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Hattha Bank

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

2021 ANNUAL REPORT

New Hattha Bank Tower Project



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LOAN PORTFOLIO

DESCRIPTION (USD)	2019	2020	2021	CHANGE (AMOUNT)	CHANGE (%)
Total Loan	1,050,928,838	1,322,729,009	1,690,557,226	367,828,217	27.81%
Loan in KHR	160,299,247	219,051,919	239,778,014	20,726,095	9.46%
Loan in USD	852,453,574	1,056,319,548	1,404,543,237	348,223,689	32.97%
Loan in THB	38,176,017	47,357,541	46,235,974	(1,121,567)	-2.37%

Hattha Bank offers loans with 3 currency types to customers such as Khmer Riel, United States Dollar, and Thai Baht. At the end of 2021, the total loan portfolio increased by 28%, which is equal to USD 368 million compared to the year 2020. The loans in Khmer Riel increased by 9%, and the loans in United States Dollar increased by 33%, while the loans in Thai Baht decreased by -2%.

NUMBER OF BORROWERS

BORROWERS (PERSON)	2019	2020	2021	CHANGE (AMOUNT)	CHANGE (%)
Total Borrowers	152,753	167,200	179,141	11,941	7.14%
Female Borrowers	93,749	100,762	105,611	4,849	4.81%
Male Borrowers	59,004	66,438	73,530	7,092	10.67%

At the end of 2021, Hattha Bank still maintains a good performance of active borrowers up to 179,141, which has increased by 7% over the previous year. Female borrowers increased by 5% and male borrowers increased by 11%.

LOAN DISBURSEMENT

DESCRIPTION	2019	2020	2021	CHANGE (AMOUNT)	CHANGE (%)
Total Disbursed Amount (USD)	847,831,512	866,151,817	1,063,465,137	197,313,320	22.78%
Number of Loans Disbursed	107,713	98,994	101,687	2,693	2.72%

In the whole year of 2021, Hattha Bank disbursed USD 1,063 million, which has increased by 23% over the previous year with the total loan accounts of 101,687, which has increased by 3%.

LOAN PORTFOLIO QUALITY

DESCRIPTION	2019	2020	2021	CHANGE (AMOUNT)	CHANGE (%)
PAR Amount (30 days) (USD)	3,411,032	9,263,942	8,841,564	(422,379)	-4.56%
PAR Ratio (30 days)	0.32%	0.70%	0.52%	-0.18%	-25.33%

At the end of 2021, the ratio of the loan portfolio at risk (PAR) has been maintained at a good rate of 0.52%, which is equal to USD 8 million only, even though Cambodia as well as the globe was heavily suffered from the COVID-19 pandemic. It indicates the strong commitment to comply with all the regulations to ensure sustainable growth for both the banks and their customers.

DEPOSITS

DESCRIPTION	2019	2020	2021	CHANGE (AMOUNT)	CHANGE (%)
Deposit Balance (USD)	599,301,779	792,646,755	1,028,322,732	235,675,977	29.73%
Number of Depositors	223,949	233,473	249,620	16,147	6.92%

By being fully trusted by the public and customers through its professional financial services, Hattha Bank maintains good performance of deposit balance and it has increased by 30% compared to the year 2020 or equal to USD 235 million, while the number of depositors increased by 7% or equal to 16,147 depositors.

NUMBER OF ATM CARDS AND MOBILE BANKING

DESCRIPTION	2019	2020	2021	CHANGE (AMOUNT)	CHANGE (%)
Number of ATM Cards	51,162	54,908	69,913	15,005	27.33%
Number of Mobile Banking Users	8,024	16,253	77,951	61,698	379.61%

With a strong ambition to elevate digital banking as a core business, the number of digital service users significantly increased from year to year. At the end of 2021, Hattha Bank issued 69,913 ATM cards, which increased by 27% compared to 2020. At the same time, the number of users of Mobile Banking increased by 380%, or equal to 61,698 users.



FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS (USD)	2019-CIFRS	2020-CIFRS	2021-CIFRS
ASSETS			
Loans to customers	1,036,272,930	1,288,824,168	1,655,739,462
Total Assets	1,226,833,469	1,556,322,350	2,036,661,817
LIABILITIES			
Deposits from customers and financial institutions	610,099,327	804,484,026	1,040,432,277
Total Liabilities	1,028,463,972	1,296,925,939	1,704,300,398
EQUITY			
Total Equity	198,369,497	259,396,411	332,361,419
INCOME AND EXPENSES			
Interest income	141,960,631	173,550,241	216,772,100
Interest expenses	-59,497,470	-72,407,610	-88,905,833
Income tax expenses	-3,376,488	-5,765,079	-12,180,322
Net profit for the year	32,125,144	25,430,699	44,553,290



SOCIAL PERFORMANCE HIGHLIGHTS

KEY HIGHLIGHTS	2019	2020	2021
RESPONSIBILITY TO CLIENTS			
Female Borrowers	62%	61%	59%
Female Depositors	60%	58%	57%
Rural Coverage, Borrowers	83%	84%	85%
Client Retention Rate	82%	96.%	98%
Credit History Checked, Credit Bureau	100%	100%	100%
Insurance, Number of Active Insured	24,357	9,575	7,138
Number of SME Loan	1,145	1,216	1,208
RESPONSIBILITY TO STAFF			
Female Staff	25.81%	24.80%	25.24%
Staff Retention Rate	90%	85%	85%
Staff's Average Year of Service	3.47	3.68	4.15
Number of Training Courses per Staff	29	11	13
RESPONSIBILITY TO GOVERNMENT (IN USD) *			
Tax on Salary and Fringe Benefits	1,492,180	1,957,676	2,220,946
Withholding Tax	3,762,447	4,667,490	6,008,596
Annual Profit Tax	6,624,873	8,555,923	13,078,765

* Hattha Bank disclosed only material amount paid to the General Department of Taxation.



CAMBODIA'S KEY ECONOMIC INDICATORS

OUTPUT & ECONOMIC GROWTH	2019	2020	2021e	2022f	2023f
REAL GDP GROWTH	7.1	-3.1	3.0	5.6	6.7
AGRICULTURE	-0.5	0.6	1.1	1.3	1.3
Crop	0.6	0.7	2.1	2.0	1.8
Other agriculture	-1.9	0.4	-0.1	0.4	0.8
INDUSTRY	11.3	-1.4	7.4	8.4	9.4
Textile	6.6	-6.4	8.0	8.1	8.3
Construction	20.8	-1.8	1.4	5.4	8.6
Other industry	10.3	11.2	13.8	12.2	12.5
SERVICES	6.2	-6.5	-0.4	5.1	6.7
Hotel and restaurant	3.1	-32.2	-40.1	12.0	22.0
Wholesale and retail trade	6.5	-5.2	2.9	5.0	6.7
Real estate	7.0	-6.2	0.6	4.1	5.5
Transport and Communication	8.4	-2.6	5.4	6.1	7.1
Other services	5.5	0.1	4.0	4.3	4.7
EXTERNAL ACCOUNTS AND OTHERS					
Current Account Balance (% of GDP)	-15.2	-12.0	-28.5	-15.8	-13.6
Net Foreign Direct Investment (% of GDP)	13.2	13.0	12.7	12.9	13.9
Fiscal Balance (% of GDP)	1.5	-4.3	-5.7	-6.0	-4.9
Debt (% of GDP)	28.2	34.4	34.8	35.6	35.8
Primary Balance (% of GDP)	1.9	-3.7	-5.2	-5.5	-4.3

Sources: NIS (2015-2020) and MEF's projection (2021-2025), World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices.

e: estimate, f: forecast



With high responsibility and a clear business vision, Hattha Bank has strengthened its business activities as well as established close relationships with its business partners in both financial and non-financial majoring sectors. As the result, in 2021, Hattha Bank has partnered with numerous companies to offer better value and better benefits to its customers, including i). CS Agricultural Development Co., Ltd. is a company that focuses on promoting agricultural development in Cambodia. The aim of the cooperation is to provide loans to all customers who are members of this company. ii). Forte Insurance (Cambodia) Plc. is another insurance company that Hattha Bank has cooperated with in order to provide some insurance services to Hattha Bank customers such as fire insurance and auto insurance. In this business process, Hattha Bank plays a very important role in referring customers who are interested in these products to its partner. iii). TrueMoney Co., Ltd. is another new strategic partner that we aim to provide convenient channels and facilities to ease our customers to do loan repayment with Hattha Bank. We also aim to extend the scope of cooperation more and more in near future. iv). Bill24 Co., Ltd. is also a new corporate partner that Hattha Bank has cooperated with in order to provide a large pool of suppliers that bank customers can pay their bills with numerous business types like electricity, internet, finance, schools, etc.

In addition, in order to bring the best customer experience, Hattah Bank has enlarged the scope of cooperation with existing strategic partnerships by renovating and developing new products and services. Hattha Bank believes that this is a win-win strategy that not only benefits Hattha Bank and its partners but also its customers.

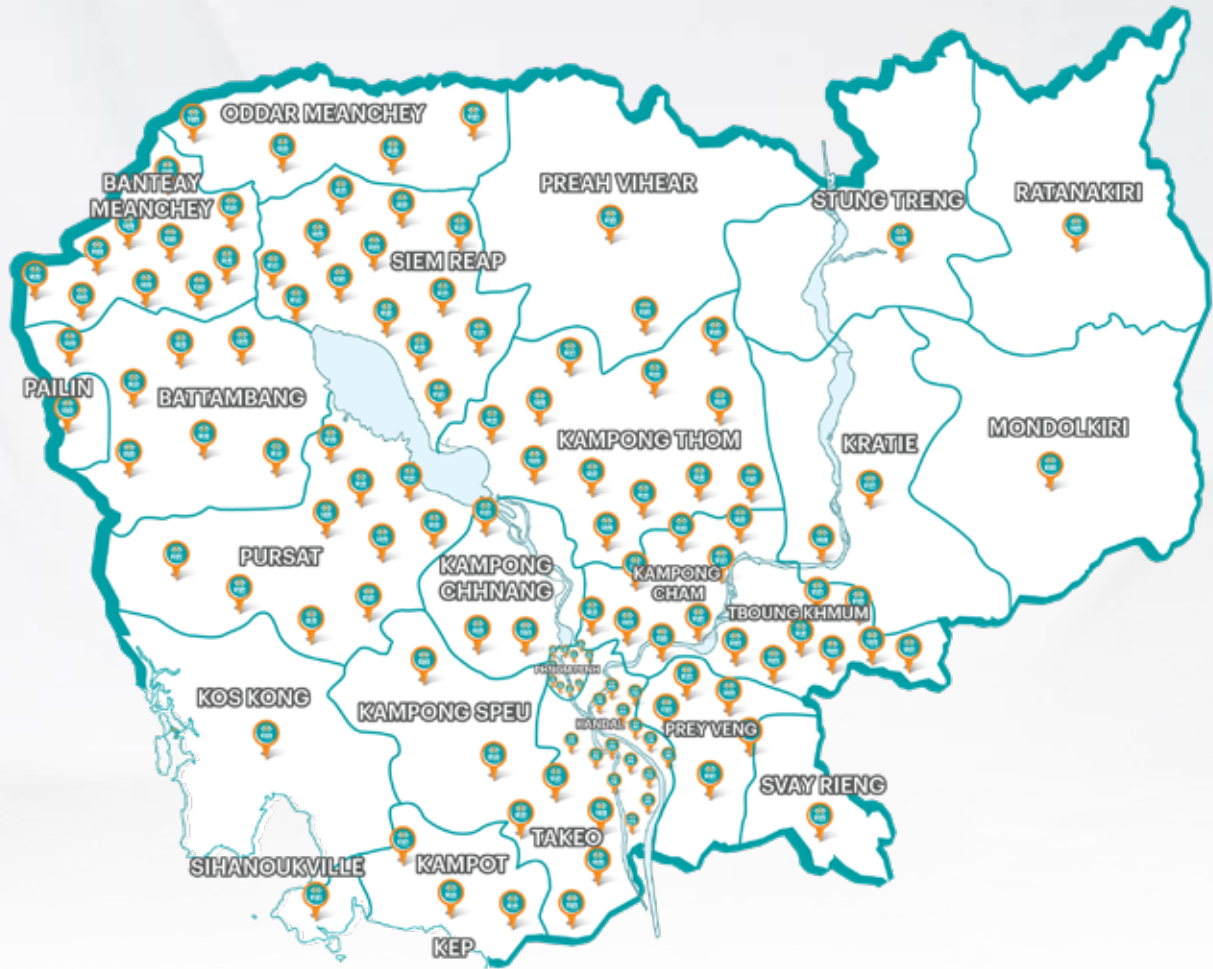
Moreover, through better collaboration and partnership, Hattha Bank customers will enjoy every purchase or special discount using services from its partners by just showing the ATM Card or paying via Hattha Mobile. At the end of 2021, Hattha Bank had a total of more than 100 discount partners, including car garages, restaurants, coffee shops, fitness clubs, clinics, phone shops, driving schools, hotels, guesthouses, education institute, watches & handbag store, clothing store, jewelry stores, and many other business categories.

