



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

# QUARTERLY REPORT: QUARTER 1

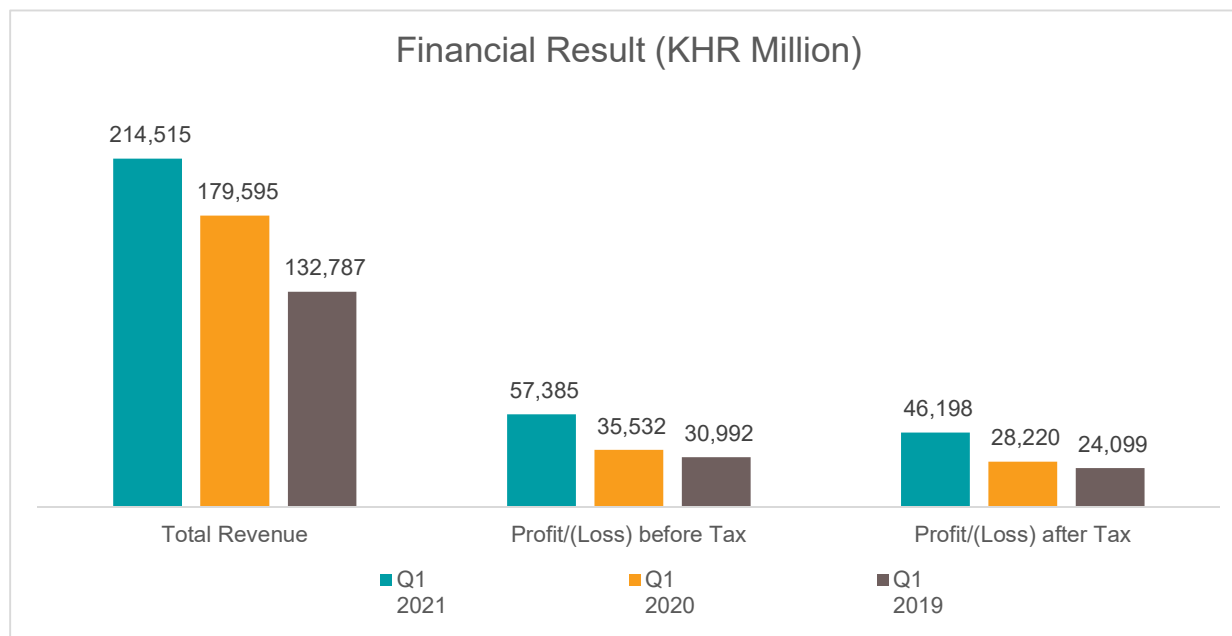
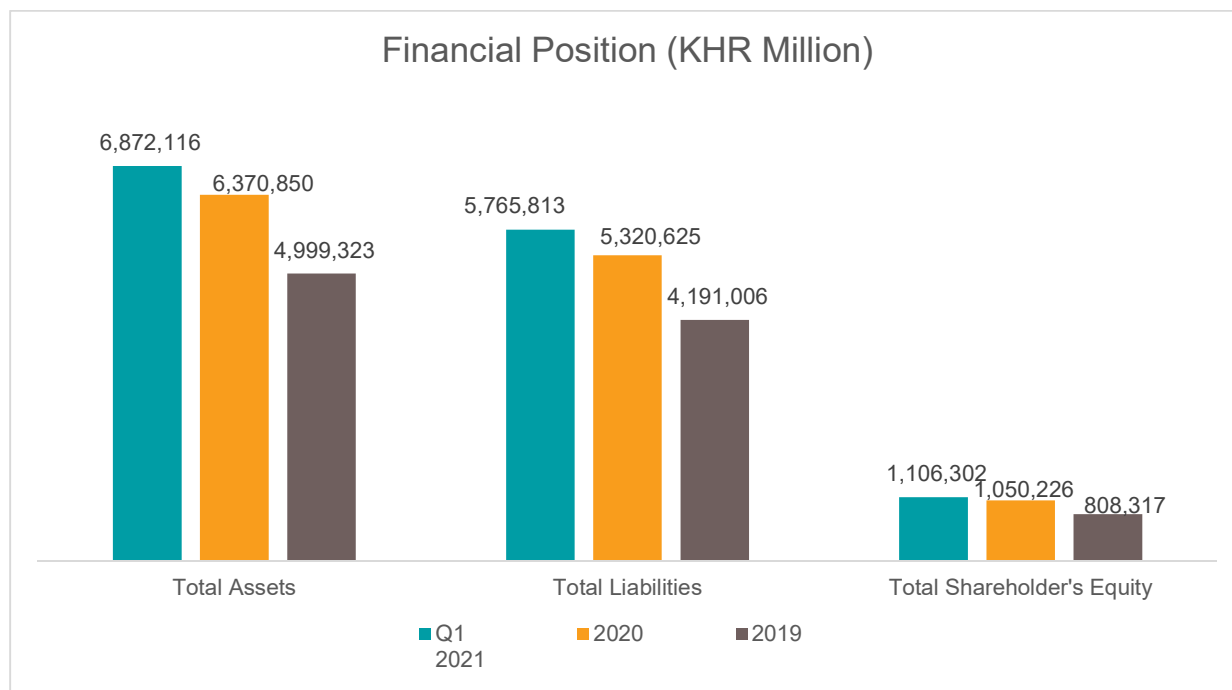
(END 31/03/2021)

