

Annual Report 2022



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



Corporate Annual Report for 2022
A year full of success





Welcome to our Annual Report 2022

Hattha Bank Annual Report 2022

www.hatthabank.com
info@hatthabank.com



2022

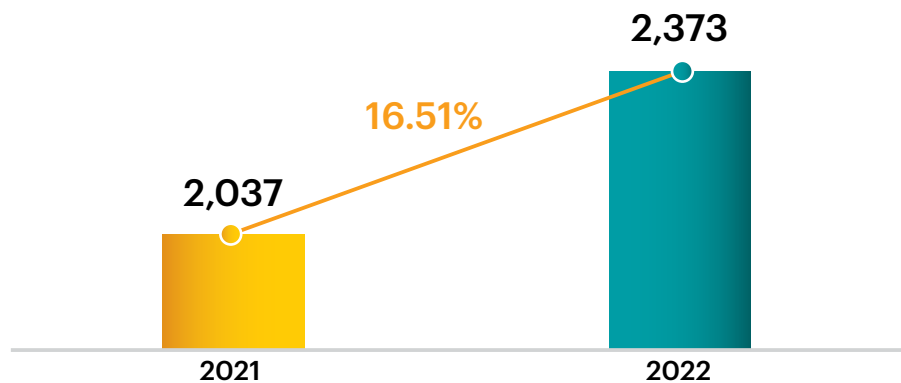
Annual Report

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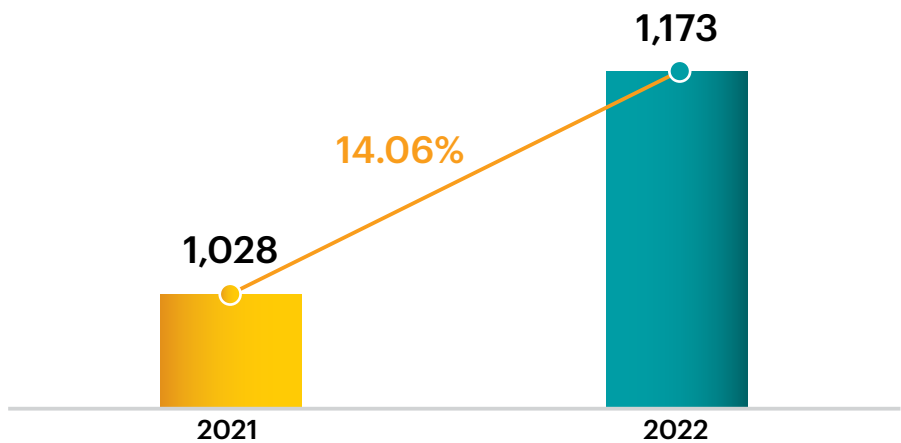
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SNAPSHOT 2022

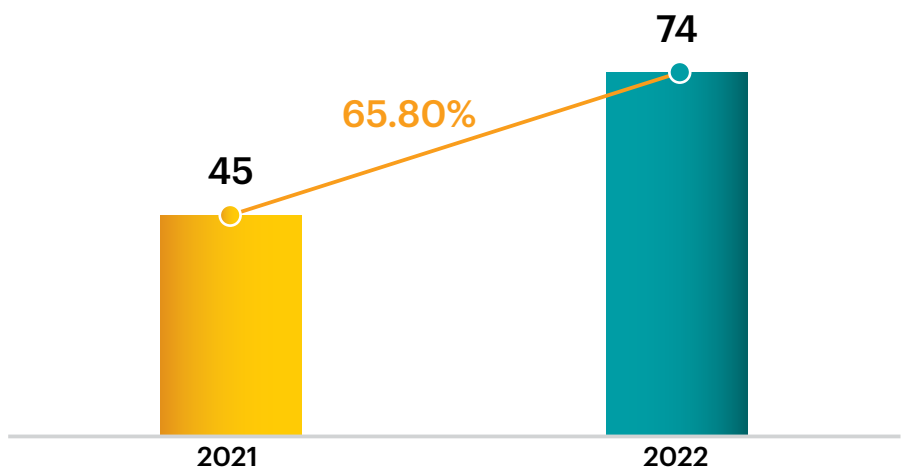
ASSETS (In USD Million)



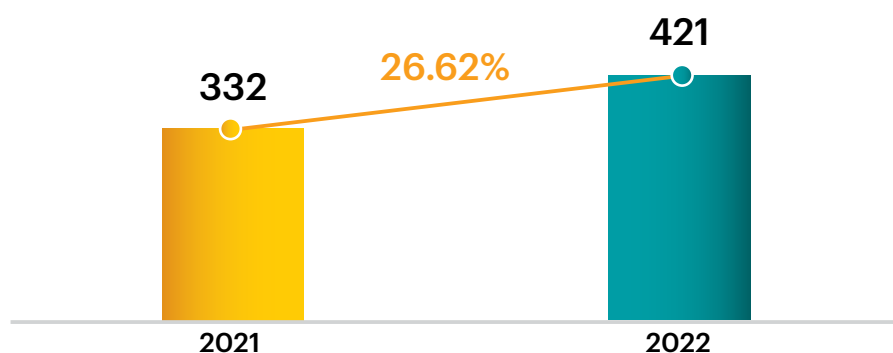
DEPOSITS (In USD Million)



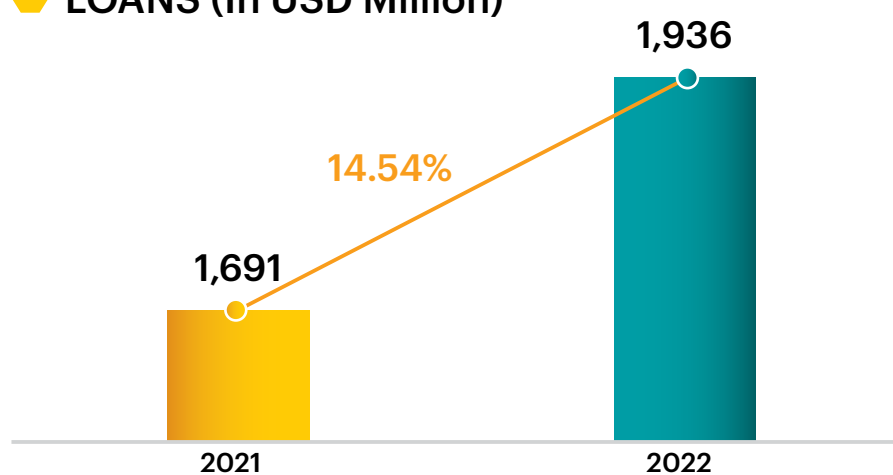
NET PROFIT (In USD Million)



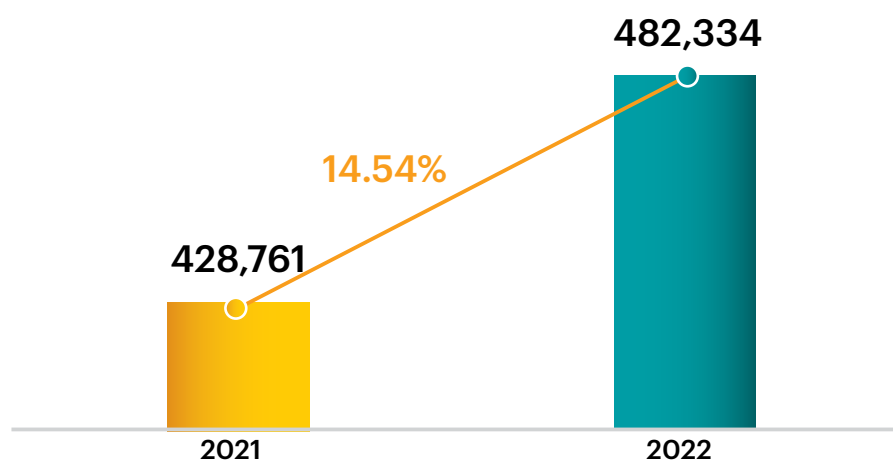
◆ SHAREHOLDERS' EQUITY (In USD Million)



◆ LOANS (In USD Million)



◆ NUMBER OF BORROWERS & DEPOSITORS



A. OPERATIONAL HIGHLIGHTS

LOAN PORTFOLIO

DESCRIPTION (USD)	2019	2020	2021	2022	CHANGE (AMOUNT)	CHANGE (%)
Total Loan	1,050,928,838	1,322,729,009	1,690,557,226	1,936,447,429	245,890,203	14.54%
Loan in KHR	160,299,247	219,051,919	239,778,014	219,687,992	-20,090,022	-8.38%
Loan in USD	852,453,574	1,056,319,548	1,404,543,237	1,673,999,555	269,456,318	19.18%
Loan in THB	38,176,017	47,357,541	46,235,974	42,759,883	-3,476,091	-7.52%

Hattha Bank offers loans to customers in 3 currency types, namely Khmer Riel, United States Dollar, and Thai Baht. As at the end of 2022, the total loan portfolio increased by 14.54% or USD 245 million compared to the year 2021.