Some of our main strategic partners are:





COVERAGE AND DISTRIBUTION NETWORKS



CITY/PROVINCE



BRANCHES



HEAD OFFICE

SHAREHOLDER

Hattha Bank is wholly owned (100%) by Bank of Ayudhya (Krungsri), the 5th largest universal bank in Thailand in terms of assets, loans, and deposits, and a member of Mitsubishi

UFJ Financial Group (MUFG), Japan's largest banking group and one of the world's largest and most diversified financial groups.

ABOUT KRUNGSRI



Krungsri (Bank of Ayudhya Public Company Limited and its group companies) is the fifth-largest in Thailand in terms of assets, loans, and deposits, and one of Thailand's six Domestic Systemically Important Banks (D-SIBs) with 77 years of history in the country. 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. Krungsri provides a comprehensive range of banking, consumer finance, investment, asset management, and other financial products and services to individual consumers, SMEs, and large corporations through 634 branches (595 Banking Branches

and 39 Auto Business Branches) and over 33,713 service outlets nationwide (as of March 2022).

Krungsri is strongly committed to the highest level of integrity in conducting its business. All Krungsri Group companies have been awarded accreditation from the Private Sector Collective Action Coalition Against Corruption (CAC) in collaboration with industry peers and stakeholders on a zero-tolerance approach to corruption.

For more information, please visit: www.krungsri.com

ABOUT MUFG (MITSUBISHI UFJ FINANCIAL GROUP, INC.)



Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,500 locations in more than 50 countries. The Group has about 170,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group"

through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

For more information, please visit: www.mufg.jp/english

ABOUT HATTHA BANK



Hattha Bank Plc. is one of the leading banks in Cambodia, which received licenses from the National Bank of Cambodia and the Ministry of Commerce to conduct its commercial banking operations officially from 26th August 2020. With nearly 30 years of experience in providing financial services to Cambodian people, after its transformation, Hattha Bank has improved and introduced many financial services, including Cross Border Money Transfer to Thailand via Hattha Mobile and branches, Hattha Mobile App's QR Payment Service in Thailand, soft-launched Hattha Smart Banking, and closely worked with the National Bank of Cambodia to enable cross-bank money transfer (Bakong System) to allow customers do the self-banking anywhere, anytime (24/7), more convenient and faster, without visiting bank branches, in addition to its

existing services such as loans, deposits, local money transfer, ATM, payroll and insurance referral service.

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 77 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.

For more information, please visit: www.hatthabank.com

VISION, MISSION, AND CORE VALUES



VISION

To be the highly admired financial institution and the preferred choice for customers through professional employees.

MISSION

We provide our customers with trusted, convenient, and innovative financial solutions that bring delightful experiences by leveraging digital technology. Commit our contribution toward the sustainable growth of our customers and society.

CORE VALUES



HATTHA BANK MILESTONES



1994

Hattha Bank was starting from a food security project established by OCSD/OXFAM-Quebec, a Canadian organization, providing micro loans to rural people in four communes in Pursat province.

1996

The food security project was registered with the Ministry of Interior of Cambodia as a nongovernmental organization (NGO) called Hattha Kaksekar. In Khmer, “Hattha Kaksekar” means “Farmer’s Hand” or “A Helping Hand for Farmers” with the head office in Pursat province.

2001

Hattha Kaksekar (HK) NGO was registered with the Ministry of Commerce with paid-up capital of USD 77,850 to transform itself into a private limited company with a new name, Hattha Kaksekar Limited (HKL). At the same time, HKL was granted a three-year license by the National Bank of Cambodia to operate microfinance services across Cambodia.

2007

The savings account and configured systems were put in place. Meanwhile, HKL increased its registered capital from USD 257,850 to USD 1,339,700. Due to its sustainability in terms of finance, operation, and governance, HKL was offered a permanent microfinance license by the National Bank of Cambodia.

2010

The National Bank of Cambodia offered HKL an MDI “Micro-Finance Deposit-Taking Institution” license due to the sustainability of its operations and finances. This license reflects one of HKL’s successes in providing customers with financial services, permitting HKL to officially mobilize deposits from the public. Most noteworthy was the work done by the MIS team to equip the sophisticated Core Banking System (CBS) enabling HKL to deliver prompt and efficient service in response to the company’s strategy to transform itself into a commercial bank in the future.

2012

Hattha Kaksekar Limited’s new CBS successfully went live across the company’s distribution networks. This new online system increased the effectiveness of HKL’s business operations. HKL also invested nearly USD 2 million in the ATM and mobile banking project. This investment facilitates offering a wide range of financial services and serves customers fast and conveniently through cash deposit and withdrawal machines that were publicly launched by the end of 2012. Customers were able to perform many new transactions including cash deposits, funds transfers, remittances, mobile top-ups, and currency exchange.

2016

HKL is wholly owned by Bank of Ayudhya (Krungsri), the 5th largest bank in Thailand and a member of Mitsubishi UFJ Financial Group (MUFG), Japan’s largest banking group and one of the world’s largest and most diversified financial groups.

2020

Hattha Kaksekar Limited has transformed itself into Hattha Bank Plc. officially approved by the National Bank of Cambodia and Ministry of Commerce on 26th August 2020. With the new status of a commercial bank, Hattha Bank will develop a full-fledge commercial bank service to fulfill the needs of existing and enlarge to new segmentation of commercial bank customers. Also, the branch office is renovating for a new look and feel with a progressive modern concept.

2021

Hattha Bank celebrates the groundbreaking ceremony of its new head office tower with a total construction area of more than 35,000 square meters with 22 floors, along Samdech Techo Hun Sen Street (Street 60 meters). The head office tower is responsible for the construction by CMED Construction Co., Ltd., one of the leading construction companies in the kingdom.

MESSAGE FROM CHAIRMAN



It is not different from most other countries that the COVID-19 pandemic has had a significant adverse impact on Cambodia's economy these recent years. In this regard, since November 2021, the authorities have relaxed travel restrictions and reopened the country for business while continuing to carefully enforce protective health measures and push for the booster dose of inoculation.

Cambodia's real gross domestic product (GDP) is projected to grow 2.2 percent this year due to a resurgence of COVID-19 cases, which slowed the recovery, especially in the tourism, wholesale, and retail sectors during the second and third quarters of 2021. While, other traditional growth drivers, especially the garment, travel goods, footwear, and bicycle manufacturing industries, as well as agriculture, are underpinning the economic recovery.

However, Hattha Bank managed to maintain its strong position

and business performance despite living with COVID-19.

At Hattha Bank, we offer innovative and transparent banking services by fully complying with the rules and regulations to ensure our customers' growth as a priority, and to be the bank that can respond to all our customers' financial needs with satisfaction. We strictly follow the guidance of the National Bank of Cambodia to continue monitoring the pandemic and take any necessary action to protect the employees and clients, ensuring the reliability and sustainability of the bank services. As a result in 2021, Hattha Bank actively continued providing loans to various sectors to support domestic business activities such as trading, agriculture, general services, construction, and retail consumption and offer loan restructuring to support customers impacted by the pandemic especially customers in the sectors of hotels and guest houses, tourism, and garments/ footwear.

As of December 31, 2021, Hattha Bank has a total of 179,141 borrowers with a loan balance of approximately USD 1,691 million, a total of 249,620 depositors with a deposit balance of approximately USD 1,028 million, 77,951 mobile banking customers, 69,913 ATM card customers with 137 ATM machines and total of 177 branches across 25 provinces/capital of the Kingdom of Cambodia to provide customer service. Hattha Bank continues its effort to bring new banking experience to customers. We are in progress of constructing the new banking tower with total cross construction areas of 35,000 square meter with the green mark certificate to support ESG (Environment, Social, and Governance).

Hattha Bank has upgraded successfully the Core Banking System to the latest version. To make maximum use of technology and its customers' benefits, Hattha Bank also introduced several new financial services, including Cross Border Money Transfer to Thailand via Hattha Mobile and branches, Hattha Mobile App's QR Payment Service in Thailand, soft-launched Hattha Smart Banking, and closely work with the National Bank of Cambodia to enable cross-bank money transfer (Bakong System) to allow customers to do their self-banking anywhere, anytime (24/7), more convenient and faster without visiting bank branches. Furthermore, with new banking platform, the bank has enough capacity to capture new market segmentation, particularly Thai and Japanese investors. To provide them with best customer experience, the bank has established Thai and Japanese Desk successfully in 2021.

Although the Bank has delivered improved margins and effective cost control, growth remains a major priority. The strategic plan calls for a strong focus on a number of key initiatives aimed at developing both our retail and corporate businesses and improving the overall quality of the features of our financial product. As a result, we anticipate that the regional economy will have recovered in the next following years and we are positioning the Bank to take full advantage of new business opportunities through key strategic activities such as:

- Enhance core commercial banking products, digital platform, and ecosystem

- Reimagine growth through new customer segments for lending and fee-based products
- Double down the cost of funds by emphasizing CASA and low-cost borrowing
- Proactive asset management through risk management, debt collection, and recovery

With a warm collaboration with our shareholder, Krungsri Bank (A member of MUFG, a global financial group), I am delighted to inform you that even though we suffered from COVID-19 in 2021, this is another truly exceptional year for Hattha Bank to prove our stable growth and strong position in the market. It was difficult to predict at the start of 2021 how the year would turn out, considering the prevailing uncertainties in Cambodia and the global economy, but as a result of the great efforts of our management team and all our employees, especially the strong support from our customers, National Bank of Cambodia (NBC), all level of authorities and all our stakeholders, Hattha Bank continues to go from strength to strength. At the same time, I would like to thank you very much for all of your ongoing efforts and support in paving the way for our gorgeous milestones in the past, at present, and in the future.

