



Subsidiary of krungsri bank  
A member of MUFG, a global financial group

# QUARTERLY REPORT: QUARTER 4

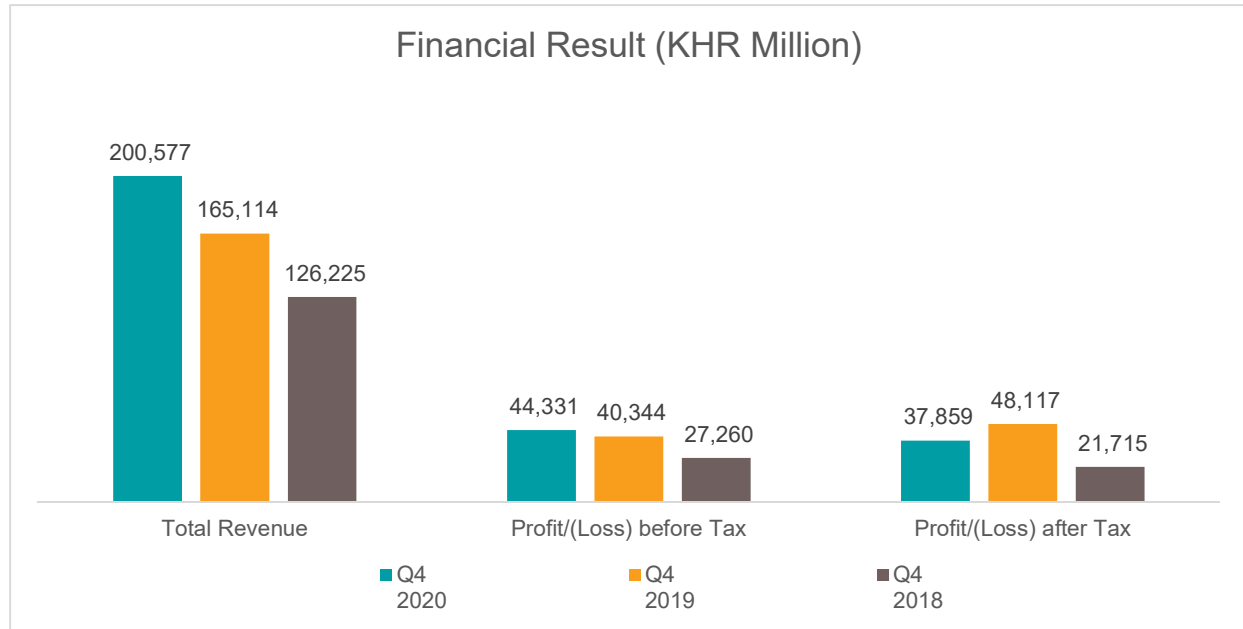
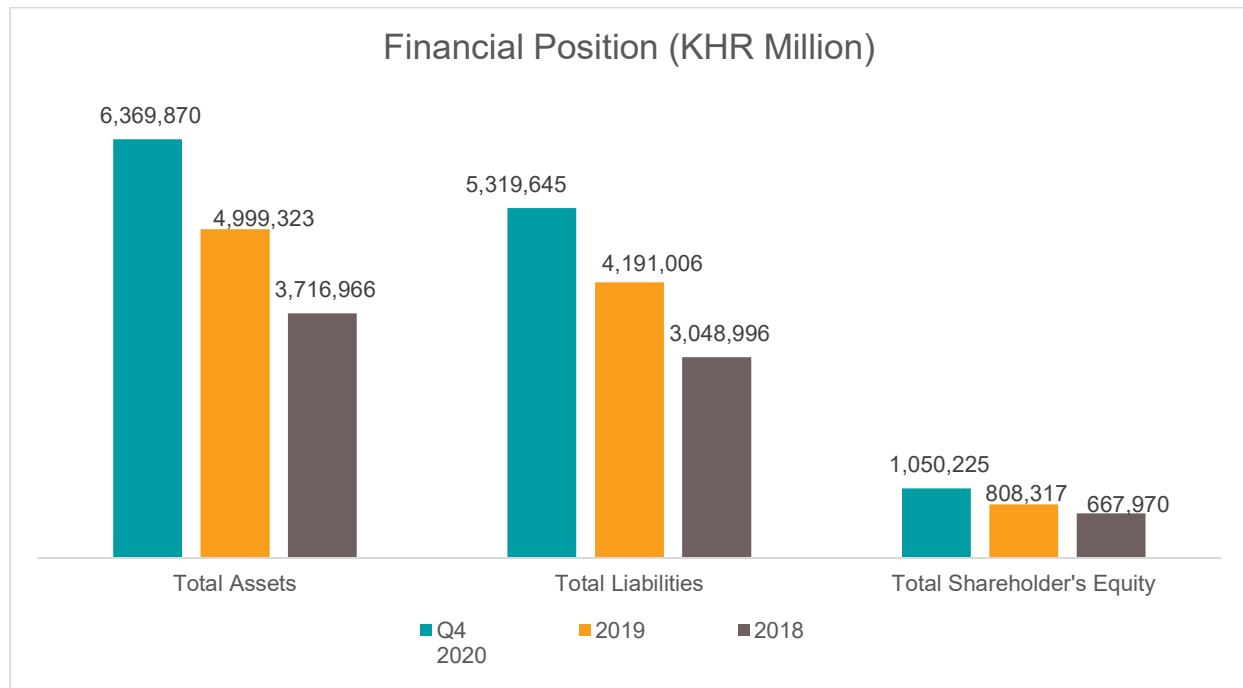
(End 31/12/2020)