NUMBER OF BORROWERS

BORROWERS (PERSON)	2019	2020	2021	2022	CHANGE (AMOUNT)	CHANGE (%)
Total Borrowers	152,753	167,200	179,141	191,963	12,822	7.16%
Female Borrowers	93,749	100,762	105,611	111,541	5,930	5.61%
Male Borrowers	59,004	66,438	73,530	80,422	6,892	9.37%

At the end of 2022, Hattha Bank still maintained its good performance with active borrowers of 191,963, an increase of 7% over the previous year. Female borrowers increased by 5.61% and male borrowers increased by 9.37%.

LOAN DISBURSEMENT

DESCRIPTION	2019	2020	2021	2022	CHANGE (AMOUNT)	CHANGE (%)
Total Disbursed Amount (USD)	847,831,512	866,151,817	1,063,465,137	1,110,179,785	46,714,648	4.39%
Number of Loan Disbursed	107,713	98,994	101,687	99,513	-2,174	-2.14%

In 2022, Hattha Bank disbursed new loans totalling USD 1,110 million, an increase of 4.39% over the previous year. The number of new loans was 99,513.

LOAN PORTFOLIO QUALITY

DESCRIPTION	2019	2020	2021	2022	CHANGE (AMOUNT)	CHANGE (%)
PAR Amount (30days)	3,411,032	9,263,942	8,841,564	32,775,719	23,934,155	270.70%
PAR Ratio (30days)	0.32%	0.70%	0.52%	1.69%	1.17%	225.49%

At the end of 2022, Hattha Bank's loan Portfolio at Risk (PAR) ratio was 1.69%, representing a positive rate in comparison to the whole industry, even though Cambodia as well as the wider world was significantly suffering due to the COVID-19 pandemic. This indicates our strong commitment to meeting all regulations to ensure sustainable growth for our customers as well as Cambodia.

DEPOSITS

DESCRIPTION	2019	2020	2021	2022	CHANGE (AMOUNT)	CHANGE (%)
Deposits Balance (USD)	599,301,779	792,646,755	1,028,322,732	1,172,865,168	144,542,436	14.06%
Number of Depositors	223,949	233,473	249,620	290,371	40,751	16.33%

Hattha Bank is trusted by its customers and the public through its professional financial services, with the amount of deposits remaining positive. As of the end of 2022, Hattha Bank's deposit balance stood at USD 1,172 million, and an increase of 14% compared to the previous year while the number of depositors was 290,371, an increase of 16%.

NUMBER OF ATM & MOBILE BANKING

DESCRIPTION	2019	2020	2021	2022	CHANGE (AMOUNT)	CHANGE (%)
Number of ATM Cards	51,162	54,908	69,913	101,412	15,005	45.05%
Number of Mobile Banking Users	8,024	16,253	77,951	138,684	61,698	77.91%

With a strong ambition to elevate digital banking as a core business and market trend, the number of digital service users has increased year on year.

B. FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS (USD)	2020-CIFRS	2021-CIFRS	2022-CIFRS
ASSETS			
Loans to customers	1,288,824,168	1,655,739,462	1,902,504,695
Total Assets	1,556,322,350	2,036,661,817	2,372,849,940
LIABILITIES			
Deposits from customers and financial institutions	804,484,026	1,040,432,277	1,193,357,329
Total Liabilities	1,296,925,939	1,704,300,398	1,952,001,194
EQUITY			
Total Equity	259,396,411	332,361,419	420,848,746
INCOME AND EXPENSES			
Interest income	173,550,241	216,772,100	273,339,787
Interest expenses	(72,407,610)	(88,905,833)	(110,907,844)
Income tax expenses	(5,765,079)	(12,180,322)	(18,467,913)
Net profit for the year	25,430,699	44,553,290	73,869,153

C. SOCIAL PERFORMANCE HIGHLIGHTS

KEY HIGHLIGHTS	2020	2021	2022
RESPONSIBILITY TO CLIENTS			
Female Borrowers	61%	59%	58%
Female Depositors	58%	57%	56%
Rural Coverage, Borrowers	84%	85%	86%
Client Retention Rate	96%	98%	83%
Credit History Checked, Credit Bureau	100%	100%	100%
Number of SME Loan	1,216	1,208	994
INSURANCE, NUMBER OF ACTIVE INSURED			
Micro Insurance (Camlife)	9,575	7,138	8,815
Sovannaphum Life Assurance Plc	31,636	38,738	36,152
Forte Insurance		28	14
RESPONSIBILITY TO STAFF			
Female Staff	24.80%	25.24%	26.54%
Staff Retention Rate	85%	85%	85%
Staff's Average Year of Service	3.68	4.15	4.52
Number of Training Courses per Staff	11	13	20
RESPONSIBILITY TO GOVERNMENT (IN USD) *			
Tax on Salary and Fringe Benefits	1,957,676	2,220,946	2,812,241
Withholding Tax	4,667,490	6,008,596	6,945,513
Annual Profit Tax	8,555,923	13,078,765	16,339,814

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

D. CAMBODIA'S KEY ECONOMIC INDICATORS

OUTPUT AND ECONOMIC GROWTH	2020	2021	2022e	2023f	2024f
REAL GDP GROWTH (%)	-3.1	3.0	5.1	5.6	6.7
AGRICULTURE (%)	0.6	1.1	0.7	1.1	1.3
Crops	0.6	2.6	1.1	1.7	1.8
Other agriculture	-0.8	0.3	0.4	0.6	-0.8
INDUSTRY (%)	-1.4	8.6	8.3	5.9	8.4
Textile	10.8	10.8	5.5	8.8	10.8
Construction	1.1	0.5	1.1	3.7	1.1
Other industry	13.9	12.2	11.7	11.9	13.9
SERVICES (%)	-6.3	-1.9	4.6	7.3	7.3
Hotel and restaurant	-39.5	30.0	32.7	20.5	-39.5
Wholesale and retail trade	1.6	4.3	6.5	6.7	1.6
Real estate	0.5	0.2	1.2	3.0	0.5
Transport and communication	2.8	6.1	7.6	7.7	2.8
Other services	1.5	2.5	6.1	6.4	1.5
EXTERNAL ACCOUNTS AND OTHERS					
Current Account Balance (% of GDP)	-12.0	-41.9	-25.0	-13.6	-12.6
Net Foreign Direct Investment (% of GDP)	13.0	12.4	12.4	13.9	14.1
Fiscal Balance (% of GDP)	-4.9	-7.6	-4.6	-4.9	-3.5
Debt (% of GDP)	34.4	34.7	36.7	35.6	35.3
Primary Balance (% of GDP)	-4.3	-7.1	-4.1	-4.3	-4.5

Source: NBC, MoEF, World Bank, ADB, and IMF (2020-2023)

e: estimate, f: forecast

E. STRATEGIC BUSINESS PARTNERS

With a clear vision of its strategic positioning, Hattha Bank understands that the growth of its customers and business partners are indispensable to its existence and long-term growth. By the end of 2022, the bank had business and strategic partnerships with more than 200 entities, from the public and private sectors, where customers consistently experienced convenience and enjoyed multiple benefits through a wide range of available services and choices. Those partners were mainly in the following industries:



Financial



Education



Agriculture



Automobile



Utilities



Public Services

The relationships with partners created options for customers and business partners in gaining access to finance and insurance and convenience and reliability in making and receiving payments, and opportunities to invest and expand businesses.

In 2023, strategically, the bank aims to expand its business relationship not only within the existing industries, but also to other areas in both the public and private sectors so as to avail its customers a full choice of services in this modern banking era.