BUILDING A BRIGHT FUTURE TOGETHER!

Date: 7-May-2022

Signature

Mr. Dan HARSONO

Chairman

MESSAGE FROM PRESIDENT & CEO



Hattha Bank Plc. continues to grow successfully every year after becoming a commercial bank in 2020 despite the spread of Covid-19/Omicron. The greatest success of 2021 was the right defined operation plan, information technology support, the efforts of staff at all levels, the high level of trust from customers, and business partners, the full support of the Bank of Ayudhya (Krungsri) as a parent company, and trust with support from the National Bank of Cambodia.

The growth of Cambodia's economy was threatened by the widespread transmission of COVID-19/Omicron while customers were also facing the same challenges in running their businesses. However, Hattha Bank has a very strong commitment to helping boost Cambodia's economic growth and dealing with the challenge faced by customers by providing flexible and transparent financial support according to the National Bank of Cambodia's instructions and guidelines. Hattha Bank has conducted detailed

assessments on the impact of Covid-19/Omicron on its customers and many loans have been approved for restructuring base on their case flow and bussines needs.

Even though we had big challenges due to the pandemic, Hattha Bank continued to achieve excellent results in 2021 through its accurate strategic plan and right implementation with the strong effort put into by our management and staff. As of December 31, 2021, Hattha Bank has a very satisfactory result regarding customer growth with a total of 179,141 borrowers with a loan balance of approximately USD 1,691 million, a total of 249,620 depositors with a deposit balance of approximately USD 1,028 million, 77,951 mobile banking customers, 69,913 ATM card customers with 137 ATMs and a total of 177 branches across 25 provinces/capital of the Kingdom of Cambodia to provide customer service.

2021 is noted as a remarkable year because Hattha Bank invested a huge amount of budget to upgrade its Core Banking System to the latest version in order to provide very convenient, flexible, and innovative financial services to serve customers' needs and wants. Hattha Bank also modernized its mobile banking services to be simpler, easier to use, and more attractive, and furthermore, we also launched a number of new services, including Thai-Cambodian Cross-Border Real-Time Money transfer Service, Hattha Mobile App's QR Payment Service in Thailand, Money Exchange, and soft launch of the Smart Teller Machine (STM). On top of that, with the new Core Banking System, many other non-digital products and services have been renovated, and changes have been made to meet the market demand and compete, including credits, deposits, and other fee-based financial services. More importantly, Hattha bank has cooperated with many corporate entities as long-term strategic business partners in order to provide the best and one-stop services to customers.

On behalf of the management and staff at Hattha Bank and for myself as President and CEO, I would like to express my heartfelt

thanks to our customers, business partners, shareholders, creditors, investors, and the Board of Directors for your mutual trust, advice, and support to make the bank as successful as planned. Also, I would like to express my gratitude to the National Bank of Cambodia and other related authorities at all levels for always providing their full support to make the bank's dream come true. Last but not least, I would like to thank all management and staff at Hattha Bank for working very hard and being strongly committed to bringing this great achievement to Hattha Bank.

I believe that in 2022 we as management and staff at Hattha Bank at all levels promise and continue to bring more modern and innovative financial services to serve customers in all groups by providing the highest quality services, convenience, simplicity, and security. We still focus more on digital banking and financial services that are suitable for the new era. Moreover, Hattha Bank will focus on the capacity of human resources, building eco-system of banking, and enlarging our strategic partnerships to provide a full range of financial services to customers for building a bright future together.

Date: 7-May-2022

Signature



Oknha Ieng Tong HOUT

President & CEO

BOARD OF DIRECTORS



Mr. Dan HARSONO
Chairman

Mr. Dan is currently the Senior Advisor to Bank of Ayudhya PCL (Krungsri) and Advisor to MUFG Bank Ltd. With his extensive experience in business management and financial services, Dan was appointed for significant decision-making positions, including Chief Marketing Officer, Head of Marketing and Cross Sale, Head of Marketing and International Business Development, Head of Marketing and Branding, and Head of Retail and Consumer Banking before entering his current position. He graduated with a Master's degree in Finance and Marketing from Indiana University in Bloomington, Indiana. In addition to his bachelor's degree with honors in Electrical Engineering and Biomedical Engineering from the University of Southern California in Los Angeles, California.

Oknha Ieng Tong was a co-founder of Hattha Bank in 1994 and has represented the institution since then. With a broad range of experience in microfinance, he is an outstanding performer in both financial and non-financial management. Besides graduating with a bachelor's degree in Agriculture in 1991, he completed his master's Degree in Business Administration at Build Bright University. In addition, he has participated in many microfinance-related workshops in the USA, Philippines, Indonesia, France, Germany, and many other countries.



Oknha Ieng Tong HOUT
Director



Mr. Wanchairabin JITWATTANATAM
Director

Mr. Wanchairabin joined Hattha Bank in November 2016. He has brought in diverse professional experiences across banking, management consulting, and engineering industries for more than 21 years, primarily with Bank of Ayudhya (Krungsri), GE Capital, and AT Kearney. Prior to joining Hattha Bank, Wanchairabin held a leadership position as Head of AEC Strategy in Krungsri where he managed the bank's regional expansion and M&A in the Mekong region. With a combined experience in banking and management consulting in South East Asia, he led several high-impact strategy and growth initiatives across market segments and business areas, which include corporate strategy, product/ channel development, telemarketing enhancement, and process re-engineering, and new sales/service model establishment. Wanchairabin holds an MBA from Melbourne Business School in Australia and a Bachelor of Engineering from Chulalongkorn University in Thailand.



**Mr. Chandrashekar SUBRAMANIAN
KRISHOOLNDMANGALAM**
Director

Mr. Chandrashekar (Chandra) was appointed as Chief Risk Officer of Bank of Ayudya (Krungsri) in January 2007. He is currently a member of the risk management committee, EXCOM, and ALCO. Prior to joining Krungsri, Chandra worked as Chief Risk Officer at GE Money India, managing all retail products including mortgages, personal loans, car loans, and credit cards. Chandra completed his master's degree in Commerceat Mumbai University in 1985.



Ms. Duangdao WONGPANITKRIT
Director

Ms. Duangdao was appointed as Chief Financial Officer (CFO) of Bank of Ayudhya (Krungsri) on January 01, 2013. She earned her bachelor's degree in Business Administration in Financial Accounting from Thammasart University and an MBA from Chulalongkorn University in Thailand. She is a certified public accountant (CPA Thailand). Duangdao has gained solid working experience in financial management at various companies including KPMG, Star Petroleum Refinery, GE Capital, and Standard Chartered Bank before joining Krungsri. She is also a director of the Bank of Ayudhya (Krungsri).

Mr. Pairote was appointed as Chief Strategy Officer of Bank of Ayudhaya PCL (Krungsri) on 1st January 2020 and as MUFU Executive Officer in May 2020. Prior to this, he was Head of Krungsri Auto Group. Being recognized locally and internationally, his extensive experience spans over 25 years of consumer finance and management at Krungsri Auto, GE Capital Auto Lease Plc., and GE Money (Thailand). He graduated with a bachelor's degree in Accounting from Bangkok University, Thailand, and MBA from Oklahoma City University, USA.



Mr. Pairote CHEUNKRUT
Director



Mr. Hay LONH
Independent Director

Mr. Hay is a retired governmental official with more than 25 years' experience working with the National Bank of Cambodia, the Central Bank. He worked in various departments and was exposed to international and regional financial activities, giving him a wide range of experience. He held the position of Deputy Director-General and Advisor to the Governor at NBC before his retirement.

Mr. Sereivathana is a financial sector specialist and investment adviser with over 20 years of experience in financial sector development and project financing. Vathana's experiences include leading the Axis Investment Consulting team to develop and carry out consulting work for businesses and development agencies in Cambodia and being involved in bank lending, a funding strategy for the financial sector, and financial infrastructure as part of his work in the World Bank Group. Vathana obtained a BA in economics from the National University of Management (formerly the Institute of Economics) and a master's degree in Financial Management from Central Queensland University in Australia.



Mr. Sereivathana PAK
Independent Director



Dr. Davuth DY
Independent Director

With a Ph.D. in Banking and Finance (Distance Learning from the USA), a master's degree in Business Administration from Malaysia, and a bachelor's degree in Business Administration from Cambodia, Dr. Davuth has not only gained relevant theoretical knowledge but also valuable international exposure. Currently, Dr. Davuth works for Build Bright University as Senior Vice President. He has been working for more than 15 years at the university. He has done several research activities as Associate Professor at the Build Bright University, and he is also a member of the Doctoral Evaluation Committee of the University. He is also one of the members of the Editorial Board of the International Journal of Business and Development Research (IJBDR). He has numerous publications on finance and education and presented at many international conferences dealing with the issues in the financial and educational sectors in Cambodia. He has a very deep understanding of the subject related to finance and education.

In addition, he has experience of more than 20 years at the management and board level at a Leading Bank/MFI in Cambodia. His consultancy experience includes the work for the ADB and KFW as a financial expert, and for the EU program as a curriculum specialist. For the World Bank's project, he worked as deputy team leader for the Financial Management Improvement Plan with the Ministry of Health, a rural business specialist in the project Rural Energy Development Programme, and sub-project manager and curriculum specialist for research on industry-based curriculum.

BOARD OF DIRECTORS' MEETING

1- BOARD AUDIT COMMITTEE

NO.	NAME	TITLE	DATE APPOINTED	NUMBER OF MEETING ATTENDED	NUMBER OF TOTAL MEETING
1	Dr. Davuth DY	Chairman	28 Jun 17	13	13
2	Ms. Duangdao WONGPANITKRIT	Director	12 Sep 16	9	13
3	Mr. Hay LONH	Director	28 Jun 17	13	13

ACHIEVEMENT IN 2021

- Reviewed the amendment of business function risk assessment in the Internal Audit Manual
- Reviewed annual internal audit strategy and operational audit plan of 2021
- Recommendation for selection of external auditor for 2021
- Reviewed Hattha Bank's interim financial statement for the three-month and twelve-month period ended 31 December 2020 reviewed by KPMG
- Reviewed branch audit reports and head office audit reports on a monthly basis
- Reviewed internal audit assurance reports on a quarterly basis
- Approved annual internal control report 2020 for submission to NBC
- Approved audited financial statement for the year ended on 31 December 2020 and submission of audited financial statements and financial performance analysis to Bank of Thailand.
- Reviewed quarterly credit review report for 2021
- Reviewed quarterly internal audit assurance report for 2021
- Approved the revised Audit Board Committee Charter, Internal Audit Charter, Internal Audit and Credit Review Policy, Internal Audit Manual, and Issue Validation Manual
- Approved 2020 annual report
- Recommendation for appointment of the external auditor for FY 2022 (Deloitte)
- Approved revised Internal Audit Manuals for 1) Assurance Activity, 2) Consulting Activity, 3) Ongoing Monitoring Activity, 4) Quality Audit Review, and 5) Follow up and Issue Validation
- Follow up on the update on Audit Management System

2- REMUNERATION AND NOMINATION BOARD COMMITTEE

NO.	NAME	TITLE	DATE APPOINTED	NUMBER OF MEETING ATTENDED	NUMBER OF TOTAL MEETING
1	Mr. Hay LONH	Chairman	28 Jun 17	12	12
2	Mr. Dan HARSONO	Director	12 Sep 16	12	12
3	Oknha Ieng Tong HOUT	Director	12 Sep 16	12	12