## Financial Highlight

Financial Position	Q 4 2020	2019	2018
Total Assets (KHR Million)	6,369,870	4,999,323	3,716,966
Total Liabilities (KHR Million)	5,319,645	4,191,006	3,048,996
Total Shareholder's Equity (KHR Million)	1,050,225	808,317	667,970
Profit/ (Loss)	Q 4 2020	Q 4 2019	Q 4 2018
Total Revenue (KHR Million)	200,577	165,114	126,225
Profit/ (Loss) before Tax (KHR Million)	44,331	40,344	27,260
Profit/ (Loss) after Tax (KHR Million)	37,859	48,117	21,715
Total Comprehensive Income (KHR Million)	36,281	46,582	16,221
Financial Ratios	Q 4 2020	2019	2018
Solvency ratio (%)	17.8	19.4	20.0
Debt to Equity (%)	507	518	456
Liquidity Coverage Ratio (%)	131.0	113.9	177.0
NPL <sup>1</sup> (%)	1.31	0.30	0.67
Deposit to Loan Ratio (%)	59.9	57.0	63.4
	Q 4 2020	Q 4 2019	Q 4 2018
Return on Assets (%)	0.59	0.96	0.44
Return on Equity (%)	3.60	5.95	2.43
Interest Coverage Ratio (%)	154	163	152

<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

The year 2020 was one of the most turbulent years. However, Hattha Bank navigated toward satisfactory year end results both in terms of supporting our clients and achieving business performance.

In the last quarter of 2020, Cambodian economy continued to recover although the global situation of Covid-19 was still prolonged and affected all countries. Local businesses and domestic consumption, a vital engine of Cambodia economic growth, were severely impacted. I appreciated the proactive measures from the government and NBC in addressing the need of businesses, individuals and financial institutions. These efforts enabled business activities to continue despite challenges from the pandemic. At Hattha Bank, it is our duty to extend support to our clients as much as we can, in alignment with the direction from NBC to encourage banks to help clients impacted directly or indirectly from Covid-19. By the end of 2020, Hattha Bank provided client support through loan restructured scheme covering more than 13,000 customers, close to \$140m. We will stand together with our clients and continue to support them to get through this difficult time toward 2021.

During the community outbreak in November and December, the bank escalated preventive measure to ensure health and safety for our clients and employees. This included adoption of self-quarantined for staff who was exposed to places with Covid cases and resuming work from home shift to enable social distancing.