F. COVERAGE AND DISTRIBUTION NETWORKS



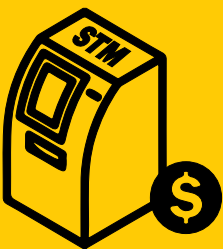
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HEAD OFFICE



177
BRANCHES

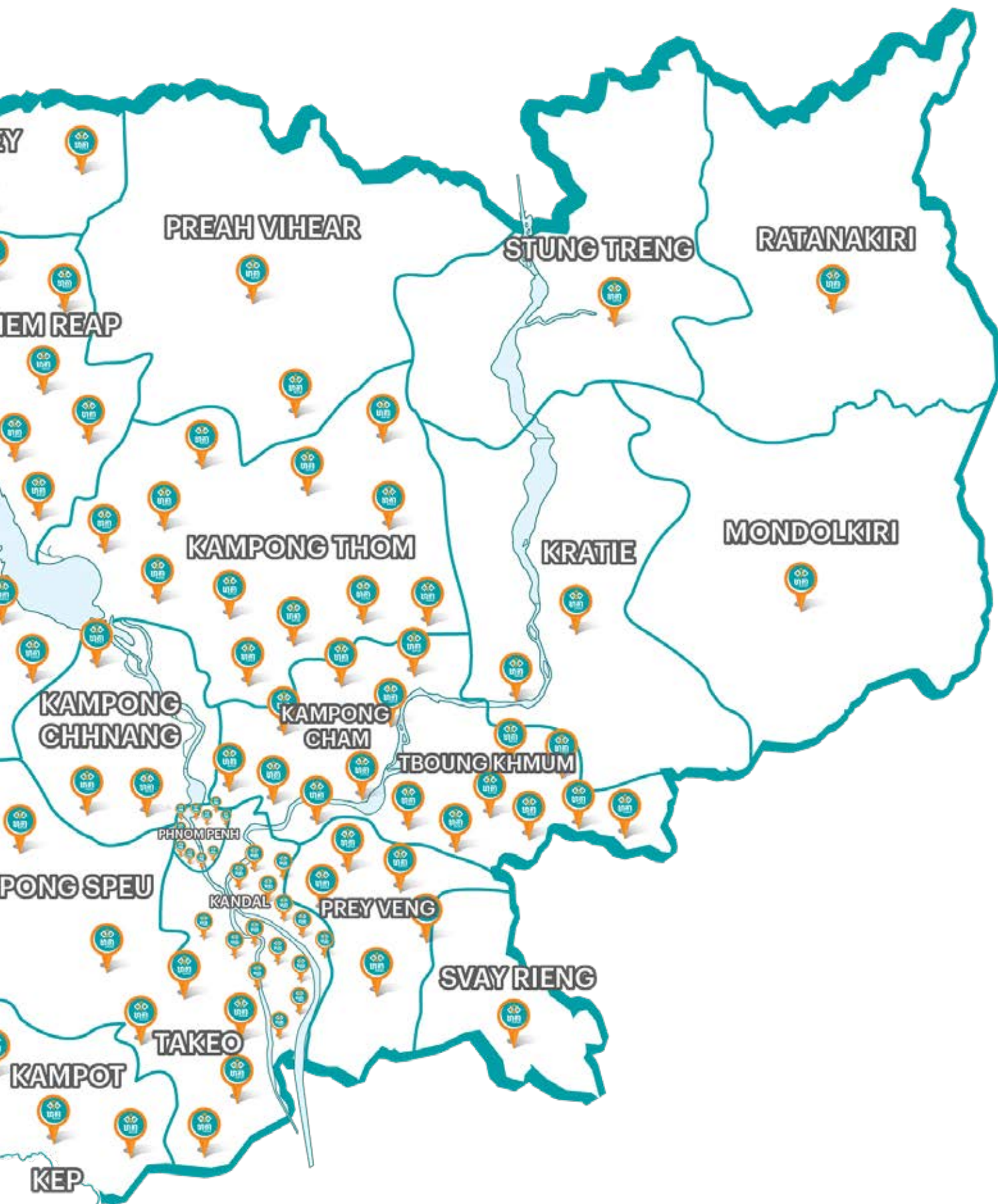


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MACHINES



02
HATTHA SMART
BANKING





G. CORPORATE INFORMATION

SHAREHOLDER

Hattha Bank is wholly-owned (100%) by Bank of Ayudhya (Krungsri), the 5th largest bank in Thailand in terms of 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 BANK

Krungsri (Bank of Ayudhya Public Company Limited and its group companies) is Thailand's 5th largest universal bank with a leadership position in consumer finance and the Japanese corporate market 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 organisations.

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 615 domestic branches, of which 575 are Banking Branches and 40 are Auto Business Branches nationwide.

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





ABOUT HATTHA BANK

Hattha Bank Plc. is one of the leading banks in Cambodia, and was officially transformed from Hattha Kaksekar Microfinance Institution Limited into a commercial bank in 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; launching Hattha Smart Banking and closely working with the National Bank of Cambodia to enable cross bank money transfers (Bakong System) to allow customers to conduct self-banking anywhere, anytime (24/7), with more convenience and speed, and without visiting bank branches. Thus, Hattha Bank provides a wide range of financial services to customers including loans, deposits, domestic money transfers, cross-bank transfers to local banks, cross-border remittance, ATM service, Mobile Banking, and payroll service, as well as referral agents for insurance services, and much more.

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





New Hattha Bank Tower Project

VISION, MISSION, AND CORE VALUES

Hattha Bank's Vision, Mission and Core Values provide a strategic roadmap with clearly communicated, widely understood and collectively shared direction to ensure all staff are working toward its set common goals and objectives.



Our Mission

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

Our Vision

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

Core Values



Honest Professional:

We commit to doing the right thing, in an honest, fair, transparent, responsible and professional manner.



Aiming for Excellence:

We commit to striving for higher standards with excellent delivery. Embrace changes and technology innovation to be a top leader in the market.



Nurturing Customers:

We help and care our customers by working hand in hand to build their brighter future.



Dynamic Team:

We are optimistic and energetic, for lead, and work together with open hearts and minds in achieving our goals.



Simplicity:

We make everything simple, accessible and convenient for our customers based on their needs as our top priority.



HATTHA BANK MILESTONES



1994

A food security project established by OCSD/OX-FAM-Quebec

1996

Registered with the Ministry of Interior of Cambodia as a Non-governmental organization (NGO) called Hattha Kaksekar, literally meaning "A Helping Hand for Farmers"



2001

Registered with the Ministry of Commerce as a private limited company called Hattha Kaksekar Limited

2007

Being offered a permanent microfinance license by the National Bank of Cambodia

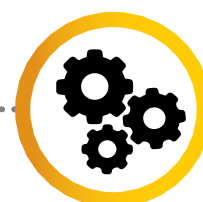


2010

Being offered an MDI "Micro-Finance Deposit Taking Institution" license due to the sustainability of its operations and finances

2012

Deployed new core banking system and successfully went live across the company's distribution networks



more about us in 2022



2016

A wholly-owned by Bank of Ayudhya (Krungsri), the 5th largest bank in Thailand and a member of Mitsubishi UFJ Financial Group (MUFG)

2020

Transformed itself to Hattha Bank Plc. as a commercial bank officially approved by the National Bank of Cambodia and Ministry of commerce



2021

Celebrated groundbreaking ceremony of its new head office tower with a construction area located in the center of Phnom Penh city

2022

Recognized by the Global SME Finance Awards 2022 with an Honorable Mention





MESSAGE FROM CHAIRMAN

In 2022, Cambodia's economic growth achieved 5.1%, supported primarily by a few key factors including: i). the strong domestic political stability with Cambodia successfully conducting the commune elections in mid-2022 during COVID, ii). the effectiveness of the country's health policy and management of the COVID-19 pandemic which is ensuring the recovery of economic activities in the country, iii). the strong commitment of the government to explore and diversify potential export markets through bilateral free trade agreements with various countries, iv). the strong support from the National Bank of Cambodia which is favourable to our economic development, and v). the increase in the external demand for exports. The growth was achieved despite some challenges facing the country, including a high inflation rate, rising non-performing loans, flooding due to climate change, and the consequences of the Russia-Ukraine war, etc.

As of 31 December 2022, Hattha Bank has achieved satisfactory results. Our assets have grown at 16.51% to achieve USD 2.3 billion, our loan portfolio has grown at 14.54% to achieve USD 1.9 billion, and our deposit portfolio has grown at 14.06% to achieve USD 1.1 billion. Hattha Bank's digital service has also achieved desirable results. Hattha mobile banking service subscriptions have set a new record growth of 77.91% to reach more than 139,000 subscribers, Hattha ATM cardholders grew significantly at 45.05% to achieve more than 101,000 cardholders, and Hattha KHQR, which was soft launched in Q1 2021, grew its merchant base in 2022 to reach more than 70,000 merchants nationwide. Hattha Bank generated USD 73.87 million in net profits with year-on-year growth of 60.31%. We owed this achievement to the trust from over 500,000 Cambodian customers already banking with us.

I would also like to highlight other achievements of Hattha Bank in 2022 aligned with its strategic direction as follows:

- Hattha Bank has obtained the credit rating of BBB+ for five consecutive years with 'Stable' outlook from TRIS Rating with an upgrade on Standalone Credit Profile to A-/Stable.
- Hattha Bank successfully modernised Hattha Mobile for both UX/UI to be more user friendly with a very fast, secure, and convenient interface.
- Successfully launched merchant KHQR code scan which enables interbank fund transfers to meet the surging needs of digital services.
- Officially launched Hattha Smart Banking to offer full convenient banking services 24/7, equipped with the latest technology Smart Teller Machine (STM), ATMs and many other high-tech services.
- Progress in the development of new innovative technology products and services including internet banking, Visa products, POS, payment gateway, etc.
- Successfully issued 3-year Thai Baht-denominated Bonds that makes Hattha Bank the first Cambodian debenture issuer to offer Thai Baht bonds in Thailand.
- Continue to be the second-largest commercial bank in

terms of network coverage in the Kingdom of Cambodia; and to be the top 5 largest commercial banks in Cambodia in terms of lending portfolio.