ACHIEVEMENT IN 2021

- Reviewed the withdrawal from membership of the Cambodia Microfinance Association
- Approved the revised organizational chart 2021
- Approved the appointment of Head of Japanese Desk
- Approved the appointment of Mr. Duong Chansovichea as EVP and Chief Business Officer
- Approved the appointment of Mr. Leang Siebh as acting EVP and Chief Sale and Distribution Officer
- Approved Revised Performance Management Policy
- Approved Hattha Bank Plc.'s 2022 organizational chart
- Approved Revised Compensation and Benefits Policy
- Approved 2022 Hattha Bank's bonus and merit increase proposal

3- ASSETS AND LIABILITIES AND RISK BOARD COMMITTEE

NO.	NAME	TITLE	DATE APPOINTED	NUMBER OF MEETING ATTENDED	NUMBER OF TOTAL MEETING
1	Mr. Sereivathana PAK	Chairman	26 Apr 19	12	12
2	Ms. Duangdao WONGPANITKRI	Director	12 Sep 16	10	12
3	Mr. Chandrashekar SUBRAMANIAN KRISHOOLNDMANGALAM	Director	12 Sep 16	11	12
4	Mr. Pairote Cheunkrut	Director	18 Mar 21	5	12

ACHIEVEMENT IN 2021

- Reviewed the proposal on credit application scorecard model development
- Approved the limit of Key Risk Indicator wide company for 2021
- Approved revising credit risk limit for 2021
- Approved limit of Value at Risk (VaR) and Stop Loss for FX risk
- Approved 3-year business plan for submission to NBC
- Approved Revised Anti-money laundering and Combating Financial Terrorism (AML/CFT) Policy and Procedure
- Approved 2021 KPIs of Chief Risk Officer (CRO)
- Approved limit of Net Stable Funding Ratio
- Approved revised Procedure on Real Estate Value Standard
- Approved policy and program for Anti-Bribery and corruption and G&E procedure
- Approved the reviewed Credit Risk Management Policy
- Approved Revised Facility Classification and Provision Policy
- Approved Revised Debt Restructuring Policy
- Approved Revised Credit Policy and Management Credit Committee charter
- Approved Revised Market Risk and Liquidity Risk Management Policy
- Approved 2021 semi-annual risk self-assessment on market and liquidity risk
- Approved quarterly behavioral assumption on liquidity gap
- Approved the quarterly stress testing for liquidity gap
- Approved Group Governance Policy (Version II)
- Approved the proposal for corporate bond issuance in Thailand
- Approved IFRS 9 Impairment Model Development Results
- Approved IFRS 9 Impairment Model Validation Result and Overlay
- Approved Revised Policy on Model Risk Governance
- Approved Revised Procedure on Annual Credit Review for Risk Grading
- Approved Revised Procedure on Independent Credit Review
- Approved Revised Procedure on Calamities Program
- Approved Revised Environmental and Social Procedure and Policy
- Approved Revised Policy on Business Continuity Management (BCM)
- Approved Revised Procedure on Business Continuity Plan (BCP)
- Approved sharing customers' information with the parent company (Krungsri)
- Approved revised Impairment Policy
- Approved revised Operational Risk Management Policy
- Approved revised Operational Risk Incident Procedure
- Approved revised Risk and Control Self-Assessment Procedure

- Approved revised Fraud Risk Management Procedure and Policy
- Approved revised Outsourcing Policy
- Approval of revised Whistle-blowing Procedure and submission of monthly whistle-blowing report to Krungsri
- Approved 2021 KPIs for Head of Compliance (Ms. Srun Houng)
- Approved 2022 operational plan strategy
- Approval of additional provision per NBC and ECL overlay assessment
- Approved 2022 organization chart of Risk Division
- Approved annual compliance plan for 2022
- Approved Compliance Department structure in 2022

4- INFORMATION TECHNOLOGY BOARD COMMITTEE

NO.	NAME	TITLE	DATE APPOINTED	NUMBER OF MEETING ATTENDED	NUMBER OF TOTAL MEETING
1	Mr. Pairote Cheunkrut	Chairman	18 Mar 21	4	12
2	Mr. Wanchairabin JITWATTANATAM	Director	26 Apr 19	12	12
3	Dr. Davuth DY	Director	12 Sep 16	12	12

ACHIEVEMENT IN 2021

- Follow up IT project/initiative update
- Follow up on the report on the upgrade of the core banking system and ATM Switch
- Reviewed disaster recovery plan (DRP) test result report
- Reviewed Smart Branch Project Update
- Reviewed Corporate Internet Banking Project Update
- Approved Updated Policy on Enterprise Information Security
- Reviewed Update of IT Operational Dashboard
- Reviewed and approved IT strategy and budget
- Reviewed IT-related project implementation progress on a monthly basis
- Approved IT-related investment

5- CREDIT BOARD COMMITTEE

NO.	NAME	TITLE	DATE APPOINTED	NUMBER OF MEETING ATTENDED	NUMBER OF TOTAL MEETING
1	Mr. Chandrashekar SUBRAMANIAN KRISHOOLNDMANGALAM	Chairman	13 Sep 19	2	2
2	Mr. Hay LONH	Director	13 Sep 19	2	2
3	Oknha Ieng Tong HOUT	Director	13 Sep 19	2	2
4	Mr.Wanchairabin JITWATTANATAM	Director	26 Apr 19	2	2

ACHIEVEMENT IN 2021

Reviewed the lending approval authorities and performance of loans approved by Management Credit Committee and Board Credit Committee.

THE CHANGE OF DIRECTOR IN COMMITTEE

NO.	COMMITTEE	NAME	REASON
1	Audit Board	N/A	N/A
2	Remuneration and Nomination Board	N/A	N/A
3	ALCO and Risk Board	Mr. Pairote Cheunkrut	Ms. Voranuch Dejakaisaya (retired)
4	Information Technology Board	N/A	N/A
5	Credit Board	N/A	N/A

EXECUTIVE COMMITTEE MEMBERS



Oknha Ieng Tong HOUT
President & CEO

Oknha Ieng Tong was a co-founder of Hattha Bank in 1994 and has represented the institution since then. With a broad range of experience in microfinance, Oknha Ieng Tong is an outstanding performer in both financial and non-financial management. Besides graduating with a bachelor's degree in Agriculture in 1991, he completed his master's Degree in Business Administration at Build Bright University. In addition, he has participated in many microfinance-related workshops in the USA, Philippines, Indonesia, France, Germany, and many other countries.

Mr. Wanchairabin joined Hattha Bank in November 2016 as Deputy Chief Executive Officer. He has brought in diverse professional experiences across banking, management consulting, and engineering industries for more than 21 years, primarily with Bank of Ayudhya (Krungsri), GE Capital, and AT Kearney. Prior to joining Hattha Bank, Wanchairabin held a leadership position as Head of AEC Strategy in Krungsri where he managed the bank's regional expansion and M&A in the Mekong region. With a combined experience in banking and management consulting in South East Asia, he led several high-impact strategy and growth initiatives across market segments and business areas, which include corporate strategy, product/ channel development, telemarketing enhancement, and process re-engineering, and new sales/service model establishment. Wanchairabin holds an MBA from Melbourne Business School in Australia and a Bachelor of Engineering from Chulalongkorn University in Thailand.



Mr. Wanchairabin JITWATTANATAM
Deputy Chief Executive Officer



Ms. Vandith IM

EVP & Chief Operations and Administration Officer

Ms. Vandith joined Hattha Bank in 1995 as one of the very first groups of employees. Prior to joining Hattha Bank, she was working for UNTAC for the National Parliamentary Elections in Cambodia and American Relief Committee. She obtained a master's degree at Build Bright University in 2008, adding a specialization in Accounting. She has continued to enhance her knowledge through participating in microfinance and banking-related training programs and workshops conducted both within and outside the country.



Mr. Vol ROS

Chief Internal Audit Officer

Mr. Vol was appointed to be Chief Internal Audit Officer in 2015, after starting his career at Hattha Bank in 2008. He had more than 9 years of experience in the field of internal audit and branch management, and more than 11 years in managing internal audit functions. He earned his Master's degree from Preston University after being awarded a Bachelor's Degree in Management from the Maharishi Vedic University in 1998.



Mr. Chansovichea DUONG
EVP & Chief Business Officer

Mr. Chansovichea has joined Hattha Bank in 2017. He had been promoted to Chief of Sales and Distribution Division in August 2018 and has appointed to be Chief Business Officer in September 2021. Vichea has 21 years of working experience and more than 18 years of experience in the Banking and MDI sector starting from the credit officer position. Vichea obtained a master's degree in finance from the National University of Management in Phnom Penh and attended numerous training courses.

Mr. Chanborath was appointed as EVP & Chief Legal Officer and Company Secretary on April 2018. He joined Hattha Bank as VP & Head of Legal Department and Company Secretariat in 2011. He gained solid working experience in legal practice in banking, financing, and corporate secretary. Prior to joining Hattha Bank, he was seconded by a leading commercial bank to Lao PDR for setting up and running one commercial bank. Borath's education comprises Bachelor's and master's degrees in Private Law from the Royal University of Law and Economics.



Mr. Boranchanborath CHEN
EVP & Chief Legal Officer



Mr. Vibol HIM
EVP & Chief Finance Officer

Mr. Vibol joined Hattha Bank in Jun 2018 as EVP& Chief Finance Officer. With more than 19-year experience in the microfinance and banking sector, Vibol held many senior positions in audit, accounting, and finance; and he became Chief Finance Officer in one large microfinance institution. He also has hands-on experience in Core Banking System conversion projects. With an outstanding academic background, Vibol obtained Bachelor's degree in Economics in 2002 followed by his master's degree in Finance and Accounting in 2005. In 2017, he graduated with ACCA qualification and became a member of the Association of Chartered Certified Accountants (ACCA) UK in February 2018. In addition to that, he has attended many courses related to banks and microfinance at both national and international levels.

Mr. Lina was appointed as EVP & Chief Operation Officer in 2013, after starting his career at Hattha Bank in March 2005. He oversaw Hattha Bank's business operations, including credit & deposit operations and branch management. He was appointed as Chief Credit Underwriting Officer in 2018 for managing the critical functions including credit underwriting, late loan collection, and credit admin functions. Lina graduated from the National Institution of Management in 2003; and has also participated in numerous practical training programs conducted both locally and internationally, especially in the Philippines, Vietnam, and Luxembourg.



Mr. Lina TOUCH
EVP & Chief Credit Underwriting Officer



Mr. Siebh LEANG

EVP & Chief Sales and Distribution Officer

Mr. Siebh joined Hattha Bank in 2011 and was appointed to be EVP & Chief Sales and Distribution Officer in 2021. He has more than 17 years of experience working in commercial banks & microfinance responsible for Branch Effectiveness, Head Office Audit, Internal Audit Assurance, Financial Planning & Analysis, and Management Accounting. He has very strong analytical, interpersonal, and leadership skills. Siebh obtained his bachelor's degree in Mathematics and another bachelor's degree in Economic Development followed by a master's degree in Finance from NUM in 2009.