## Financial Highlight

Financial Position	Q 1 2021	2020	2019
Total Assets (KHR Million)	6,872,116	6,370,850	4,999,323
Total Liabilities (KHR Million)	5,765,813	5,320,625	4,191,006
Total Shareholder's Equity (KHR Million)	1,106,302	1,050,226	808,317
Profit/ (Loss)	Q 1 2021	Q 1 2020	Q 1 2019
Total Revenue (KHR Million)	214,515	179,595	132,787
Profit/ (Loss) before Tax (KHR Million)	57,385	35,532	30,992
Profit/ (Loss) after Tax (KHR Million)	46,198	28,220	24,099
Total Comprehensive Income (KHR Million)	57,942	12,952	23,941
Financial Ratios	Q 1 2021	2020	2019
Solvency ratio (%)	18.4	17.8	19.4
Debt to Equity (%)	521	507	518
Liquidity Coverage Ratio (%)	153.8	131.0	113.9
NPL <sup>1</sup> (%)	1.19	1.31	0.30
Deposit to Loan Ratio (%)	58.2	59.9	57.0
	Q 1 2021	Q 1 2020	Q 1 2019
Return on Assets (%)	0.67	0.56	0.61
Return on Equity (%)	4.18	2.88	3.46
Interest Coverage Ratio (%)	166	151	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

Overall business sentiment was positive particularly during the first 2 months of the year. Unfortunately, the February 20 event of community outbreak interrupted business activities and it's anticipated to prolong the impact to second quarter. As this global pandemic continues to pose threats to business operations, it has forced the bank to act with agility to guard against risks and requires decisive actions to ensure we protect our employees and provide timely support to our customers.

Hattha Bank Plc. accomplished the first quarter of 2021 with satisfactory results. Our loan portfolio grew 7% from previous quarter to \$1,412m. Deposit rose to \$821m, 4% upward from the previous quarter. Our PAR 30+ increased to 0.90% as a result of impact from Covid-19. Our solvency ratio stood at 18.4%, well above the stipulated regulatory threshold. Krungsri planned to provide additional funding and capital to further strengthen Hattha Bank liquidity and capital base in the second quarter. This will ensure the bank continue to perform well in this volatile environment.

By the end of the first quarter, Hattha Bank Plc. provided client support through loan restructured scheme covering more than 14,000 customers, approximately \$140m in total loan outstanding. The bank also ramped up its mobile banking subscription by 45% to more than 23,000 users. We aim to leverage and capitalize on the digital banking to provide both convenience and safety for the bank's clients.

With the current challenges, I wish everyone safe and strong in coping with the situation. We hope to continue the second quarter with precautions to ensure sound and satisfactory results.

Date: 13-May-2021

Signature and Stamp



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Mr. Dan HARSONO  
Chairman

## Message from President & CEO

During the first three months of 2021, Hattha Bank's management and staff have worked hard to achieve the operational plan. Although the economic situation in Cambodia, as well as the global economy, has been affected by the spread of COVID-19, Hatta Bank Plc. has operated its business with confidence and high responsibility to produce fruitful results. In fact, in the first quarter of 2021, Hatta Bank Plc. gained good and satisfactory results.