- To expand its customer base, Hattha Bank has achieved various business strategic partnership in different fields such as insurance, payment service providers, transportation and other private sectors.

In 2023, Cambodia's economic is forecast to expand at 5.6% driven by a rebounding of the tourism sector, fast growth of the service sector, resilient growth of agriculture, and a manageable inflation rate.

However, it is noteworthy that by end of 2022, NPL rose across the banking and MFI industry. During the year, a large group of our customers were impacted by COVID-19 and a flood entered into debt restructuring programs. Consequently in 2023, we could foresee an impact to portfolio quality as many of these customers will continue to have constraints on repayment capacity coupled with continuing impact from high inflation and global economic environment. As a result, a sizable increase in debt restructure and NPL is expected. We believe it would take around 18 months to stabilise.

Given the circumstances, Hattha Bank will take a careful and prudent approach to navigate the bank in 2023 as follows:

- Concentrate on low-risk segments.
- Continue to improve the banking ecosystem by enhancing strategic partnerships in both the public and private sectors.
- Broaden capability in commercial banking products and services as well as digital business which will enable Hattha Bank to capture its full market potential and leveraging its strong distribution footprint.
- Continue to increase the customer base via boosting referral channels.

With the abovementioned strategic directions, economic situation, and strong commitment and collaboration from all related stakeholders including Hattha Bank management and staff, shareholders, the board of directors, creditors, investors, National Bank of Cambodia, all level of authorities, and our trusted customers, I am cautiously optimistic and believe that Hattha Bank will continue to progress well in 2023. I owe heartfelt thanks for your warm support to Hattha Bank.

Phnom Penh, dated 05th May 2023

Signature

Mr. Dan HARSONO

Chairman of the Board of Directors



MESSAGE FROM PRESIDENT & CEO

In 2022, Cambodia's economy faced many challenges including the unfavorable partial withdrawal of EBA, a higher inflation rate hike at 5.3%, the rising non-performing loan, the consequences of the Russian-Ukraine war, the rising protectionism, the tightening money policy, and climate change (flooding).

Even though the economy confronted those challenges, Hattha Bank achieved very great and satisfactory results including both financial and operational ones. These results came from the strong commitment of all members of Hattha Bank, plus the great support from related stakeholders. Here, we are proud to highlight some of the key achievements as follow:

- We are the second largest branch network within the banking industry in Cambodia, counting 177 branches across the country with more than 150 ATMs including the new introduction of Hattha Smart Banking where customers can perform both financial and non-finance services at any time in a very fast, convenient, and secure manner.
- The bank's total assets jump from 2,036 million USD in 2021 to hit a peak of 2,372 million USD in 2022 with a 16.51% growth.
- Net profit sharply increases from 44.55 million USD in 2021 to 73.87 million USD in 2022 which represented a 60.31% growth.
- The growth of the loan portfolio is significant. It is increasing from 1,690 million USD in 2021 to 1,936 million USD in 2022 which is responsible for 14.54% growth.
- The Non-Performing Loan (NPL) is well manageable. NPL ratio for 30 days plus is reported at 1.69% in 2022 which was increasing from 0.52% in 2021.
- Deposit outstanding is also recorded as significant growth. It increased from 1,028 million USD in 2021 to 1,172 million USD in 2022, which is accountable for 14.06% growth.
- Hattha Mobile subscribers have very significantly increased from 77,951 in 2021 to 138,684 in 2022 which is recorded at 77.91% growth. Meanwhile, the number of ATM cardholders also sharply increase with almost double growth (45.05%) compared to the previous year from 69,913 to 101,412 in 2021 and 2022 respectively.
- Hattha Bank's KHQR has resilient growth to hit more than 70,000 merchants nationwide.
- Hattha Bank has enlarged its potential to capture new market segments in both retail and corporate banking segment via the new creation of products and services.
- The new generation of Mobile Bank App is designed to best fit customer needs and wants. Our UI is designed with a modern look and feel with a clean and clear concept, while UX is designed with a user-friendly concept with high security, fast service, and convenience.

Looking at Cambodia's economy in 2023, it is estimated to remain very strong compared to last year. With sound stability of the

political situation, it is forecasted that the economy is forecasted to slightly increase from 5.1% in 2022 to 5.6% in 2023. It is thanks to i). fully reopening the country to welcome the arrival of tourists from around the globe and local tourists, as well as Cambodia, will also be the organizer of SEA and PARA games in 2023. ii). growing exports of agricultural commodities backed by diversified market expansion via FTAs under RCEP, China, Korea, and under the final stage with many other potential countries. iii). ease from the inflationary pressure that will return back to a similar rate as before Covid-19. However, Cambodia's economy will face some challenges such as the low demand for garment footwear and travel goods from global markets especially EU and USA, slowdown growth of real estate sectors due to such as the abandoned and unfinished construction in Preah Sihanoukville, and low demand of living house, and increasing closures and suspension of factories.

With this economic situation, Hattha Bank continues and strengthens its existing successful strategies and embedded some new strategic direction for 2023 as follow:

- Reimagine growth through retail segments for high-yield lending and deposit customer base;
- Business digitalization by expanding partnerships and ecosystems, and by enhancing digital services;
- Enhance core commercial banking products/services, and promote Hattha Bank branding; and
- Improve productivity through implementing staff and office productivity, and strengthen fraud awareness among staff.

With this clear strategic direction and favorable business situation, Hattha Bank optimistically believes that we will have very great success in business for the following year. We are not bringing only new high-tech business models for supporting customers' business growth, but also will equip them with high-end technology business infrastructure to provide the best customer experience in a very safe and secure manner. More importantly, with commitment from our top management and staff, and support from related stakeholders like shareholders, the board of directors, all levels of authorities, investors, and our respected customers, in 2023, Hattha Bank will have great achievement. I would love to express my heartfelt thanks for the strong effort and warmest support to Hattha Bank from the beginning until now and beyond.

Phnom Penh, dated 05th May 2023

Signature

Oknha Ieng Tong HOUT
President & CEO

H. BUSINESS REVIEW

BOARD OF DIRECTORS

Mr. Dan HARSONO

Chairman

- Senior Advisor to Bank of Ayudhya (Krungsri)
- Advisor to MUFG Bank



Mr. Chandrashekar SUBRAMANIAN KRISHOOLNDMANGALAM

Director

- Chairman of Board Credit Committee
- Chief Risk Officer of Bank of Ayudya (Krungsri)
- Member of the risk management committee, EXCOM and ALCO of Bank of Ayudya (Krungsri)



Ms. Duangdao WONGPANITKRIT

Director

- Chief Financial Officer (CFO) of Bank of Ayudhya (Krungsri)



Mr. Pairote CHEUNKRUT

Director

- Chairman of Information Technology Board Committee
- Chief Strategy Officer of Bank of Ayudhaya (Krungsri)
- MUFG Executive Officer



Oknha Ieng Tong HOUT
Director

- President & CEO of Hattha Bank
- Co-founder of Hattha Bank



Mr. Wanchairabin JITWATTANATAM
Director

- Executive Vice President,
Regional Business Division of
Bank of Ayudya (Krungsri)



Mr. Hay LONH
Independent Director

- Chairman of Remuneration and
Nomination Board Committee



Dr. Davuth DY
Independent Director

- Chairman of Board Audit
Committee
- Senior Vice President of Build
Bright University



Mr. Sereivathana PAK
Independent Director

- Chairman of Assets and Liabilities
and Risk Board Committee
- Financial sector specialist and
investment adviser

BOARD OF DIRECTORS' MEETINGS

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	12	12
2	Ms. Duangdao WONGPANITKRIT	Director	12 Sep 16	11	12
3	Mr. Hay LONH	Director	28 Jun 17	12	12

ACHIEVEMENTS IN 2022

- Approving the annual internal audit strategy and operational plan for 2022
- Reviewing monthly branch audit and head office audit report
- Approving the annual internal control report for the National Bank of Cambodia
- Approving audit board committee charter
- Approving internal audit charter
- Approving manual on risk awareness, and response assessment
- Approving the revised annual internal audit strategy and operational plan for 2022
- Approving Hattha Bank Plc.'s consolidated and separate financial statements for the period ended 31 December 2021, which were prepared by Hattha Bank Plc. and audited by KPMG Cambodia Ltd.
- Reviewing quarterly credit review report for 2022
- Reviewing quarterly internal audit assurance report for 2022
- Approving 2021 annual report
- Reviewing progressive report of implementation of Audit Management System of Internal Audit Division

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	9	9
2	Mr. Dan HARSONO	Director	12 Sep 16	9	9
3	Oknha Ieng Tong HOUT	Director	12 Sep 16	9	9