Mr. Souphoan SEM

EVP & Chief Human Resource Officer

Mr. Souphoan joined Hattha Bank as VP & Head of Human Resources Department in December 2010. He has 30 years of experience working in different sectors, including a twenty-year track record in human resource management, organization development, human resources planning, and leadership development. Souphoan holds a Master of Business Administration in Leadership Development from Eastern University, Philadelphia, the USA, and a Bachelor's Degree in Public Law from Norton University. He has been promoted to EVP & Chief Human Resource Officer in 2019.



Ms. Sokun CHHENG
EVP & Chief Risk Management Officer

Ms. Sokun joined Hattha Bank in 2015 and was appointed to be EVP & Chief Risk Management Officer in 2019. She has more than 16 years of experience working in the banking sector. She has participated in numerous training courses, including identifying risk in banking and microfinance, AML/CFT, business continuity plan (BCP) and disaster risk reduction management (DRRM), IFRS training, risk model, risk measurement and mitigation, financial lease, loan impairment assessment, trade finance, credit, marketing, and TESOL. She obtained a master's degree in Finance and Banking at NUM in 2011. She became a Certified Expert in Risk Management at the Frankfurt School of Finance and Management (Germany) in 2017.

Mr. Tithya joined Hattha Bank in September 2017 as VP & Sr. Director of IT Planning & Governance and was promoted to Chief IT Officer in June 2018. His role is to provide managerial oversight for technology strategic planning, project management, and technology governance for Hattha Bank. He also provides consultation and guidance to IT Division, develops strategic plans, provides project planning and oversight, and develops and manages the Enterprise Architecture practice. He has more than 16 years of experience in various international commercial banks as Head of IT and in Telecommunication Company as a software developer. He has extensive hands-on experience in handling system and server administration, core banking systems, various software applications, and information security, and has very good knowledge of IT governance and framework such as COBIT 5, ITIL v3, PMBOK, and currently are pursuing the professional security certifications such as CISSP, CRISC, CISM, CGEIT. He holds a Bachelor of Technology (Hons) in Information and Communication Technology from Unitisiti Teknologi PETRONAS (UTP), Malaysia.



Mr. Tithya YIM
EVP & Chief Information Technology Officer



Mr. Virakdara NOUN
EVP & Chief Digital Officer

Mr. Virakdara joined Hattha Bank as EVP and Chief Digital Officer in December 2020. He has more than 13 years of experience in technology, financial services, trade, distribution, and professional sectors, including holding leadership and executive levels in digital for financial technology, captive financing, supply chain, trades, distributions, and accounting/tax professional services in both Cambodia and SEA. Virakdara holds a Master of Business Administration from the Asian Institute of Technology, Bangkok, Thailand.

Ms. Houng joined Hattha Bank in August 2020 as Deputy Head of the Compliance Department and later is appointed as Head of Compliance Department in July 2021. Before joining Hattha Bank, she had 6 years of experience in compliance at microfinance institutions and commercial banks. She got certified in AML by ICA in 2018, UK. She graduated bachelor's degree in International Relations in English program at RULE in 2015. In addition, she had participated in numerous training courses such as regulation requirements, AML/CFT, and FATCA conducted by the local institutions and international institutions.



Ms. Houng SRUN
Head of Compliance Department (Observer)

KEY ACCOMPLISHMENT IN 2021



Hattha Bank is one of the leading banks in Cambodia, which has officially received a banking license from the National Bank of Cambodia and the Ministry of Commerce to operate as a commercial bank since August 2020.

After nearly 30 years of serving Cambodians, along with its clear vision and strong support from shareholders, we have recently reached another important milestone, which is the transformation from a microfinance deposit-taking institution (Hattha Kaksekar Limited: HKL) to a commercial bank (Hattha Bank) despite in the troubled circumstances arising from the COVID-19 pandemic.

To ensure sustainable growth and development, and in response to the pandemic, Hattha Bank has taken actions as follows:

- Actively continue providing loans to various sectors to support domestic business activities such as trading, agriculture, general services, construction, and retail consumption,

- Offer loan restructuring to support customers impacted by the pandemic especially customers in the sectors of hotels and guest houses, tourism, and garments/footwear,
- Follow the guidance of the National Bank of Cambodia to continue monitoring the pandemic and take any necessary action to protect the employees and clients and ensure the reliability and sustainability of the bank services,
- Enhance its digital service (Hattha Mobile) and work closely with the National Bank of Cambodia to enable cross-bank money transfer (Bakong System) to allow customers to do self-banking anywhere, anytime (24/7), more convenient and faster, without visiting bank branches.

As of December 31, 2021, our outstanding loans were at USD 1,691 million, representing 28 percent growth from 2020. Deposits showed strong growth at 30 percent from 2020 to reach USD 1,028 million.

Hattha Bank has continued to provide diversified financial services to business entities and individual customers nationwide. As a result, Hattha Bank has introduced and improved many financial services, including mobile banking service (Hattha Mobile), QR code payment in Thailand, cross border remittance, special account numbers, and waste disposal bill payment, in addition to its exceptional current services such as loan, deposit, local money transfer, ATM, payroll, interbank transfer, overdraft loan, current account, checking service, SME co-financing, and insurance referral service.

In accordance with its vision, “To be a highly admired bank and the customers’ preferred choice through our professional employees”, the key achievements of 2021 are highlighted as follows:

- The second-largest bank in terms of branches and distribution networks
- The fifth largest commercial banks in Cambodia in terms of lending portfolio
- Obtained the credit rating of BBB+ with a ‘Stable’ outlook for four consecutive years from TRIS Rating with an upgrade on Standalone Credit Profile to A-/Stable. TRIS Rating assigns the company rating of Hattha Bank at “BBB+”. The stand-alone rating reflects Hattha Bank’s strong market position and nationwide branch network in Cambodia, diverse customer base, and good risk management systems.
- Officially made contract signing ceremony and commenced the construction of the new head office of Hattha Bank Plc. The total construction area is more than 35,000 square meters, 22 floors, along Samdech Techo Sen Blvd.,
- Establish Thai Desk and Japan Desk to provide better services and innovative products for Thai and Japanese investors,
- Has successfully updated Core Banking System to the latest version in order to provide more flexibility for products and services for customers,
- Received funding from Norfund to expand its potential loan market to improve SMEs and the living standard of Cambodians,
- Offered various promotion programs on many products and services including deposit, mobile banking, special account numbers, cross-border remittance, and interbank transfer,
- Signed MoU with CS Agriculture Development Co., Ltd, to provide loans to all customers who are member of the company.
- Signed MoU with Forte Insurance (Cambodia) Plc., to refer new insurance services both fire insurance and auto insurance to Hattha Bank’s customer.
- Signed MoU with TrueMoney Co., Ltd, to offer very fast and convenient loan payment customer service to Hattha Bank customers.
- Signed MoU with Bill24 Co., Ltd, to provide very large pools of suppliers that Hattha Bank customers enjoy doing bill payments with, including many sectors such as internet, electricity, water supplier, finance, school, etc. via the bank app and ATM.
- To extend the scope of service with existing strategic business partners to provide more benefits to customers like Smile Hoppy Saving for deposit customers with Sovann Phum Life Insurance Co., Ltd, fund transfer with Wing Co., Ltd, and bill payment with Pi Pay Co., Ltd.

ENHANCE DIGITAL BANKING SERVICE



To uplift the bank's position in the digital banking business, we have put a lot of resources both monetary and human into investing in digital technology for developing and advancing digital products. The followings are some highlights of digital products and channels that offer in addition to loans and deposits products. While Hattha Mobile is serving retail customers, online banking is initiated to cater SME segment, and plan to go live in 2022.

HATTHA MOBILE

Hattha Bank provides the latest financial services which allow customers to perform their transactions through their mobile phones 24hr/7. Through Hattha Mobile, customers are now able to inquire about their balance inquiry, mini-statements, exchange rate, interest rate, loan inquiry, and loan payment reminders anywhere and anytime. In addition, our customers

can make further transactions such as within and inter-bank transfers, cash to ATM, mobile top-up, bill payment, loan repayment, and beyond. The following milestones we have achieved in 2021:

- New UX/UI enhancement in Hattha Mobile
- Inter-bank transfer via Bakong, enabling inter-bank transfers to more than 30 Bakong members
- Inter-bank transfer via FAST
- Bill24, enabling online bill payment with almost 200 billers
- KHQR Scan
- Enhanced Cash to ATM
- Cross-border remittance to Krungsri
- ThaiQR Payment, etc.

ATM SERVICE

Hattha Bank's high-tech ATMs offer a wide range of services throughout the country to facilitate daily financial transactions with ease at customers' nearest branch network. Customers can transact such as depositing, withdrawing, transferring money, exchanging money, mobile phone top-up, checking cash balances, checking summary statements, and financial transactions as needed with ATMs.

HATTHA SMART BANKING

Hattha Bank has put one more step in its digital transformation. Hattha Smart Banking introduces Smart Teller Machine (STM) to serve customers faster and more conveniently for self-account opening within minutes. Customers can now enjoy new digital technology and paperless and environmental-friendly process in the smart branch. In the current phase, Smart Teller Machine (STM) has enabled customers to open saving accounts, current accounts, term deposit accounts, and special account numbers by themselves with the support of the bank's staff.

PRODUCTS AND SERVICES

To contribute a desirable and positive impact on the Cambodia economy and become a better choice of financial needs, Hattha Bank provides various products and services to its corporate and MSMEs customers with the most appropriate terms and conditions and competitive benefits; we believe that through our exceptional financial products and services, it would be the true solutions of our customers' business moving toward sustainability.

Hattha Bank understands clearly that its growth is an absolute dependency on customers' success. Therefore, Hattha Bank is committed to providing its customers every moment they connect with the bank and use the bank's service with a smile, convenience, and trust. According to this, Hattha Bank offers many financial products to customers at all levels through its both digital platforms and physical branch offices nationwide.

CREDIT PRODUCTS



Hattha Bank has studied and analyzed every detail to understand the needs and wants of customers from various segments in order to develop the right and flexible credit products for them. With an experience of almost three decades and based on our analysts, Hattha Bank has created a wide range of credit products for all customers, starting from retail customers, SME customers, and corporate customers. With bank loans, customers can enjoy very flexible terms and conditions, very long loan duration, and flexible repayment modes based on customer/business cash flow at a very competitive interest rate. Please see the list of our credit products below:

- Business Loan
- SME Loan
- SME Co-Financing Scheme
- Agriculture Loan
- Cardkri Loan
- Special Loan
- Auto Loan
- First Choice Loan
- Consumption loan
- Home for Cash
- Personal Loan
- Home Improvement Loan
- Home Loan
- Khmer Student Loan

DEPOSIT PRODUCTS



Hattha Bank does understand that both retail and corporate customers do the transaction account to facilitate their daily business/personal finance operation. To facilitate customers' financial operation more effectively, the bank has created many savings account options with very flexible terms and conditions and at the same time provides a very competitive interest rate for customers. More interestingly, we have created one savings account class called HYSAs, which is very popular in the market because it is not provide only flexible conditions but also provide very the highest interest rate in the Kingdom of Cambodia.