As of March 31, 2021, the key main results achieved by Hatta Bank include:

- Loan balance of USD 1,412,694,000 was over operational plan by 11.77%
- Deposits of USD 821,505,000 exceeded operational plan by 20.63%
- PAR 30+ was at 0.90% which was favorable than operational plan by 1.73%

I am very proud of above achieved performance and on behalf of the management of Hattha Bank Plc., I would like to express my sincere appreciation and high rating evaluation and thank you very much for your hard work, perseverance and commitment from the management at all levels and all staff for this great success and continue to make more efforts of the journey to achieve the goal in 2021. Meanwhile, I would like to thank the guardian authorities, local authorities at all levels, the Board of Directors and all customers of Hattha Bank Plc. which always bolsters and continues to support Hattha Bank Plc. to be as successful as today.

Finally, I wish all the management and staff good health, good luck, successful business and harmony in the family. At the same time, I would like to call on all staff at all levels to pay attention and be very careful in preventing the spread of COVID-19 infection by implementing the 3 measures 3 protections according to the guidelines of the Royal Government of Cambodia and the Ministry of Health. Constantly for the safety of all of us.

Date: 13-May-2021

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 Plc. 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 March 2021, Hattha Bank Plc. has total deposit balance over USD 822 million from 277,360 depositors and total loan portfolio over USD 1,412 million serving to its 189,480 borrowers through 177 office locations and 137 ATMs nationwide.

Hattha Bank Plc. 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 Domestically 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

Considering the current situation, the COVID-19 (coronavirus) pandemic has left many unpredictable and difficult situations to not only Cambodia but also the globe. However, Hattha Bank Plc. 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 1, 2021, Hattha Bank Plc. worked on several key tasks to support its progressive operations, including but not limited to: Hattha Bank Plc. announces its new head office building with 40,000-square-meter size along street 60 meters, which precisely reflects that Hattha Bank Plc. has achieved rapidly successes in addition to the steady growth of its business, regarding the fact that as at the end of 2020 it has been a very important milestone for its transformation from a deposit-taking microfinance institution into commercial bank, even though Cambodia as well as the world have been facing with COVID-19 pandemic, and more importantly Hattha Bank Plc. has signed a contract to build its new head office building in the center of Phnom Penh Capital which is of high potential for the economic development.

To contribute to the Government's priority of agricultural sector, Hattha Bank Plc. has collaborated with CS Agricultural Development Co., Ltd. to boost agricultural growth in Cambodia, which this collaboration is a new dedication to the contribution of agricultural development and Cambodian farmers to increase the capacity, skill, knowledge and use of modern technology to grow and harvest agricultural products for domestic and export, especially to promote the recognition of the quality of our farmers' products on the international stage.

Another important event in alignment with Cambodia's preparation for its digital economy, recently Hattha Bank Plc. has launched Hattha Mobile App's QR payment service in Thailand that Hattha Bank Plc.'s customers who travel to Thailand can make payments in Khmer Riel simply by scanning the Thai QR code at more than 5 million merchants across the nation via Hattha Bank Mobile Application, and this new product improves the client experience in reducing the burden of having to physically exchange Khmer riel to Thai Baht and carrying cash to make payments in Thailand. Thus, with this exciting new product in place, Hattha Bank Plc. has provided its customers a more convenient, faster and secure payment option for the first time while reducing the risks of carrying physical cash, counterfeit bills, cash shortage or surplus.

## 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	180,722	189,480

Unofficial Translation

Total Gross Loan Balance (USD 000)	1,263,944	1,412,694
<b>Deposit Product</b>		
Deposit Accounts	272,867	277,360
Total Deposit Balance (USD 000)	680,989	821,505
<b>Other Products</b>		
ATM Card Users	67,267	52,868
Mobile Banking Users	19,532	23,687
Micro Insurance Referral Service (USD)	151,933	80,850
Credit Life Insurance Referral Service (USD)	1,997,572	2,601,463
<b>Other Information</b>		
Number of Branch	177	177
Number of ATM	152	137
Number of Staff	5,698	5,467

## B. Revenue Structure

No	Source of Revenue	Q1 2021		Q1 2020		Q1 2019	
		Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage
1	Interest Revenue	207,033	96.5	173,473	96.6	127,201	95.8
2	Other Revenues	7,482	3.5	6,122	3.4	5,586	4.2
	Total Revenue	214,515		179,595		132,787	

## **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 March 31, 2021, which is reviewed by independent auditor as at March 31, 2021.