ACHIEVEMENTS IN 2022

- Acknowledging the succession planning review and development plan
- Acknowledging the human resource strategy 2022-2023
- Approving Hattha Bank Plc.'s revised 2022 organisational chart
- Approving the appointment of Executive Vice President and Chief Sale & Distribution Officer

- Approving the revised compensation and benefits policy
- Approving the appointment of senior consumer relation officer
- Approving the retirement of Mr. Dan HARSONO as a member of the Board of Directors and the appointment of Mr. Phonganant Thanattrai as a new member, Chairperson of the Board of Directors and member of RNBC
- Approving the appointment of the Executive Vice President & Chief Digital Officer
- Approving the appointment of the Executive Vice President & Chief IT Officer

3- ASSETS AND LIABILITIES & 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	11	12
3	Mr. Chandrashekar SUBRAMANIAN KRISHOOLNDMANGALAM	Director	12 Sep 16	12	12
4	Mr. Pairote Cheunkrut	Director	18 Mar 21	11	12

ACHIEVEMENTS IN 2022

- Approving the adoption of the revised policy for internal control over financial reporting
- Acknowledging the semi-annual risk self-assessment on liquidity and market risk
- Acknowledging the annual credit risk self-assessment
- Approving the behaviour assumption on the liquidity gap as of December 2021
- Approving the stress testing for liquidity as of December 2021
- Approving the credit risk limits for 2022
- Acknowledging the risk control self-assessment result in 2021
- Acknowledging the compliance framework and plan
- Approving the revised credit policy
- Acknowledging the money laundering/TPF risk assessment
- Acknowledging the revised group accounting policy
- Approving the three-year business plan 2022-2024 for submission to the National Bank of Cambodia
- Acknowledging the compliance risk assessment (Wave I-2021)/2022 compliance plan
- Approving the behaviour assumption on the liquidity gap as of March 2022
- Approving the stress testing for the liquidity gap as of March 2022
- Approving the revised operational risk management policy
- Approving the revised policy and procedure on AML/CPTF
- Approving the enactment of policy on personal data protection
- Approving the enactment of policy on complying with competition law

- Approving the revised accounting policy
- Approving the revised policy on customer complaint management and resolution
- Approving the revised market and liquidity risk management policy
- Approving the behaviour assumption on the liquidity gap as of June 2022
- Approving the stress testing for the liquidity gap as of June 2022
- Acknowledging the semi-annual risk self-assessment on liquidity and market risk
- Approving the revised model risk governance policy
- Approving the revised credit policy
- Approving the reviewed facility classification and provision policy
- Approving the reviewed debt restructuring policy
- Approving the revised procedure for debt restructure
- Approving the revised collateral valuation procedure
- Approving the revised procedure on the liquidity contingency plan
- Approving the revised procedure on real estate evaluation standard
- Approving the compliance policy
- Approving the revised FATCA compliance policy
- Approving the revised FATCA compliance procedure
- Approving the behaviour assumption on liquidity gap as of September 2022
- Approving the stress testing for liquidity gap as of September 2022
- Approving the revised risk and control self-assessment procedure
- Approving the revised policy on impairment
- Approving the policy on responsible financing
- Approving the revised operational risk incident reporting procedure
- Approving the revised fraud risk management policy
- Approving the revised fraud risk management procedure

4- INFORMATION TECHNOLOGY BOARD COMMITTEE

NO.	NAME	TITLE	DATE APPOINTED	NUMBER OF MEETING ATTENDED	NUMBER OF TOTAL MEETING
1	Mr. Pairote Cheunkrut	Chairperson	18 Mar 21	11	12
2	Mr. Wanchairabin JITWATTANATAM	Director	26 Apr 19	12	12
3	Dr. Davuth DY	Director	12 Sep 16	12	12

ACHIEVEMENTS IN 2022

- Reviewing and acknowledging monthly IT security dashboard
- Reviewing monthly digital performance update
- Reviewing and acknowledging the IT security roadmap
- Reviewing and approving the Visa project
- Reviewing and acknowledging disaster recovery plan

- Approving the revised IT outsourcing policy
- Approving the revised data governance policy
- Reviewing and acknowledging digital strategy 2023

5- BOARD CREDIT 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

ACHIEVEMENTS IN 2022

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

CHANGE OF DIRECTORS ON COMMITTEES

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	N/A	N/A
4	Information Technology Board	N/A	N/A
5	Credit Board	N/A	N/A

EXECUTIVE COMMITTEE MEMBERS

Oknha Ieng Tong HOUT

President & CEO

Co-founder of Hattha Bank



Mr. Chansovichea DUONG
EVP & Chief Business Officer



Mr. Souphoan SEM
EVP & Chief Human Resource Officer



Mr. Vibol HIM
EVP & Chief Finance Officer



Ms. Vandith IM
*EVP & Chief Operations and
Administration Officer*



Mr. Boranchanborath CHEN
EVP & Chief Legal Officer



Mr. Lina TOUCH
*EVP & Chief Credit Underwriting
Officer*



Mr. Siebh LEANG
*EVP & Chief of Sales and
Distribution Officer*



Mr. Tithya YIM
EVP & Chief Digital Officer



Ms. Sokun CHHENG
*EVP & Chief Risk Management
Officer*



Mr. Visoth LENG
*EVP & Chief Information
Technology Officer*



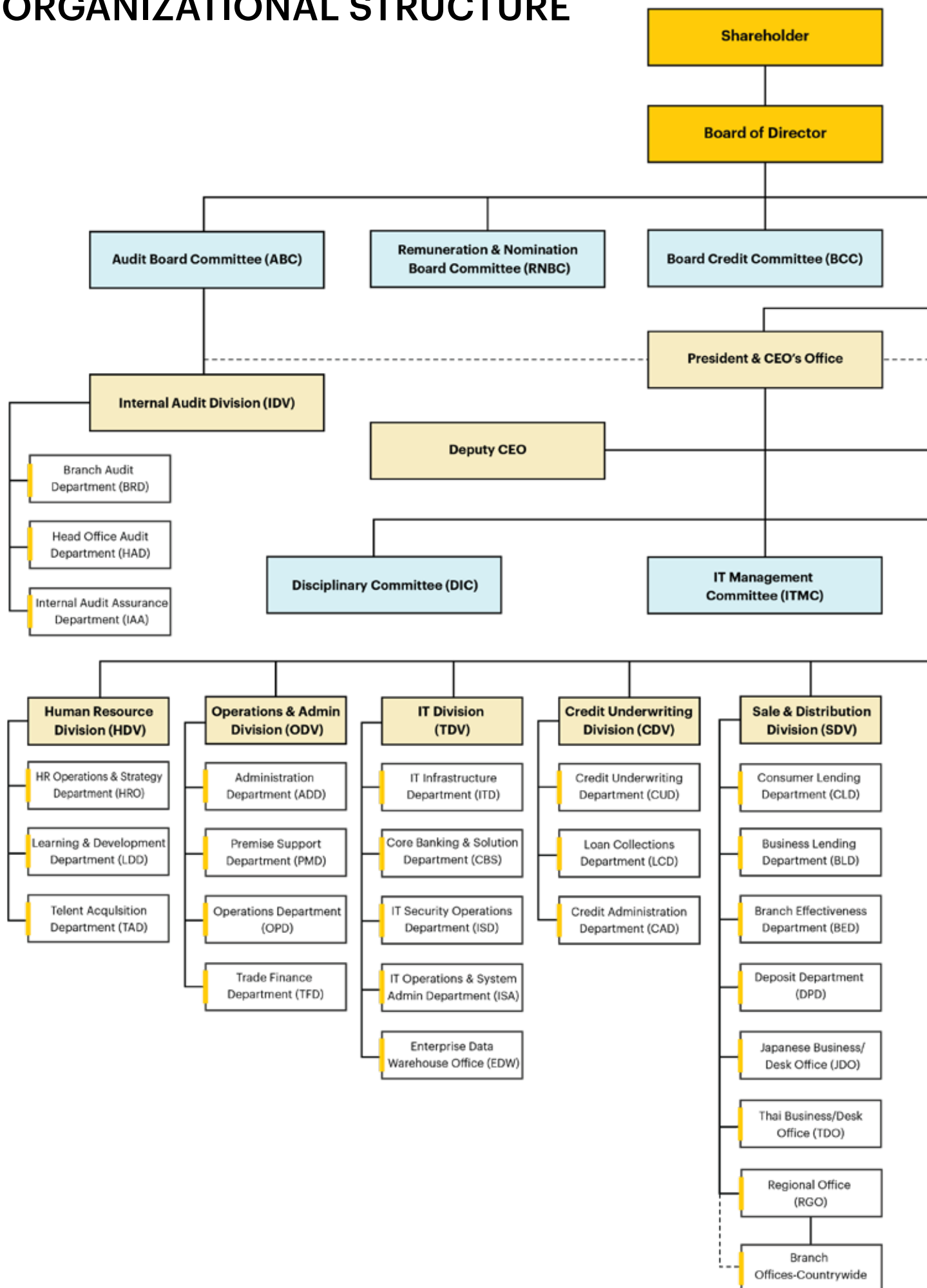
Mr. Vol ROS
Chief Internal Audit Officer