In addition, the bank has also developed many fixed deposit

products for all customers—both retail and corporate customers who have a surplus of cash to deposit with our bank, and they can get more income for a better future. Please see the list of deposit products for both individual and corporate customers as below:

- Savings Account
- Current Account
- HYSAs Account
- Special Account Number
- High Income Deposit Account
- High Return Deposit Account

DIGITAL PRODUCTS



Hattha Bank has learned that the market momentum has changed from one day to another, and the need for bank service has also changed from traditional banking transactions to more digital banking transactions. The banking industry has invested a lot of money in order to renovate its products based on this market change. Not far different from the industry, Hattha Bank has also invested huge money to structure digital teams and invest in new modern technologies for building and renovating high-end digital finance services for customers. As a result,

we have fully succeeded in refreshing our three main digital financial products to be simple and modern, fast and convenient, and user-friendly with the highest security level. With our digital banking customers can perform countless non-financial and financial transaction like fund transfers, bill payments, phone top-up, cash to ATM, inter-bank transfer via Bakong to about 30 financial institutions, interbank transfer via FAST, cross-border transfer to bank partners in Thailand, etc.

OTHER PRODUCTS



Hattha Bank continue to develop new products and enhance existing products to provide customer with best and flexible term and condition. Some other products below is developed and revamped for better choice of customer and to facilitate

customer business transactions.

- Local money transfer (within/cross-bank)
- Cross-border remittance (transfer to Thailand)
- Payroll

ENHANCE CUSTOMER SERVICE



Customer service is the key to the success of all institutions. When customers decide to choose an institution as a long-term partner, it is truly because of the good quality of products/ services and satisfaction over customer service . Hattha Bank has prioritized and put great effort to provide the best experience to customers, which is in line with our vision “to be a highly admired bank and the preferred choice for customers through professional employees”. To make our commitment come to fruition, Hattha Bank has taken many actions as following.

Hattha Bank has dedicated staff in all 177 branches nationwide in order to provide the best customer service. Staff members are well-trained to provide warm welcome service and use their knowledge and experience to consult with customers in a professional way, on either financial or business matters. The right financial and business solutions will be proposed and offered to customers because the bank has treated them as long-term strategic partners. If customers succeed in their

business, it means that it is the success of the bank too.

To serve customers even better, besides our dedicated staff at branch offices, Hattha Bank has set up a call center team to assist and help customers with any issues or concerns. Customers can approach the bank call center team every day (7-days a week) from 6.00 AM to 10.00 PM via many channels like the website, social media, and telephone numbers (023 999 266 or 1800 212 222 [toll-free]).

More importantly, to ensure quality service delivery for customers, Hattha Bank has taken a few steps: i). Be committed to installing a QMS system in all branches countrywide for controlling the services performance counter staff, especially on the run-around time of each transaction to see whether they meet the standards as stated in procedure or not. ii). Deploy many channels for customers to raise their concerns, issues, or problems they have during their transaction with staff or channels such as

ATM, Hattha Mobile, and Smart Teller Machine. Customers can file their complaints via call center, social media, website, or suggestion box at all branches. Hattha Bank will provide a good, reasonable, and acceptable solution to them. iii). Conduct a regular survey for evaluating the service performance performed by Hattha Bank every year. This survey also explores the satisfaction and dissatisfaction experience of the bank customers to improve customer service as well. iv). Customer service competition

among all the branches also indicates that the bank has worked on customer service improvements.

We believe that through our efforts to deliver these values along with our integrity in the business, our customers will remember us more clearly and will continue to share their experience of success and growth with Hattha Bank with their relatives and people surrounding them as per said in our slogan "Building a bright future together".

HUMAN RESOURCE MANAGEMENT



Aligning with the company's business direction, Human Resources Service is grooming Hattha Bank to become the "Employer of Choice" with the main objective to offer a desirable working environment with great employee care, wellbeing, and opportunity for career development. Significant initiatives and programs have been put in place including Employer Branding, Total Rewards Competitiveness, Employee Experience, Cultural Integration, High Performance Organization, HR productivity, as well as up-skilling and re-skilling current workforces toward future in-demand skills. As a result of 2021, Hattha Bank has 5,376 employees; newly recruited staff members reached 1,185 while the turnover rate was as low as 10.17% among the lowest in the industry.

In addition, enhancing the customer experience is one of the bank's strategies to achieve our vision and mission.

Besides renovating our products and services, staff knowledge and capacities in both soft and hard skills are more than important. It is required that the bank put effort and resources to get them well trained and coached to be professional in serving customers. To make it happen, Hattha Bank has applied many training strategies such as classroom training, distance or E-learning, introducing self-study, online training, etc. Plus, we have also provided knowledge of know-how via on-the-job training, orientation, foundation training, and coaching and mentoring. As a result, in 2021 more than 98% of the bank's regular staff members attended training if compared to an initial expectation of 85%. Interestingly, we planned to require individual staff to join training for at least 6 days, but the actual result was that they joined training for more than 10 days. This achievement would be a great mark for the bank.

THE SPIRIT AND THE LETTER



The Spirit & The Letter is an important code of conduct that requires all Hattha Bank employees to adhere to and operate responsibly in accordance with business ethical standards. Hattha Bank and all employees strive to abide by the law and adhere to the spirit of integrity.

All activities of the employee can affect the reputation of Hattha Bank. At all times, Hattha Bank conducts its business activities in accordance with The Spirit & The Letter to ensure the integrity of our business and to maintain honesty, strengthen compliance and avoid abuse.

The purpose of The Spirit & The Letter is to serve as a reminder and to comply with the code of conduct which must be respected by all Hattha Bank employees at all times. All employees must be committed to the success of the work, even if it takes time and effort. Employee commitment is valued, supported, and encouraged to achieve employee goals and objectives.

The activities of the high commitment are defined as follows:

- Cultivate the love of Hattha Bank
- Work hard at assigned roles and tasks
- Do not hesitate to respond and participate in any activities organized by Hattha Bank
- Demonstrate the ability to perform the work
- Knowledge and skills improvement

Moreover, Hattha Bank staffs have to comply with ethics including:

- Obey the laws and regulations that govern our business
- Be honest, equitable, and reliable in all your activities and relationships for Hattha Bank
- Avoid conflicts of interest between work and personal affairs
- Creating an equal working environment for all members of Hattha Bank
- Strive to establish safety in the workplace and participate in environmental protection
- Through leadership at all levels, maintain a culture where ethical practices are recognized, valued, and exemplified by staff

The staff must always adhere to the Code of Ethics while working at Hattha Bank. Notices have been issued to all staff to adhere to these codes of practice. Management is responsible for observing and ensuring the implementation of employee ethics. Violators of this code are subject to sanctions, including termination of employment.

Each year, all employees under the Krungsri Financial Business Group will be asked to agree to an understanding of the code and must adhere to this Code of Ethics and other policies and also raise concerns about violations of law or conduct or policies to the management or Ombudsperson or compliance department or legal department. The Code of Ethics, as it is laid out, is not comprehensive, and it is the job of all staff from all levels to judge the right course of action under certain circumstances.



INTERNAL AUDIT



Hattha Bank has established the comprehensive policies, procedures, operational manuals, and internal control systems to align with the international practices that consist of Three Lines of Defense; the business, the compliance, and the internal audit, and provide training to operators for enhancing the understanding and implementation of risk management and control. Therefore, it is required that internal audit closely monitor and assess the adequacy and appropriateness of internal control systems, oversee the compliance with the law and regulations, risk management, and effectiveness of business operations.

Moreover, to align with and adapt to the new competition of market and digitalization, the internal audit of Hattha Bank has developed and regularly updated charters, policies, procedures, and operational manuals to ensure that the internal audit function operates smoothly and complies with the internal and international standards of internal auditing and practice in line with the Krungsri Internal Audit Group's practices. Besides this, the internal audit has set up the audit management system to automate auditing procedures, and add new efficiencies, standardization and operations through fully configurable reporting and workflow.

To achieve the Hattha Bank's goals, objectives, and business plan, the internal audit has prepared its annual audit strategies and operational audit plan to perform the audit execution at the branch offices and business function units/departments based on the result of risk assessment and as approved by the Audit Board Committee and Board of Directors. The annual audit strategies and operational audit plan are focused on the business operation, risk management, compliance, information technology function, and other products & services/projects to ensure that risk management, internal control, and governance processes, as designed and represented by the management, are adequate and functioning as intended. As a result of December 31, 2021, the internal audit achieved over 100% compared to the operational audit plan in 2021.

The internal audit is working and reporting independently and objectively in order to play its role effectively and add value to the Hattha Bank. The internal audit directly reports to the Audit Board Committee and the Board of Directors with an indirect report to Krungsri Internal Audit Group and administratively reports to the CEO.

RISK MANAGEMENT



Hattha Bank has improved and strengthened its risk management structure that facilitates strong management oversight and effective execution of risk management and control processes. This would put Hattha Bank very well in line with the risk management policies and procedures from Krungsri as well as international standards and best practices. The bank is also enhancing its capabilities in identifying, assessing, mitigating, and monitoring risks within acceptable levels of risk appetite.

Hattha Bank follows the international and the group's best practice of three lines of defense including i). the first line of defense (front line), ii). the second line of defense (risk management) iii). the third line of defense (internal audit).

RISK MANAGEMENT STRUCTURE

The Asset Liability and Risk Board Committee (ARBC) were formed to establish and oversee the risk management framework.

The Asset Liability and Risk Management Committee (ALRMC) is another committee at the management level overseeing the day-to-day risk management of Hattha Bank.

The Risk Management Division has two departments under its supervision: i). Credit and Market Risk Management Department, and ii). Operational Risk and Fraud Management Department.

Acting as a second line of defense with its independent function of risk management, the division reports directly to the ALCO and Risk Management Committee and the ALCO and Risk Board Committee. Various risk management policies were established and updated based on changes in market and regulation, and implemented firmly such as operational risk management policy, credit risk management policy, market and liquidity risk management policy, fraud risk management policy, business continuity management policy, outsourcing policy, credit policy, impairment policy, and model risk governance policy.

CREDIT RISK

Hattha Bank's credit risk is managed and regularly updated by various methodologies and tools such as credit risk management policy, credit underwriting criteria, credit approval authority, credit concentration limit, credit risk monitoring, credit risk grading and impairment, portfolio risk analytics, vintage analysis, delinquency analysis, loan migration analysis, and independent credit review to branches.

In 2021, Hattha Bank successfully developed the application scorecard, and the scoring has been used since June 2021 to assist in loan assessment and approval decisions of Micro, Small, Medium loans, and other credit products. Additionally, another credit model was also developed which is the expected credit loss modeling (PD, LDG, EAD, Forward Looking) for IFRS.

OPERATIONAL RISK

The impacts on Hattha Bank caused by any failure event by internal and external factors or outage/network downtime are managed by the operational risk management team. The teamwork to ensure those impacts are manageable and minimal. Hattha Bank regularly implements Risk Control Self Assessment (RSCA) and Key Risk Indicators (KRIs) compared to the set limits, operational risk incident reporting, BCP testing, and outsourcing assessment. The risk assessment is required for all products/service/process development or amendment to ensure that risk prevention and risk mitigation are in place.

MARKET RISK

The change of market parameter might bring impacts and make the bank lose, making it increase exposures in both on and off-balance-sheet, the trading book and/or banking book. Being aware of that, Hattha Bank regularly reviews and updates market and liquidity risk management policy and uses various tools in its implementation to meet the standards and best practices. Those tools include repricing gap, NII, and BVE analysis, FX net open position, Value at Risk, Backtesting, and FX stop loss.

