in foreign currency shall be recorded in the statement of profit or loss and other comprehensive income.

### E. Impact of inflation

Hattha Bank Plc. has not changed interest rate based on the change in inflation rate, hence the interest rate is changed according to the real situation of the market competition by maintaining the sustainability.

**F. Economic/ fiscal/ monetary policy of Royal Government**

Within this 3rd quarter, the Royal Government of Cambodia has carried on key existing measures to sustain national economic growth such as continuously implementing financial support to suspended workers (garment/textile/footwear and tourism), and households with ID Poor cards, and other monetary policies in effect.

Additionally, Cambodia’s Ministry of Health has made an announcement on the revision of entry requirements for foreign travelers to Cambodia, that practices Sponsorship Mechanism in order to assist foreign travelers, who are investors-businesspersons, company staffs, experts, skilled workers, technicians and family members, that are sponsored, or invited but not sponsored, or investors without being either sponsored or invited or regular travelers. This is in the purpose of facilitating foreign travelers arriving in Cambodia, and those who planning to travel to Cambodia, and it applies the conditions of:

- Before arriving in Cambodia: Foreign travelers must have certain documents including Medical Certificate, Validation Certificate on Payment Guarantee, Valid Visa, and letter or documents confirming hotel reservation.
- While arriving at International Airports in Cambodia: Foreign travelers shall present a Valid Visa, and have the right to use Special Priority Lane after having the above-mentioned required documents inspected to receive the COVID-19 medical examination.

**Signature of HATTHA BANK PLC.’s Board of Director**

Date: 13-Nov-2020  
Read and Approved



Mr. Hay LONH  
Independent Director

Date: 13-Nov-2020  
Read and Approved



Dr. Davuth DY  
Independent Director



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