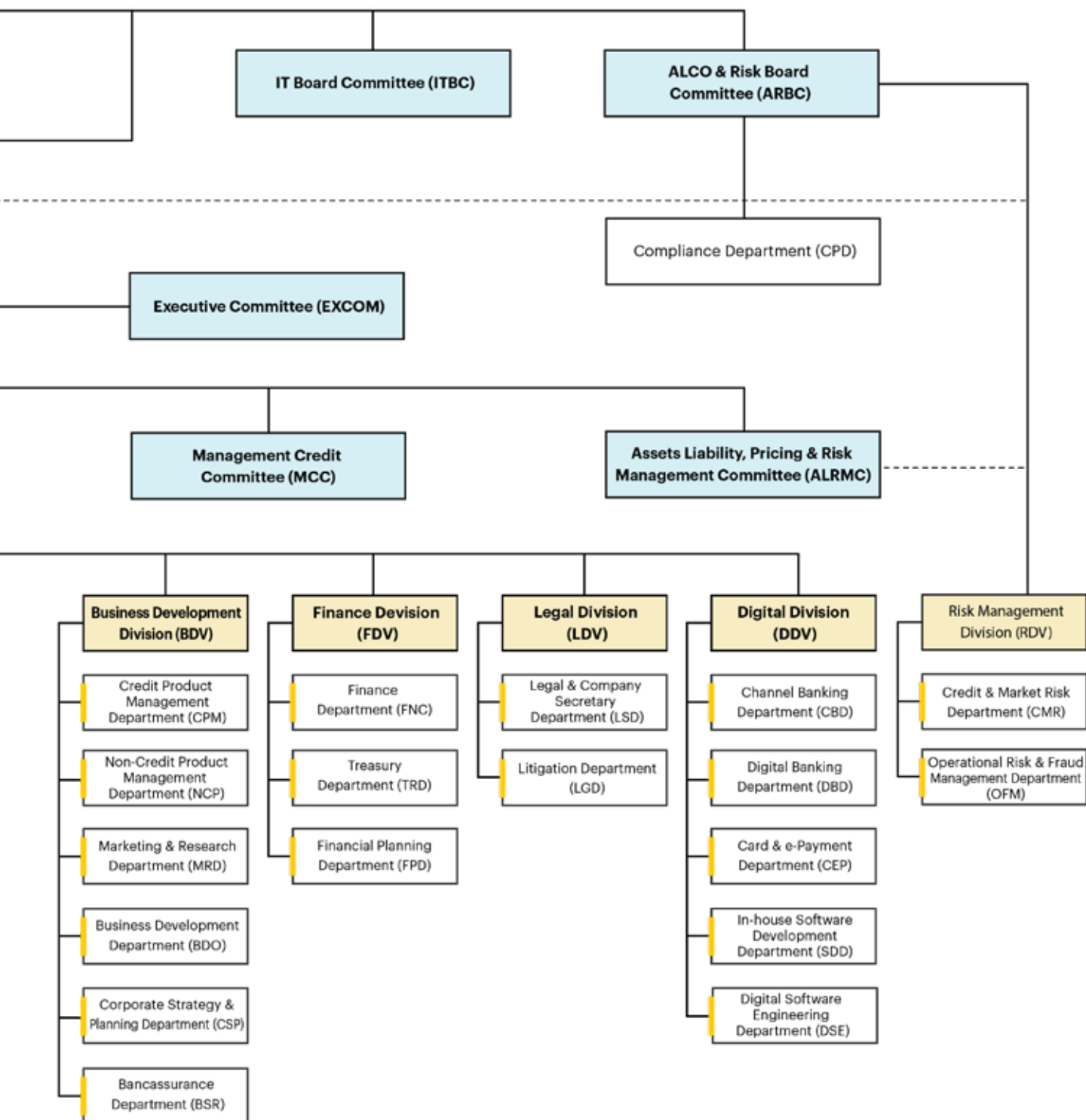


Ms. HOUNG SRUN
*Head of Compliance Department
(Observer)*

Hattha Bank's
workforce are of
strong team dynamics
at their best, which is so
integral to enhancing
creativity, productivity
and effectiveness
as a whole.

ORGANIZATIONAL STRUCTURE





KEY ACCOMPLISHMENTS IN 2022

With nearly 30 years of experience serving Cambodians, Hattha Bank has become one of the leading banks in Cambodia. Noticeably, Hattha Bank officially received a banking license from the National Bank of Cambodia and the Ministry of Commerce to operate as a commercial bank in August 2020 in alignment with its clear vision and strong support from shareholders.

In response to the prolonged COVID-19 pandemic, Hattha Bank has continued taking multiple actions. Firstly, Hattha Bank has still actively pursued providing loans to various sectors to support domestic business activities including, but not limited to, trading, agriculture, construction, general services, and retail consumption. Secondly, in alignment with the policy of the National Bank of Cambodia to allow financial institutions to restructure loans, Hattha Bank has taken actions to offer loan restructuring to support customers impacted by the pandemic,

especially customers in the fields of hotels and guest houses, tourism, and garments/footwear. Finally, Hattha Bank has followed the guidance of the National Bank of Cambodia to continue monitoring the pandemic and take any necessary measures to protect the employees and clients to ensure the reliability and sustainability of the bank services.

Hattha Bank has proudly accomplished the achievements of 2022, which is in accordance with its vision “To be a highly admired bank and the customers’ preferred choice through our professional employees”. Those achievements include as follows:

- Successfully issued 3-year Thai Baht-denominated Bonds that makes Hattha Bank the first debenture issuer from Cambodia to offer Thai Baht bonds in Thailand.
- Officially released its modernised mobile banking App as a



strategic element to enhance its digital service.

- Officially launched Hattha Smart Banking to offer convenient banking services 24/7, equipped with the latest technology, such as ATMs, Smart Teller Machine (STM), and many other high-tech services.
- Continue to be the second-largest commercial bank in terms of coverage network in the Kingdom of Cambodia, and be the top 5 largest commercial banks in Cambodia in terms of lending portfolio.
- For five consecutive years, Hattha Bank has obtained the credit rating of BBB+ with 'Stable' outlook from TRIS Rating with an upgrade on the Standalone Credit Profile to A-/Stable.
- After officially conducting a contract signing ceremony and commencing the construction of the new head office of Hattha Bank Plc in 2021, the progress of the construction is on track.
- To expand the customer base, Hattha Bank has achieved various business strategic partnerships in different fields such as insurance, payment service providers, transportation, and other private sectors.
- Successfully launched merchant KHQR code scan which enables interbank fund transfers to meet the surging needs of digital services.
- As of 31 December 2022, our outstanding loans were at USD 1,936 million, representing a 15% growth from 2021. Deposits showed strong growth at 14% from 2021 to reach USD 1,173 million.



ENHANCE DIGITAL BANKING SERVICE

Year-end 2022 marked an important point of re-opening the economy as the COVID-19 pandemic was gradually contained, thanks to the quick and resilient vaccination campaigns by the government. Under such unfavourable circumstances, Hattha Bank has managed to solidify its growth of loans and deposits while continuing to invest in digital technology to better serve its valued customers who have robust needs for digital banking solutions. Our core value lies in a customer-centric focus to better serve customers, using banking services and beyond, and Hattha Bank has achieved some important milestones and 2023 plans as below.



NEW RETAIL MOBILE BANKING

Hattha Bank has set a strategic direction and kicked off in-house development to rebuild a completely new mobile banking platform for the retail customer segment. The Retail New Mobile Banking is the 3rd generation app, leveraging the latest cutting-edge digital technology, built to offer the best user experience and user interface and more features and functionalities. The app was put into soft launch for internal staff in August 2022 and aiming for public launch in January 2023. In 2023, we plan to introduce new banking services like self-account opening, insurance application, international transfer, digital lending, and more variety of public service payments in our New Retail Mobile Banking Application.

CORPORATE INTERNET BANKING

In addition to the soft launch of retail mobile banking, the bank has started to conduct a feasibility study and aims to conclude the direction and start full project implementation in 2023. This is the critical digital banking platform which Hattha Bank aims to roll out in 2023 to cater to corporate segments for online banking services and as a result, increase CASA balance and uplift a level-playing field for new commercial banks like Hattha Bank and its incumbent banks. We will put emphasis on ongoing enhancement of this channel to ensure we can serve business customers' evolving needs for digital technology.

PAYMENT GATEWAY OF MOBILE

Hattha Bank has developed a Payment Gateway platform, offering both deep link (payment via Hattha Mobile App by accessing the third-party app) and web view payment methods to our customers. With this platform, we can seamlessly integrate with third-party apps like food delivery apps, ticketing apps, and public services payment apps, allowing our customers to make hassle-free payments. The merchant partners also have access to our Payment Gateway portal to manage their transactions and request refunds in case of a dispute. This payment gateway is already planned to integrate with partners in early 2023 and roll out to the market.





