



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

# QUARTERLY REPORT: QUARTER 2

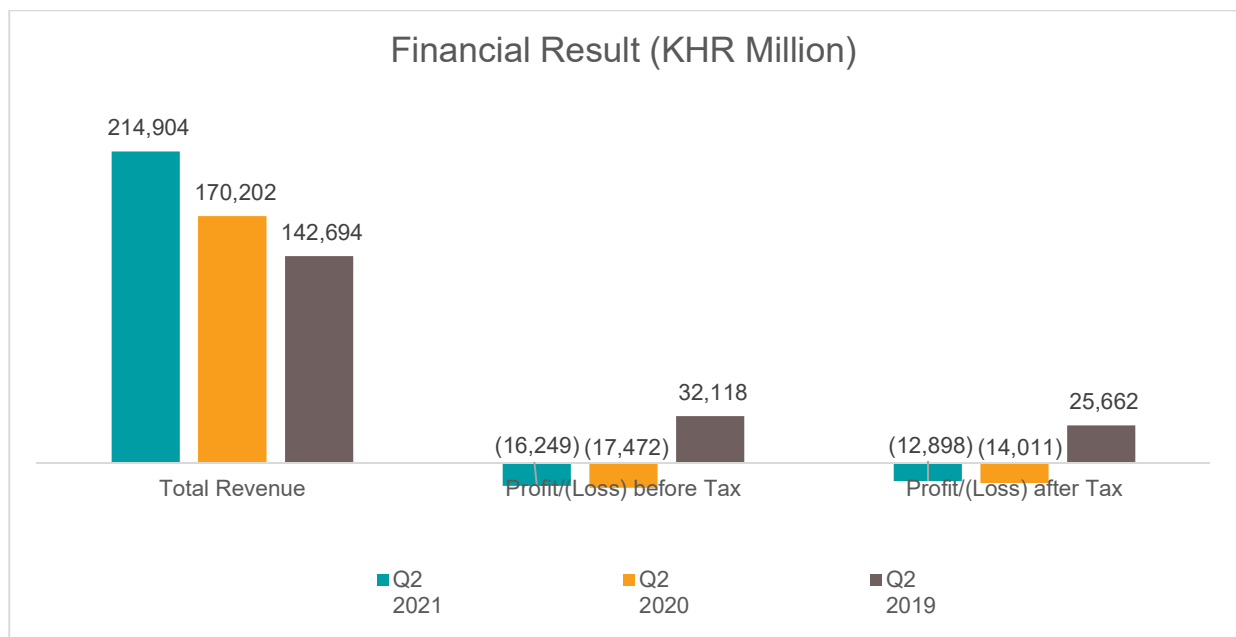
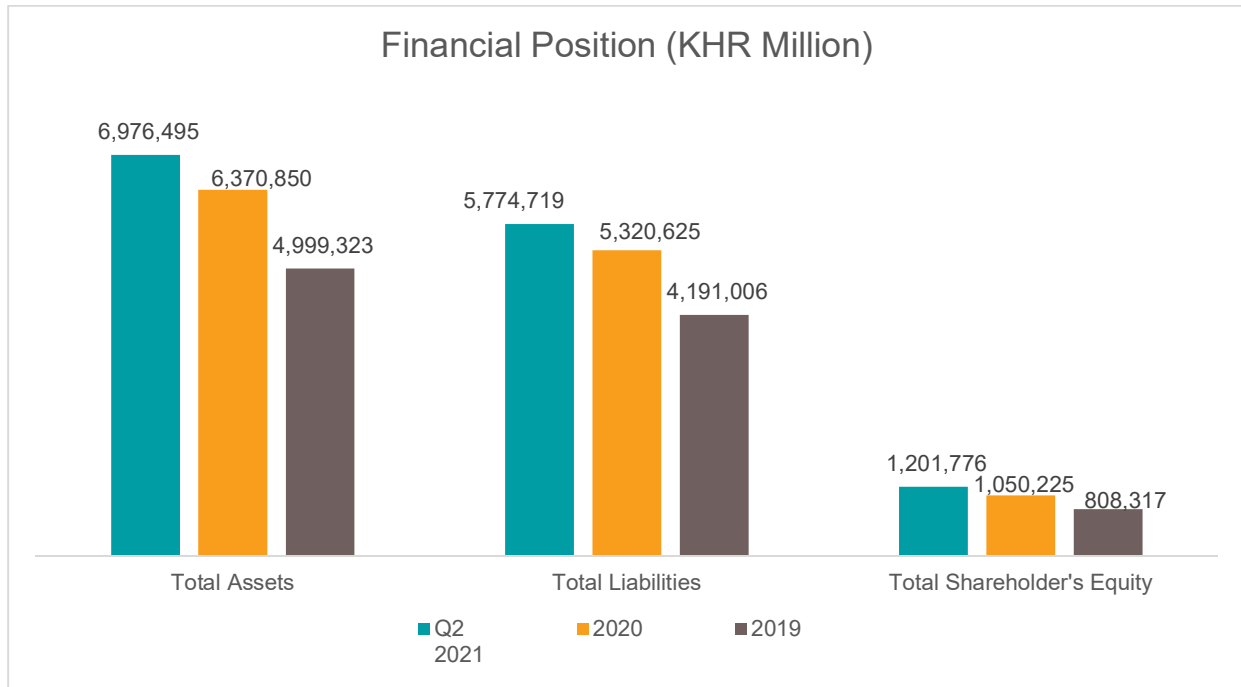
(END 30/06/2021)