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 96.5% of the total revenues.

### B. Significant Factors affecting profit

For the period ended March 31, 2021, senior management of Hattha Bank Plc. found that the impact on the business from Covid-19 outbreak has been well managed during this quarter, leading higher net profit than the previous quarter. This is driven by an increase in interest income and less impairment losses on financial instruments.

### C. Material changes in sales and revenue

For the period ended March 31, 2021, 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 1<sup>st</sup> quarter, 2021, the Royal Government of Cambodia has still kept carrying out its key existing measures to sustain national economic growth such as continuously implementing financial support to suspended workers including garment/textile/footwear and tourism, and also households with ID Poor cards mainly in response to mitigating the negative impact of COVID-19 pandemics. Other related policies are included as follows:

On 11<sup>th</sup> February 2021, the National Bank of Cambodia (NBC) called for all banks and microfinance institutions (MFI) to postpone dividend payouts to shareholders for 2020 in a move to safeguard the growth, stability and certainty of the sector against economic disruptions caused by the Covid-19 pandemic. With this, the NBC suggested that they suspend dividend payouts from profit after audit and prepare an appropriate 'exit strategy' for when the various measures come to an end.

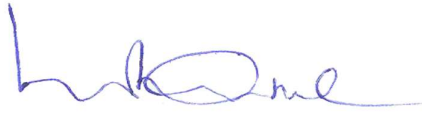
On 22<sup>nd</sup> March 2021, The Ministry of Economy and Finance and the National Bank of Cambodia, in a joint statement, have called on real estate developers to ease the payments situation of their customers during this hard-hit Covid-19 situation. According to the joint statement, in context of the current Covid-19 situation the government has called on real estate developers to look at easing payment conditions for those who have purchased property and real estate based on their actual situation in order to relieve their financial burden.

On 25<sup>th</sup> March 2021, Royal Government of Cambodia's guidance was released on additional measures to further mane the impacts on key economic sectors in the calamity context, and restore and promote Cambodia's economy during and after COVID 19 pandemic. As the spread of COVID-19 continues to negatively impact society and the economy, in the spirit of proactiveness and high responsibility, the Royal Government has taken the necessary measures to prevent the spread of this disease and to continue to help maintaining stability in business sectors which have been seriously impacted. At this time, some countries have been developing COVID-19 vaccines and have started vaccinating their citizens. Similar to some other countries, Cambodia has been exploring and ordering vaccines from all available sources following actual demand and has organized vaccination campaigns for its own people. Even though these campaigns have been proceeding smoothly, it does not mean that we can all prevent the spread of COVID-19 by 100 percent and that the socio-economic situation can return to normal in a short period. In fact, the "20 February 2021 Community Event" has caused a dramatic and alarming increase in infection cases and has claimed the lives of some Cambodian citizens. In addition, many poor and vulnerable families continue to face difficulties in their daily lives. After reviewing and considering the social-economic situation, the healthcare burdens, global, regional and national trade and investment situation, the Royal Government has decided to roll out additional measures in a Round 8 in order to (1) mitigate the impacts on the social-economic situation from the "20 February 2021 Community Event", (2) renew the previously announced measures which will come to an end shortly, (3) further support and restore businesses to ensure their recovery

to contribute to the economic growth in the post COVID-19 context, and (4) further support the poor and vulnerable families through a cash relief program. The Round 8 measures developed in consultation with all relevant stakeholders are included: Measures to support garment/textile, footwear, travel accessory, bag, and tourism industries; and measures to support the aviation sector; cash relief program for poor and vulnerable families.

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

Date: 13-May-2021  
Read and Approved



Mr. Hay LONH  
Independent Director

Date: 13-May-2021  
Read and Approved



Dr. Davuth DY  
Independent Director



**ဟတ္ထာ**  
Hattha Bank

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