LIQUIDITY RISK

Hattha Bank recognizes the importance of the regulations on liquidity risk management, which reflect the current market changes. Therefore, to manage liquidity risk Hattha Bank has in place a market and liquidity risk management policy, adequate risk measurement tools, liquidity monitoring, liquidity trend, liquidity behavior analysis, liquidity stress testing, core, and non-core deposit analysis, and net stable funding analysis. Hattha Bank so far maintains the Liquidity Coverage Ratio (LCR) as per NBC requirement and additionally set the internal buffer on the top of the regulator's requirement.

COMPLIANCE



The compliance function has a solid reporting line to Board Committee and is responsible for overseeing operations and monitoring compliance with laws, regulations, and internal policies and procedures throughout Hattha Bank, ensuring a high level of compliance with Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) requirements by developing the KYC/CDD principles in line with regulatory and group requirements. Hattha Bank has also adopted a policy for managing policies, procedures, and manuals. The Compliance department is responsible for monitoring and reviewing all policies, procedures, and manuals to ensure they are kept up to date and meet all relevant requirements of local regulations and group standards and contributes to the development and implementation of training programs and the inclusion of a compliance culture to employees from the beginning of their service at Hattha Bank as well as refresher training to the existing employee through the training on the spirit and the letter, conflicts of interest, anti-corruption and AML/CFT, whistleblowing, data privacy protection and compliance awareness message

to all staff. Regarding the compliance staff capacity development and the updating of regulations and groups, standard requirements have been provided to staff members through workshops, internal and external training, and an online e-learning platform.

Additionally, the compliance department is responsible for preparing monthly reports to the board committee, including overseeing the operations of the AML / CFT, training, and AML alerts monitoring, preparing and submitting reports on AML / CFT, and cash transaction reports and suspicious transaction report to Cambodia Financial Intelligent Unit. In addition, Compliance monitors on-site inspections, deficiencies, and non-compliance issue, the prudential financial ratios and other requirements from the National Bank of Cambodia and relevant regulators, and the lender's covenant ongoing basis, and alert the breach to management for attention as well as report to Board of Directors on such breach and actions taken by management.

More importantly, compliance assesses the level of regulatory and AML/CFT and FATCA compliance and oversees the implication of other relevant regulations and group requirements that impact Hattha Bank's business operations. Pending on complying with regulatory and AML/CFT and FATCA changes has to be monitored, disseminated, and updated to management and Board. Compliance also reports the findings and/or non-compliance issues observed during the ongoing monitoring and testing of the Bank's regulatory, activities and operations compliance to the Board.

Hattha Bank introduces a system for screening customer/business partner's information against data from DowJones and internal blacklist and monitoring customer transactions to strengthen our compliance with AML/CFT requirements, protect the Bank from being abused by ML/TF activities, and mitigate ML/TF risks that may be exposed from time to time through the relationship with the customers and business partners. Daily monitoring of customer transactions is drawn from core banking.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is one of the core missions of Hattha Bank's business to provide social benefits to the Cambodian people. More importantly, it is also a part of the development of the community, environment, and society. Therefore, Hattha Bank is committed to promoting its CSR project to its employees to understand the benefits and values of CSR activities and implement them through the four main pillars. Based on these four main pillars, in 2021 Hattha Bank and its employees organized the CSR activities as mentioned below:

Pillar 1. Creating sustainable value: Hattha Bank promoted environmentally friendly activity campaigns to increase the awareness, habit, and knowledge of its employees, customers, and the public through these campaigns such as plastic and electricity usage reduction and planting trees. Moreover, during the COVID-19 outbreak, Hattha Bank took swift action to promote and share all the preventive measures information to support the government to protect Cambodian people as well as to

share all the protective measures to its employees and customers regarding the COVID-19.

Pillar 2. Giving back to the community: To support the community, Hattha Bank and 3,703 employees organized 108 events including providing health & hygiene training, financial literacy education, donating the school material, food, COVID-19 medical protection (masks and hand sanitizers), and blood donation. Furthermore, Hattha Bank worked closely with the local authorities to ensure that our CSR activities have a significant impact on the people's health, and well-being, and more importantly, it supports the young students' education.

Pillar 3. Preserving the environment: Hattha Bank and 290 staff organized 10 activities to protect the environment such as planting trees, collecting rubbish, and cleaning the cities. Hattha Bank believes that these activities will improve our environment and atmosphere to be a better living place.

Pillar 4. Providing Financial Support: Hattha Bank donated 20,000 USD to support the National Bank of Cambodia's school building project (4 floors and 12 rooms). This building was built for the Reachbo Buddhist high school in Siem Reap Province. Meanwhile, Hattha Bank also created two fundraising programs to support the Buddhist religion, and 4,922 people fully participated and donated their own money to support and empower Buddhism. These donations clearly showed our belief and strong support to promote the Buddhism religion.

ENVIRONMENTAL PERFORMANCE INDICATORS

Hattha Bank has joined to protect the environment by motoring resource usage closely. The bank is committed to reducing the volume of resource usage from year to year by educating its staff members through slogans, deploying automation equipment, and recycling resources. As a result, the consumption in the year 2021 was well managed with a lower quantity per staff member in consumption as below:

NO.	EXPENDITURE	2019	2020	2021
1	Water (cube)	10.97	9.66	9.33
2	Paper (sheet)	7.14	6.25	5.62
3	Tissue (box)	4.69	4.63	4.53
4	Electricity (KW)	936.45	878.70	844.47
5	Oil (liter)	0.41	0.23	0.16
6	Fuel (liter)	8.67	5.03	3.21
7	Diesel (liter)	33.38	20.36	16.30

The Board of Directors (“BoD”) is pleased to present its report together with the audited consolidated financial statements of HATTHA Bank Plc. (“the Bank”) and its subsidiary (together referred to as “the Group”) and the separate financial statements of the Bank (collectively referred to as “the financial statements”) for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Bank is a commercial bank.

FINANCIAL RESULTS

The financial results of the Group and the Bank for the year ended 31 December 2021 were as follows:

THE GROUP	31 DECEMBER 2021		31 DECEMBER 2020	
	USD	KHR'000	USD	KHR'000
Profit before income tax	57,172,688	232,578,496	31,452,439	128,231,594
Income tax expense	(12,166,107)	(49,491,723)	(5,773,140)	(23,537,092)
Profit for the year	45,006,581	183,086,773	25,679,299	104,694,502

THE BANK	31 DECEMBER 2021		31 DECEMBER 2020	
	USD	KHR'000	USD	KHR'000
Profit before income tax	56,733,612	230,792,333	31,195,778	127,185,187
Income tax expense	(12,180,322)	(49,549,550)	(5,765,079)	(23,504,227)
Profit for the year	44,553,290	181,242,783	25,430,699	103,680,960

DIVIDENDS

No dividend was declared or paid and the BoD does not recommend any dividend to be paid for the year under audit (2020: nil).

SHARE CAPITAL

On 13 April 2021, the National Bank of Cambodia (“NBC”) approved the Bank’s request for increasing share capital by US\$25 million from US\$115 million to US\$140 million. The amendment of the Memorandum and Articles of Association was endorsed by the Ministry of Commerce (“MOC”) on 9 June 2021.

RESERVES AND PROVISIONS

There were no other movements to or from reserves and provisions during the year other than those disclosed in the financial statements.

WRITTEN OFF OF AND ALLOWANCE FOR FINANCIAL ASSETS

Before the financial statements were prepared, the BoD took reasonable steps to ascertain that actions had been taken in relation to the writing off of financial assets that have no reasonable expectations of recovering the contractual cash flows in their entirety or a portion thereof and making of allowance for expected credit losses on financial assets, and satisfied themselves that all known financial assets had been written off and adequate allowance for expected credit losses on financial assets have been made.

At the date of this report, the BoD is not aware of any circumstances which would render the amount written off, or the amount of allowance for expected credit losses on financial assets in the financial statements of the Group and the Bank, inadequate to any material extent.

ASSETS

Before the financial statements of the Group and the Bank were prepared, the BoD took reasonable steps to ensure that any assets, other than financial assets, which were unlikely to be realized in the ordinary course of business at their values as shown in the accounting records of the Group and the Bank had been written down to amounts which they might be expected to realize.

At the date of this report, the BoD is not aware of any circumstances, which would render the values attributable to the assets in the financial statements of the Group and the Bank misleading.

VALUATION METHODS

At the date of this report, the BoD is not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Group and the Bank misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Bank which has arisen since the end of the financial year which secures the liabilities of any other person except as disclosed in the financial statements; and
- (b) any contingent liability in respect of the Group and the Bank that has arisen since the end of the financial year other than in the ordinary course of its business operations.

No contingent or other liability of the Group and the Bank has become enforceable, or is likely to become enforceable with in the period of twelve months after the end of the financial year which, in the opinion of the BoD, will or may substantially affect the ability of the Group and the Bank to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the BoD is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and the Bank, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Bank for the year were not, in the opinion of the BoD, materially affected by any item, transaction or event of a material and unusual nature except for the outbreak of the Novel Coronavirus Covid-19 ("Covid-19").

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the BoD, to affect substantially the results of the operations of the Group and the Bank for the current financial year in which this report is made.

CORONAVIRUS AND IMPACT ON EXPECTED CREDIT LOSS

The expected credit loss ("ECL") was estimated based on a range of forecast economic conditions as at reporting date. *The Coronavirus (Covid-19) outbreak has spread across the globe, causing disruption to business and economic activity. The impact on GDP and other key indicators has been considered when determining the severity and likelihood of downside economic scenarios that are used to estimate ECL in which the calculation of the ECL in this current environment is subject to significant uncertainty. Management provides its best estimate on the possible outcomes of Covid-19 on the Group and the Bank, however, this estimate may move materially as events unfold.*

THE BOARD OF DIRECTORS

The members of the BoD holding office during the year and at the date of this report are:

- Mr. Dan Harsono, Chairperson, Senior Advisor of Krungsri
- Mr. Pairote Cheunkrut, Director, Chief Strategy Officer of Krungsri (effective from 9 June 2021)
- Mrs. Voranuch Dejakaisaya, Director, (retired on 9 June 2021)
- Ms. Duangdao Wongpanitkrit, Director, Chief Financial Officer of Krungsri
- Mr. Chandrashekar Subramanian Krishoolndmangalam, Director, Chief Risk Officer of Krungsri
- Mr. Wanchairabin Jitwattanatham, Director, Deputy Chief Executive Officer of HATTHA Bank Plc.
- Mr. Dy Davuth, Independent Director, Vice President of Build Bright University
- Mr. Lonh Hay, Independent Director
- Mr. Hout Ieng Tong, Director, President, and Chief Executive Officer of HATTHA Bank Plc.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement existed to which the Group and the Bank are parties with the objective of enabling Directors of the Group and the Bank to acquire benefits by means of the share purchase option.

Since the end of the previous financial year, no Director of the Group and the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the BoD as disclosed in the financial statements) by reason of a contract made by the Group and the Bank or a related corporation with a firm of which the Director is a member, or with a bank in which the Director has a substantial financial interest other than as disclosed in the financial statements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The BoD is responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Group and the Bank as at 31 December 2021, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the BoD is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with the requirements of Cambodian International Financial Reporting Standards ("CIFRSs"), or, if there have been any departures in the interests of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;

- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Group and the Bank will continue operations in the foreseeable future; and
- effectively control and direct the Group and the Bank and is involved in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The BoD confirms that the Group and the Bank have complied with the above requirements in preparing the financial statements.