## Financial Highlight

Financial Position	Q 2 2021	2020	2019
Total Assets (KHR Million)	6,976,495	6,370,850	4,999,323
Total Liabilities (KHR Million)	5,774,719	5,320,625	4,191,006
Total Shareholder's Equity (KHR Million)	1,201,776	1,050,225	808,317
Profit/ (Loss)	Q 2 2021	Q 2 2020	Q 2 2019
Total Revenue (KHR Million)	214,904	170,202	142,694
Profit/ (Loss) before Tax (KHR Million)	(16,249)	(17,472)	32,118
Profit/ (Loss) after Tax (KHR Million)	(12,898)	(14,011)	25,662
Total Comprehensive Income (KHR Million)	(11,837)	(15,285)	29,457
Financial Ratios	Q 2 2021	2020	2019
Solvency ratio (%)	19.6	17.8	19.4
Debt to Equity (%)	481	507	518
Liquidity Coverage Ratio (%)	235.0	131.0	113.9
NPL <sup>1</sup> (%)	1.49	1.31	0.30
Deposit to Loan Ratio (%)	61.7	59.9	57.0
	Q 2 2021	Q 2 2020	Q 2 2019
Return on Assets (%)	(0.18)	(0.26)	0.61
Return on Equity (%)	(1.07)	(1.45)	3.46
Interest Coverage Ratio (%)	82	75	154

<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



**Mr. Pairote CHEUNKRUT**  
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

Global economy toward the end of second quarter saw a positive recovery in many markets, as a result of vaccination roll out and controlled measures in major economies. Cambodia macro economy was on a revitalizing trend led by strong performance of agriculture and manufacturing export sectors. However, tourism and garment sectors were still vulnerable.

For this quarter, Hattha Bank Plc. worked closely with Krungsri and put in place necessary actions as a result of growing number of Covid-19 infected cases and city lockdown during April and May. To ensure sufficient liquidity position and readiness to grow the portfolio when the situation improves, Krungsri injected additional \$25M capital to Hattha Bank Plc., making total share capital \$140M. At the end of the quarter, loan portfolio maintained at \$1,418M. Deposit rose to \$875M, 6.6% increase from the previous quarter. PAR 30+ increased to 1.21%, impacted from the lock down. The bank's Liquidity Ratio or LCR was at 235%, well above the regulatory requirement of 100%. After the capital increase, the bank' Solvency Ratio stood at 19.6%. The business sentiment at the end of quarter reasonably improved. We hope the momentum will carry on to the next quarter.

With the continued pandemic, Hattha Bank Plc. has provided client support through loan restructured scheme covering more than 33,000 customers, amounting approximately to \$321M. Our mobile banking subscription increased by 26% to 30,000 users, providing convenience and safety for customers to perform financial transactions with social distancing. The bank also ensured necessary preventive measures put in place to take care of our employees; for example, rapid test kit for staff, work from home implementation, and work site split to minimize risk of infection.

In the next quarter, Hattha Bank Plc. plans to start the first phase to construct our new commercial bank head office which will become our landmark to serve the bank's clients for long term. With the ongoing outbreak, I wish everyone safe and strong in coping the situation. Hattha Bank Plc. will continue to support our clients through this time.

Date: 13-Aug-2021

Signature and Stamp

The image shows a handwritten signature in blue ink on the left. To its right is an official circular stamp. The stamp contains the text 'កម្ពុជា ហត្ថា ឥ.ក' at the top, 'ក្រុមហ៊ុនធានារ៉ាប់រង' in the middle, 'Head Office' below that, and 'HATTHA BANK PLC.' at the bottom. The stamp also features a central logo and decorative elements.

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Mr. Dan HARSONO

Chairman

## Message from President & CEO

In the second quarter of 2021, Hattha Bank Plc.'s management and staff have made great efforts with high dedication to carry out the work according to the strategic plan, despite the obstacles or the threat of COVID-19, which has spread in the community.

As of June 30, 2021, the key main results achieved by Hattta Bank include:

- Loan balance was over operational plan by 8.28%
- Deposits exceeded operational plan by 17.13%
- PAR 30+ was at 1.21% which was favorable than operational plan by 0.55%

Time seems to be going and not waiting for us, hence we cannot wait until the disease of COVID-19 has gone before we start to act, thus the management and staff have been continuing to work hard to fulfill their respective roles to achieve our goals and our right strategic plan. In addition, Hattha Bank Plc. is upgrading its core banking system to meet customer needs which was successfully launched on July 5, 2021.

As the outbreak of COVID-19 is not likely to have subsided yet, the figure of people is infected and death by COVID-19 have increased every day, therefore please continue the implementation of the preventive measures of the Ministry of Health and the Royal Government of Cambodia, even if you have already been vaccinated. Please also implement 3 measures 3 protection consistently for your family, and yourself.