MERCHANT SERVICE

We rolled out the KHQR merchant platform, offering KHQR standee to all MSMEs. As of the end of 2022, over 70,000 merchants have applied for Hattha Bank's KHQR. All business owners can request KHQR standee at all Hattha Bank branches nationwide and with KHQR, they can accept payments not only from Hattha Bank customers but also other bank customers via an in-app QR scan. In addition, the EDC POS development is in progress which targets medium-sized business to corporate customers. With EDC POS, business owners can accept payment from not only via KHQR scan but also via international scheme contactless

Visa card "tap to pay". This will be a combination of EDC and QR payment for stores, expecting more low-cost CASA based on transactions generated from customer platforms. EDC POS will be rolled out in 2023 while we will also study digital acceptance later in 2023. We will continue to onboard more KHQR merchants and cross-sell for EDC POS when we roll out in 2023. This would help to increase acquiring the business as not only domestic customers but also international customers can make payments at our partnered merchants.



MERCHANT MOBILE APP

The merchant mobile application would be the supplementary channel to boost our online/physical merchant network business by offering a merchant-centric mobile application for managing their bill payments, and cash flow management. This is essential

not only for business owners but also their staff in managing and controlling payment acceptance. In 2022, we concluded the study and plan to develop it in 2023 and roll out in 2024.



CARD BUSINESS

To enhance benefits with existing cards, we have been working to upgrade our ATM card to be an international debit and credit card by partnering with international player Visa. This will enable cardholders to do transactions worldwide. This will be ready in Q2 2023. We will continue to explore and introduce Mastercard and/or Union Pay in later years.

HATTHA SMART BANKING

For future branches, the bank is modernising its look and feel as well as state-of-art facilities to provide better experiences to customers. Hattha Smart Banking, which combines high-tech and high-touch service to customers, was already launched in late 2021 and expanded to two more locations in 2022. Hattha Smart Banking is equipped with more self-service/multi-function machines for customers to do transactions with our staff trained to assist customers as needed. While we continue to expand Hattha Smart Banking, new features like e-KYC and instant card issuance will be introduced within the Smart Teller Machine, one of the critical components of Hattha Smart Banking.



As we move forward to welcome 2023, on top of the 2022 achievements and 2023 plans above, over the next three years, the bank will continue to invest in cutting-edge digital technology, upgrading its digital platform and architecture and aiming to offer higher seamless UX/UI, application performance, scalability, the flexibility of integration and faster deployment. More payment ecosystem services, international transfers, expense and income analytics insights, and useful features are planned. Hattha Bank will continue to increase its investment not only in digital technology but also in tech talents who play an integral part in sustainable digital development.

We will continue to expand more smart branches and ATM machines in the next three years to ensure sufficient outreach to our target customers in key areas nationwide, not only in a standalone location but also inside shopping malls and modern marketplaces. Our distribution channel development is built on the customer-centric design and aims to provide a seamless omnichannel customer experience to our customers where ever and whenever they interact with our bank for the service. The physical-digital distribution channel strategy is our long-term roadmap and vital for the success of business digitisation which can serve the needs of our customers both in the city and rural areas.

PRODUCTS AND SERVICES

CREDIT PRODUCTS

Hattha Bank has offered clients a comprehensive range of financing options for credit products, aiming to benefit both individuals and businesses that need to secure a reliable source of funds to support their individual needs and grow their businesses.

A variety of credit products and services that Hattha Bank has provided include consumer loans primarily for consumption purposes covering personal loans, consumption loans, sales finance, auto loans, Khmer student loans, social loans and Cardkri loans. Another product is business loans such as non-agri-business loans, designed to support business owners, aiming to start up or expand their existing businesses and also for property investment purposes. The third one is an SME loan, which is designed to support small and medium-sized enterprises to

support their working capital requirements and also expand their existing businesses. The agricultural loan is another credit product of Hattha Bank, that is developed to support farmers, agri-businesses, or service providers who need funds for daily operations as well as agriculture-related business expansion. To meet the target customers who are mainly employed and self-employed who wish to have their first dwelling or promote their living standards to a better level, home-related loans consist of the loan categories of home for cash, home loan, and home improvement loan. Hattha Bank also developed an overdraft loan, which is exceptionally helpful for business needs in any emergency and unpredictable event and this product is specially tailored to meet business transactional needs and optimise their cash flows.





DEPOSIT PRODUCTS

Hattha Bank offers customers a variety of deposit products to cater to customers' daily financial needs whereby the customers can deposit funds in cash or digitally through Hattha Mobile. Thus, opening a deposit account at Hattha Bank is one of the most important steps customers take toward achieving their financial goals. Hattha Bank's deposit products consist of savings accounts, current accounts, and HYSA which is a hybrid between simple savings accounts and fixed deposits whereby the customers can receive high-interest rates and flexible monthly withdrawal modes, fixed deposits with competitive interest rate offers, and special account numbers.

More importantly, recently Hattha Bank has developed more financial products to provide customers with the best financial solutions to meet customers' financial planning goals. For instance, Hattha Bank has launched Upfront Term Deposit which is a fixed term deposit product that provides an interest rate on the date of account opening, enabled cross-border remittance to Thailand via a Mobile App which allows customer to do transactions anytime and anywhere through their mobile phone without going to a Hattha Bank office. Hattha Bank also launched a Standing Instruction service which allows customers to manage their regular payments and account balance more efficiently.

OTHER PRODUCTS

On top of the aforementioned deposit, credit, and digital products, Hattha Bank also offers a broad range of other products and services to make customers' financial life better, and whatever customers' goals, Hattha Bank always secure a variety of ways to invest to help customers grow better.

Those financial products and services include; local money transfers so customers can conveniently carry out fund transfers at one of Hattha Bank's network of 177 branches nationwide; cross-border remittance offering real-time convenient fund transfer through Hattha Mobile or Hattha Bank's 177 branches across the country; fast payment allowing customers to transfer and receive money in Khmer Riel; domestic interbank transfer; standing instruction to enable customers to order transactions, payments or transfers in advance; payroll service which allows employers to manage and pay their employees' salaries effectively; collection service; and being a referral agent of insurance services in collaboration with Sovannaphum Life Assurance Plc, Forte Insurance (Cambodia) Plc, and Cambodia Life Micro Insurance.



CALL CENTER-ENHANCE CUSTOMER SERVICES

Hattha Bank is committed to having a timely and responsive mechanism for complaints, disputes, feedback, suggestions, and inquiries. Hattha Bank recognises that customers have a right to complain and complaints shall be handled fairly and without discrimination. Professional resolution of queries and complaints is an important part of ensuring that customers have a good experience with Hattha Bank and to help Hattha Bank actively promote and improve its products and services.

To explore the excellent customer service and customer experience, Hattha Bank considered expanding many mechanisms to hear the voice of customers related to concerns or issues such as:

- Expanding the Call Centre to work 24 hours a day/ 7 days a week including public holidays.
- Developing many channels for submission of complaints/ queries through Telegram, social media, suggestion box, direct to staff, and Hotline (023 999 266 or 1800 212 222 (Toll-free)).



HUMAN RESOURCES MANAGEMENT

5,550

Total Employees

1,243

New recruited employees

99.78%

Employee training coverage

Human resource management is Hattha Bank's strategic approach to nurturing and supporting employees and ensuring a positive workplace environment.

Recruiting dynamic and passionate talents plays a vital role to support our business growth.

Human capital is very crucial and critical for a sustainable Hattha Bank development.

Put simply, human resource management is Hattha Bank's strategic approach to nurturing and supporting employees and ensuring a positive workplace environment. Furthermore, the Human Resource Division is grooming Hattha Bank to become the "Employer of Choice" and to support the bank to achieve their business strategy as planned, by ensuring the bank has the right people, in the right job, with the right skills and abilities, with a commitment to providing high-quality service to target clients. Significant initiatives and programs have been put in place including Employer Branding, Total Reward Competitiveness, culture integration, high-performance organization, HR productivities, as well as up-skilling and re-skilling current employees toward future in-demand skills.

Consequently, as of December 2022, Hattha Bank has a total of 5,550 employees, of which 1,243 were newly recruited and 338 were promoted with a 26.5% of women employee ratio. Additionally, Hattha Bank's employee retention ratio is 85.3% with the employee's average year of service being 4.6 years.