STATEMENT OF THE BOARD OF DIRECTORS

The accompanying financial statements, together with the notes thereto as set out on pages 8 to 140 present fairly, in all material respects, the consolidated and unconsolidated financial positions of the Group and of the Bank as at 31 December 2021, and their consolidated and unconsolidated financial performance and cash flows for the year then ended in accordance with CIFRSs.

On behalf of the Board of Directors



Oknha Hout Ieng Tong
President and Chief Executive Officer

Phnom Penh, Kingdom of Cambodia
28 February 2022



BALANCE SHEET

THE BANK	31 DECEMBER 2020 CIFRS		31 DECEMBER 2021 CIFRS	
	USD	KHR'000	USD	KHR'000
Cash on hand	37,160,689	150,314,987	53,605,978	218,390,754
Balances with the NBC	135,341,678	547,457,088	222,244,286	905,423,221
Balances with other banks	41,656,629	168,501,064	36,358,121	148,122,985
Loans to customers	1,288,824,168	5,213,293,760	1,655,739,462	6,745,482,568
Investment securities	20,000	80,900	20,000	81,480
Investment in subsidiary	490	1,982	490	1,996
Derivatives held for risk management	242,274	979,998	21,421	87,269
Property and equipment	5,462,161	22,094,441	8,233,488	33,543,230
Right-of-use assets	21,706,157	87,801,405	21,038,360	85,710,279
Intangible assets	3,775,164	15,270,538	4,498,567	18,327,162
Deferred tax assets, net	7,976,643	32,265,521	8,249,769	33,609,559
Other assets	14,156,297	57,262,221	26,651,875	108,579,738
TOTAL ASSETS	1,556,322,350	6,295,323,905	2,036,661,817	8,297,360,241

LIABILITIES AND EQUITY

LIABILITIES	31 DECEMBER 2020 CIFRS		31 DECEMBER 2021 CIFRS	
	USD	KHR'000	USD	KHR'000
Deposits from customers and financial institutions	804,484,026	3,254,137,885	1,040,432,277	4,238,721,096
Debt securities issued	29,767,039	120,407,673	-	-
Borrowings	402,208,119	1,626,931,841	558,563,432	2,275,587,422
Subordinated debts	11,895,729	48,118,224	44,106,167	179,688,524
Derivatives held for risk management	7,283,277	29,460,855	2,510,693	10,228,563
Current income tax liabilities	8,472,025	34,269,341	12,856,311	52,376,611
Lease liabilities	22,833,647	92,362,102	22,725,395	92,583,259
Provisions	77,369	312,958	11,596	47,242
Other liabilities	9,904,708	40,064,544	23,094,527	94,087,103
TOTAL LIABILITIES	1,296,925,939	5,246,065,423	1,704,300,398	6,943,319,820
EQUITY				
Share capital	115,000,000	465,175,000	140,000,000	570,360,000
Share premium	19,082,502	77,188,721	19,082,502	77,742,113
Reserves	-1,968,634	-6,385,180	14,830,872	64,887,106
Non-distributable reserve	30,000,000	121,350,000	50,000,000	203,700,000
Retained earnings	97,282,543	391,929,941	108,448,045	437,351,202
TOTAL EQUITY	259,396,411	1,049,258,482	332,361,419	1,354,040,421
TOTAL LIABILITIES AND EQUITY	1,556,322,350	6,295,323,905	2,036,661,817	8,297,360,241

INCOME STATEMENT

	YEAR ENDED 31 DECEMBER 2020 CIFRS		YEAR ENDED 31 DECEMBER 2021 CIFRS	
	USD	KHR'000	USD	KHR'000
Interest income	173,550,241	707,564,333	216,772,100	881,828,903
Interest expense	-72,407,610	-295,205,826	-88,905,833	-361,668,929
Net interest income	101,142,631	412,358,507	127,866,267	520,159,974
Fee and commission income	5,686,130	23,182,352	7,716,353	31,390,124
Fee and commission expense	-713,035	-2,907,044	-1,028,991	-4,185,935
Net fee and commission income	4,973,095	20,275,308	6,687,362	27,204,189
Net losses from other financial instruments at FVTPL	-520,680	-2,122,812	-526,143	-2,140,350
Other income	319,080	1,300,889	302,720	1,231,465
Net impairment losses on financial instruments	-20,028,862	-81,657,670	-4,766,060	-19,388,332
Personnel expenses	-39,944,710	-162,854,583	-47,877,616	-194,766,142
Depreciation and amortisation	-5,374,346	-21,911,209	-6,163,657	-25,073,757
Other expenses	-9,370,430	-38,203,243	-18,789,261	-76,434,714
Profit before income tax	31,195,778	127,185,187	56,733,612	230,792,333
Income tax expense	-5,765,079	-23,504,227	-12,180,322	-49,549,550
Profit for the year	25,430,699	103,680,960	44,553,290	181,242,783
Other comprehensive income/(loss)	-4,403,785	-16,235,365	3,411,718	18,365,472
Total comprehensive income for the year	21,026,914	87,445,595	47,965,008	199,608,255

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM	RESERVES	NON- DISTRIBUTABLE RESERVE	SHARE CAPITAL	SHARE PREMIUM
	USD	USD	USD	USD	USD	USD
At 1 January 2020	75,000,000	19,082,502	8,818,392	-	95,468,603	198,369,497
Issuance of share capital	40,000,000	-	-	-	-	40,000,000
Profit for the year	-	-	-	-	25,430,699	25,430,699
Other comprehensive loss	-	-	-4,403,785	-	-	-4,403,785
Total comprehensive (loss)/income for the year	-	-	-4,403,785	-	25,430,699	21,026,914
Transfers	-	-	-6,383,241	30,000,000	-23,616,759	-
At 31 December 2020	115,000,000	19,082,502	-1,968,634	30,000,000	97,282,543	259,396,411
In KHR'000 equivalents	465,175,000	77,188,721	-6,385,180	121,350,000	391,929,941	1,049,258,482
At 1 January 2021	115,000,000	19,082,502	-1,968,634	30,000,000	97,282,543	259,396,411
Issuance of share capital	25,000,000	-	-	-	-	25,000,000
Profit for the year	-	-	-	-	44,553,290	44,553,290
Other comprehensive income	-	-	3,411,718	-	-	3,411,718
Total comprehensive income for the year	-	-	3,411,718	-	44,553,290	47,965,008
Transfers	-	-	13,387,788	20,000,000	-33,387,788	-
At 31 December 2021	140,000,000	19,082,502	14,830,872	50,000,000	108,448,045	332,361,419
In KHR'000 equivalents	570,360,000	77,742,113	64,887,106	203,700,000	437,351,202	1,354,040,421

STATEMENT OF CASH FLOWS

Statement of Cashflows (1 of 2)

	YEAR ENDED 31 DECEMBER 2020 CIFRS		YEAR ENDED 31 DECEMBER 2021 CIFRS	
	USD	KHR'000	USD	KHR'000
Cash flows from operating activities				
Profit before income tax	31,195,778	127,185,187	56,733,612	230,792,333
Adjustments for:				
Net interest income	-101,142,631	-412,358,507	-127,866,267	-520,159,974
Net losses from other financial instruments at FVTPL	520,680	2,122,812	526,143	2,140,350
Dividends on equity securities at FVOCI	-	-	-15,577	-63,366
Net impairment losses on financial instruments	20,028,862	81,657,670	4,766,060	19,388,332
Depreciation and amortisation	5,374,346	21,911,209	6,163,657	25,073,757
Provision for employee benefits	1,498,174	6,108,055	1,815,546	7,385,641
(Gains)/Losses on disposals of property and equipment	3,783	15,423	-260	-1,058
Written-off of property and equipment and intangible asset	6,600	26,908	94,701	385,244
Effect of currency translation of monetary items	1,138,169	4,640,315	-4,461,439	-18,149,134
Total Cash flow from operating activities	-41,376,239	-168,690,928	-62,243,824	-253,207,875
Changes in:				
Balances with the NBC	-33,447,996	-136,367,480	-4,336,988	-17,642,867
Balances with other banks	-29,450,000	-120,067,650	-304,513	-1,238,759
Loans to customers	-273,853,395	-1,116,500,291	-371,196,243	-1,510,026,317
Other assets	15,092,039	61,530,243	-4,286,836	-17,438,849
Deposits from customers and financial institutions	191,825,328	782,071,862	233,948,213	951,701,330
Other liabilities	-38,274,552	-156,045,349	13,189,819	53,656,184
Cash used in operations	-209,484,815	-854,069,593	-195,230,372	-794,197,153
Interest received	172,275,485	702,367,152	213,361,420	867,954,257
Interest paid	-68,523,586	-279,370,660	-86,746,466	-352,884,624
Income tax paid	-2,898,965	-11,819,080	-8,922,342	-36,296,087
Net cash used in operating activities	-108,631,881	-442,892,181	-77,537,760	-315,423,607

Statement of Cashflows (2 of 2)

	YEAR ENDED 31 DECEMBER 2020 CIFRS		YEAR ENDED 31 DECEMBER 2021 CIFRS	
	USD	KHR'000	USD	KHR'000
Cash flows from investing activities				
Purchases of property and equipment	-3,237,889	-13,200,873	-4,946,287	-20,121,496
Purchases of intangible assets	-1,783,371	-7,270,804	-1,381,020	-5,617,989
Placement of capital guarantee	-4,000,000	-16,308,000	-2,500,000	-10,170,000
Prepayment of building construction	-	-	-7,061,522	-28,726,271
Proceeds from disposal of property and equipment	1,988	8,105	1,736	7,062
Dividend received	-	-	15,577	63,366
Net cash used in investing activities	-9,019,272	-36,771,572	-15,871,516	-64,565,328
Cash flows from financing activities				
Proceeds from borrowings	305,700,896	1,246,342,553	336,316,042	1,368,133,659
Proceeds from subordinated debts	7,000,000	28,539,000	35,000,000	142,380,000
Repayments of borrowings	-216,483,947	-882,605,052	-175,805,653	-715,177,396
Repayments of subordinated debts	-7,000,000	-28,539,000	-2,000,000	-8,136,000
Repayments of debt securities issuance	-	-	-29,666,255	-120,682,325
Principal elements of lease payments	-3,979,231	-16,223,325	-4,579,644	-18,629,992
Issuance of share capital	40,000,000	163,080,000	25,000,000	101,700,000
Net cash generated from financing activities	125,237,718	510,594,176	184,264,490	749,587,946
Net increase in cash and cash equivalents	7,586,565	30,930,423	90,855,214	369,599,011
Cash and cash equivalents at the beginning of the year	78,700,630	320,705,067	86,287,195	349,031,704
Currency translation differences	-	-2,603,786	-	3,047,459
Cash and cash equivalents at the end of the year	86,287,195	349,031,704	177,142,409	721,678,174



THREE-YEAR FINANCIAL SUMMARY

KEY FINANCIAL INDICATORS	2019	2020	2021
Solvency ratio	21.5%	18.2%	21.0%
Debt to equity ratio	518%	507%	517%
Liquidity Coverage Ratio	113.9%	131.0%	164.3%
Non-performing loans ratio ^{1/}	0.30%	1.31%	1.45%
Loan to deposit ratio ^{2/}	175.4%	166.9%	164.4%
ROAA	2.98%	1.83%	2.48%
ROAE	17.62%	11.21%	15.19%
Interest Coverage ratio	160%	144%	164%

1/NBC Definition

2/Contractual Balance





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