In regards to the business performance of Hattha Bank, our last quarter saw an impressive growth in loans and deposits, to reflect recovering demand and trust from the market. We grew loan portfolio to \$1,323m, 16% increase from the previous quarter. Our deposit reached a new record to \$793m, 17% growth quarter on quarter. PAR30+ significantly reduced from 1.44% to 0.70% as we continued to strengthen asset quality management and customers improved their financial position. Our solvency ratio stood at 17.8%, above the stipulated regulatory threshold. Hattha Bank launched new mobile banking successfully, and our new mobile banking subscribers surpassed 16,000 accounts. This provides a good momentum to continue growing our mobile base, in line with our strategy to scale up the digital business.

Projecting forward to 2021, Hattha Bank enters a new cycle of the 3-year Medium Term Business Plan from 2021 to 2023. We aspire to be one of the leading commercial banks in the country that provides comprehensive products and services to our clients as well as help supporting the Cambodian economy. As Hattha Bank is part of Krungsri Group and a member of MUFG, we are confident that we can leverage the regional and global network of the parent groups to continuously strengthen Hattha Bank's offerings to Cambodian clients over time.

Lastly, I wish everyone to stay safe and strong in coping with all the challenges ahead of us. May 2021 be the year of great success and prosperity to our investors and clients.

Date: 12-Feb-2021

Signature and Stamp



Mr. Dan HARSONO  
Chairman

## Message from President & CEO

Certainly, in 2020, COVID-19 has impacted the global economy as well as Cambodia's economic growth, severely affecting Cambodia's livelihoods and businesses. However, Hattha Bank Plc. was able to get through this difficult time by achieving great achievements according to the operational plan, such as: successful transformation into a commercial bank, loans, deposits and net income were higher than operational plan with satisfactory, while non-performing loans were at a better low risk level. All of these achievements are a clear demonstration that Hattha Bank Plc. remains strong and leading in the Cambodian financial market. At the meantime, customers are kindly requested to know that Hattha Bank Plc. has products/services such as Hattha Bank Mobile, ATM, HYSAs, commercial banking services and latest products /services that will be available to customers soon.

In addition, to participate in the prevention and fight against COVID-19 disease in Cambodia, Hattha Bank Plc. opened COVID-19 charity account for all customers, donors and staffs of Hattha Bank Plc. to join with the Royal Government of Cambodia for purchasing COVID-19 vaccines for Cambodians without payment. Besides this, Hattha Bank Plc. also contributed KHR 200,000,000 (two hundred million) to combat the spread of Covid-19.

As of December 31, 2020, Hattha Bank Plc. has achieved the following good results:

- Loan balance over operational plan by USD 115 million
- Deposits balance exceeded operational plan by USD 172 million
- Net Income higher than operational plan by more than USD 12 million
- PAR 30+ was at 0.70% which was favorable than operational plan by 1.42%

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: 12-Feb-2021

Signature



---

Leng Tong HOUT  
President & CEO

## TABLE OF CONTENTS

Financial Highlight.....	i
Financial Summary Charts .....	ii
Board of Directors .....	iii
Message from Chairman .....	iv
Message from President & CEO .....	v
PART1 : General Information of the Listed Entity .....	1
A. Identity of the Listed Entity .....	1
B. Nature of Business .....	1
C. Quarter's Key Events .....	2
PART2 : Information on Business Operation Performance .....	2
A. Business Operation .....	2
B. Revenue Structure.....	3
PART3 : Financial Statements Reviewed by the External Auditor .....	4
PART4 : Management's Discussion and Analysis .....	5
A. Overview of Operations .....	5
B. Significant Factors Affecting Profit .....	5
C. Material Changes in Sales and Reveunes.....	5
D. Impact of Foreign Exchange, Interest Rates and Commodity Prices.....	5
E. Impact of Inflation .....	5
F. Economic/ Fical/ Monetary Policy of Royal Government.....	6

## 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 December 2020, Hattha Bank has total deposit balance over USD 793 million from 271,598 depositors and total loan portfolio over USD 1,323 million serving to its 184,490 borrowers 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 4, 2020, Hattha Bank worked on several key tasks to support its progressive operations, included: updated its organizational structure for new upcoming year 2021, signed MOU with its business partners to offer special price for its clients, contributed with government to donate fund to buy COVID-19 vaccine, developed and provided training to all staff nationwide to enhance its branding identity communications, contributed many CSR activities for a better change on financial knowledge, health & safety, preserving environment.