Finally, I would like to wish all the management and staff good health, good luck, successful business and harmony in the family with staying safe from COVID-19.

Date: 13-Aug-2021

Signature



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leng 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 26<sup>th</sup> August 2020. With nearly 30 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 (Current Accounts, HYSAs Deposits), in addition to its existing services such as: loans, deposits, local money transfer, ATM, payroll, fast payment, collection service and insurance referral service.

As of June 2021, Hattha Bank Plc. has total deposit balance over USD 875 million from 278,702 depositors and total loan portfolio over USD 1,418 million serving to its 190,117 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 Domestic Systemically Important Banks (D-SIBs) with 76 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

COVID-19 has been a truly global crisis in which we all have shouldered a burden. 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 2, 2021, Hattha Bank Plc. worked on several key tasks to support its progressive operations, including but not limited to: Hattha Bank Plc. organized the groundbreaking ceremony to start constructing its new Head Office Tower with gross floor area of 40,000 square meters along Samdech Techo Hun Sen Blvd (or street 60 meters) and presided over by senior management of Hattha Bank Plc. and CMED Construction Co., Ltd.

Despite the challenging circumstance during the COVID-19 pandemic, Hattha Bank Plc. has accomplished another significant achievement by gaining trust from the shareholders and receiving the additional capital injection of USD 25 million. Additionally, Hattha Bank Plc. also obtained the company’s credit rating at BBB+ / stable for four consecutive years (Stand-Alone credit profile rating at A-) from TRIS Rating Co., Ltd., an international company from Thailand.

With high responsibility to the society in which we are living, Hattha Bank Plc. always contributes to many social activities with the purpose to build a bright future together. As the result, Hattha Bank Plc. donated 10 hospital beds to Udong Referral Hospital to provide the full range of health care services to the people.

Furthermore, Hattha Bank Plc. is also ready for its next stage of banking to provide the customers with better experience through its Hattha Mobile’s UX/UI improvement, making the possibility of special account number request, and many other innovative financial services to ease customers in assisting their better growth.

## 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	185,094	190,117
Total Gross Loan Balance (USD 000)	1,309,676	1,418,086

Unofficial Translation

<b>Deposit Product</b>		
Deposit Accounts	279,468	278,702
Total Deposit Balance (USD 000)	747,348	875,399
<b>Other Products</b>		
ATM Card Users	75,253	59,168
Mobile Banking Users	38,408	29,757
Micro Insurance Referral Service (USD)	305,600	123,356
Credit Life Insurance Referral Service (USD)	4,066,833	4,728,028
<b>Other Information</b>		
Number of Branch	177	177
Number of ATM	157	137
Number of Staff	5,893	5,475

## B. Revenue Structure

No	Source of Revenue	Q2 2021		Q2 2020		Q2 2019	
		Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage	Amount (Million KHR)	Percentage
1	Interest Revenue	210,308	97.9	167,043	98.1	138,063	96.8
2	Other Revenues	4,596	2.1	3,159	1.9	4,631	3.2
	Total Revenue	214,904		170,202		142,694	

## **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 Jun 30, 2021, which is reviewed by independent auditor as at Jun 30, 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 97.9% of the total revenues.

### B. Significant Factors affecting profit

For the period ended Jun 30, 2021, senior management of Hattha Bank Plc. found that there is a significant impact on the business from the lockdown of “20<sup>th</sup> Feb Event” during this quarter, leading net profit negative. This is driven by a significant increase in impairment losses on financial instruments.

### C. Material changes in sales and revenue

For the period ended Jun 30, 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 2<sup>nd</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 21<sup>st</sup> May 2021, the National Bank of Cambodia issued its third-round monetary easing measures which include, among other things, (i) a decision to maintain a reserve requirement ratio at 7 percent for both riel and U.S. dollar deposits and borrowings until further notice; and (ii) a permission to allow the banking and microfinance sectors to continue to restructure loans until the end of 2021, and (iii) encourage all FIs to provide all possible means to help relieve the customers according to the real situation.

Subsequently, on 26<sup>th</sup> May 2021, the National Bank of Cambodia decided in its Monetary Policy Committee meeting to: (i) continue to maintain exchange rate stability via its exchange market intervention; (ii) provide riel liquidity via Liquidity-Providing Collateralized Operation facilities according to riel exchange rate and liquidity conditions; and (iii) maintain the reserve requirement ratio at 7 percent for both riel and U.S. dollar deposits and borrowings as necessary.

More relevantly, Cambodia decides to extend all the previous programs to continue to support people and business affected by COVID-19 as well as the economy. The purposes are to help support society/economy and prevent the large-scale community transmission; extend all the existing support programs; help support businesses to adapt with the "new normal" situation; and extend the financial support programs to help the poor and affected individual.

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

Date: 13-Aug-2021  
Read and Approved



Mr. Hay LONH  
Independent Director

Date: 13-Aug-2021  
Read and Approved



Dr. Davuth DY  
Independent Director



**ฮัทธา**  
Hattha Bank

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