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	176,453	184,490
Total Gross Loan Balance (USD 000)	1,207,359	1,322,729
<b>Deposit Product</b>		
Deposit Accounts	265,917	271,598
Total Deposit Balance (USD 000)	620,523	792,647
<b>Other Products</b>		
ATM Card Users	53,950	54,908
Mobile Banking Users	9,204	16,254

Micro Insurance Referral Service (USD)	201,846	294,512
Credit Life Insurance Referral Service (USD)	3,392,710	7,730,567
<b>Other Information</b>		
Number of Branch	177	177
Number of ATM	147	137
Number of Staff	5,409	5,176

## B. Revenue Structure

No	Source of Revenue	Q4 2020		Q4 2019		Q4 2018	
		Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage
1	Interest Revenue	192,073	95.8	160,555	97.2	121,476	96.2
2	Other Revenues	8,504	4.2	4,559	2.8	4,749	3.8
	Total Revenue	200,577		165,114		126,225	

## **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 December 31, 2020, which is reviewed by independent auditor as at December 31, 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.
---	--

Interest revenue is the main income for Hattha Bank Plc., standing for 95.8% of the total revenues.

### B. Significant Factors affecting profit

For the period ended December 31, 2020, senior management of Hattha Bank Plc. found that the impact on the business from Covid-19 outbreak has been increased during this quarter, leading lower net profit than the previous quarter. This is driven by an increase in the impairment losses on financial instruments.

### C. Material changes in sales and revenue

For the period ended December 31, 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 4<sup>th</sup> quarter, 2020, the Royal Government of Cambodia has remained kept carrying out 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 mainly in response to mitigating the negative impact of COVID-19 pandemics.

Furthermore, on 28<sup>th</sup> October 2020, the National Bank of Cambodia (NBC) officially launched Bakong, a payment system infrastructure that enables banks and other financial institutions to work together, with an emphasis on safety, efficiency, cost-saving and, more importantly, financial inclusion. NBC further announced that from its pilot test on 18<sup>th</sup> July 2019 up to 28<sup>th</sup> October 2020, the number of participants amounted to 18 institutions, 16 of which are from banks and other financial institutions and two from payment services institutions. With Bakong, it will contribute to economic development, which was designed to modernize the payment system in Cambodia and to respond to the growth of the economy and financial technology.

More relevantly, on 31<sup>st</sup> December 2020, NBC released the report on “Macroeconomic and Banking Sector Update, and Vision for Year 2021” in which its forecast for Cambodia’s estimated economic growth will be 4% in 2021 that a continued strengthening in domestic economic activities will support and mitigate the impact on the Kingdom’s economy from the slowdown of the exports. Furthermore, the implementation of the Government policy promoting the development of small and medium enterprises, boosting innovation, and the use of technology in all fields will be significant in strengthening domestic growth. Regarding the banking sector, NBC is strongly committed to continue improving the banking system through the mechanism of ensuring the provision of responsible lending, enhancing public knowledge on financial literacy, strengthening customer rights, sustaining financial stability, and preventing over-indebtedness of the Cambodian people.

### **Signature of HATTHA BANK PLC.’s Board of Directors**

Date: 12-Feb-2021  
Read and Approved



Mr. Hay LONH  
Independent Director

Date: 12-Feb-2021  
Read and Approved



Dr. Davuth DY  
Independent Director



**Subsidiary of krungsri bank**  
A member of  MUFG, a global financial group