More importantly, human capital is very crucial and critical for sustainable Hattha Bank development. With a long-term vision, Hattha Bank has identified the promotion of human resources as one of its core strategies. Acquiring potential talents to work for Hattha Bank is a challenge; however, retaining them to work long enough with us is another major challenge that requires more efforts regarding both financial and non-financial benefit offers. In this regard, the learning and talent development function of Hattha Bank has played very vital roles in providing benefits for staff through offering comprehensive knowledge and work experience. Our high commitment from our related training staff, as a result, increased the achievement compared to the previous year and almost 100% of active employees got



learning and development opportunities at an average of more than 15 days during the year. As of December 2022, Hattha Bank accomplished a remarkable achievement such as distance training/e-learning and self-study (51,156 learners), short course and refreshment (18,131 learners), coaching and mentoring program (4,820 learners), orientation training (1,295 learners), academy/workshop and external short-course training (1,285 learners), foundation training (1,224 learners), on-the-job training (1,224 learners) and others.

Finally, employee well-being is one of Hattha Bank's main priorities. To take care of staff, Hattha Bank offers a variety of employee benefits including the National Social Security Fund (NSSF), health assistance allowance, medical claims, private insurance, and self-life insurance.

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 organised by Hattha Bank
- Demonstrate the ability to perform the work
- Knowledge and skills improvement

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

- Obey the laws and regulations that govern our business
- Be honest, equitable, and reliable in all activities and relationships for Hattha Bank
- Avoid conflicts of interest between work and personal affairs
- Create 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 recognised, valued, and exemplified by staff
- Maintain integrity as a key driven of work.

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.



I. INTERNAL CONTROL AND INTERNAL AUDIT

INTERNAL AUDIT

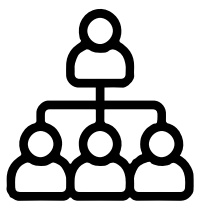
A systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance is used by the internal audit to review and assess the adequacy and appropriateness of the internal control system, monitor compliance with the law and regulations, and provide objective assurance and consulting activity designed to add value and improve Hattha Bank's operations and help Hattha Bank achieves its goals.



The internal audit reports independently to the chairman of the Audit Board Committee (ABC) and the Board of Directors with an indirect report to the Krungsri Internal Audit group and administratively reporting to the CEO.



According to the annual internal audit strategy and operational plan using a risk-based approach which is approved by the Audit Board Committee (ABC) and the Board of Directors (BOD), the internal audit's work is focused on the business and branch operation, risk management, compliance, information technology function, and other products & services/projects to ensure risk management, internal control, and governance processes, as designed and represented by the management, is adequate and functioning as intended.



There are three departments within the internal audit division of Hattha Bank including the branch audit, head office audit, and internal audit assurance departments. The head office and branch audit departments have executed their works in accordance with the approved annual internal audit strategy and operational plan. The primary focus of the two departments' work is on assurance and consulting activities, which includes identifying, evaluating, and issuing findings and recommendations to assess and enhance the efficacy of risk management, internal control, and governance processes, among other processes. Regarding the internal audit assurance department, the primary focus of this department's work is to evaluate the effectiveness of the two audit departments' internal audit work quality, perform follow-up on all audit findings/issues raised by head office and branch audit departments, NBC, Krungsri Internal Audit group, external auditor and other regulatory agents, and perform the issue validation to ensure the design of adequate internal controls and the effectiveness of Hattha Bank's operations.



Internal audit
conducted

109

branch offices



Internal audit
conducted

19

business functions/
departments



Internal audit
conducted

06

other products/
services



Internal audit
conducted

7,271

loans review



Internal audit
conducted

03

times of off-site audit



Internal audit
conducted

49

offices of quality
review of audit work

The result as of December 31, 2022



RISK MANAGEMENT

The Risk Management Division plays a vital role in Hattha Bank by sustaining competitive capabilities in an ever-changing business environment with regulatory requirements, economic trends, and disruptive technologies. Risk management mechanisms allow us to maintain a sound risk appetite. Also, under the supervision of our risk management function, an extensive and well-defined risk management system has been adopted through our risk management structure, risk policies, and risk appetite framework. The Risk Management Team has continuously developed and updated policies and procedures, in alignment with the Group where applicable, to improve our capabilities in identifying, assessing, mitigating, and monitoring risks within an acceptable risk appetite. Collaboration across all business functions has led to more efficient risk management processes.

The bank has established risk management and control with the Three Lines of defence, segregating roles and responsibilities as well as accountability for decision-making to achieve robust governance and risk management.

- i. First line of defence: Frontline teams are responsible for day-to-day operations to ensure that the risk and control environments are safeguarded;
- ii. Second line of defence: The Risk Management Division is responsible for oversight, monitoring, and control of risk policies and procedures;
- iii. Third line of defence: An internal audit function is responsible for providing strengthened independent assurance by assessing policies and procedures to ensure effective implementation.



RISK MANAGEMENT STRUCTURE

Hattha Bank has established a strong risk management structure that facilitates strong management oversight and effective execution of risk management and control processes.

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 was established with two departments under supervision: i) Credit and Market Risk Management Department and ii) Operational Risk and Fraud Management Department. The Division acts as a second line of defence with its independent function of risk management, reporting directly to ALCO and the Risk Management Committee, the ALCO, and the Risk Board Committee on a monthly basis.



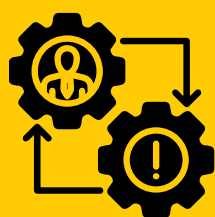
RISK APPETITE

Hattha Bank also implements a Risk Appetite Framework approved by the Board. It monitors all risk-taking activities and ensures activities are being aligned with the accepted risk appetite and risk tolerance. All policies, procedures, and guidelines are established, communicated, and monitored. Hattha Bank has exposure to the following key risks:



Credit Risk

Credit risks are managed in various methodologies and tools such as credit risk management policy, credit underwriting criteria, credit approval authority, credit limit, credit risk monitoring, application scoring, credit risk grading and impairment, portfolio risk analytics, and independent credit review to branches.



Operational Risk

The operational risk management team performs their tasks to ensure minimal impacts on Hattha Bank from any failure event which may be caused by internal and external factors or outage/network down. Hattha Bank regularly implements Risk Control Self-Assessment (RSCA), Key Risk Indicators (KRIs) compared to the set limits, operational risk incident reporting, and BCP testing. Every new product/service/process or amendment is required to have a thorough risk assessment for risk prevention and risk mitigation.



Market Risk

Market risk means the loss of Hattha Bank resulting from market parameter changes that may arise from the exposures in, both on and off-balance-sheet, the trading book, and/or non-trading book. However, Hattha Bank mainly faces market risk in the banking book which includes foreign exchange risk and interest rate risk. Market and liquidity risk management policies and various tools are in place for implementation.



Liquidity Risk

Hattha Bank recognises 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 market and liquidity risk management policy, adequate risk measurement tools, liquidity monitoring, liquidity trend and liquidity behaviour analysis, and liquidity stress testing. Hattha Bank so far maintains the Liquidity Coverage Ratio (LCR) as per NBC requirements and additionally sets the internal buffer on top of the regulator's requirement.



Strategic Risk

Strategic risk is the risk arising from the determination and implementation of strategies and operating plans that are made in a manner that is improper or incompatible with the significant internal environment such as the number of personnel or the existing risk management system of the bank, and the external environment, which may impact the earning, capital, or the existence of the business.



Reputation Risk

Reputation risk is the risk that the public, namely customers, counterparties, investors, analysts, and supervisory authorities, recognises a negative image of or lacks confidence in commercial banks, possibly leading to a loss of revenue and/or capital funds of commercial banks both currently and in the future.



Information Technology Risk

Information Technology Risk is the potential risk of using information technology to run a business. To manage this risk, a Disaster Recovery Plan, IT risk framework, and security have been in place.

COMPLIANCE

Hattha Bank has also adopted the policy for managing policies, procedures, and manuals from the group that the compliance department is responsible for monitoring and reviewing all policies, procedures, and manuals to ensure they are kept up to date and met with all relevant requirements.

The compliance department contributes to the development and implementation of training programs and the inclusion of a compliance culture in employees from the beginning of joining Hattha Bank through the training, the spirit and the letter, conflicts of interest, anti-corruption, and AML/CFT.

In 2019, Hattha Bank introduced a system for screening customer/ business partner information against data from the DowJones and monitoring customer transactions to strengthen our compliance with AML/CFT requirements, protect the bank from being exposed to ML/TF activities and mitigate ML/TF risks that may be exposed from time to time though the relationship with the customers and business partners. Daily monitoring of customer transactions is drawn from the core banking.

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 (including customer transactions on ATMs) to the Cambodia Financial Intelligent Unit. In addition, compliance monitors on on-site inspections, deficiencies and non-compliance issues, policies, procedures, manual reviewing and monitoring, the prudential financial ratios and other requirements from the National Bank of Cambodia and relevant regulators, and lender's covenant ongoing basis, and alert the breach to management for attention as well as report to BOD on such breach and actions taken by management.

Compliance assesses the level of regulatory compliance and overseas the implication of other relevant regulations and group requirements that impact Hattha Bank's business operations. Pending on complying with regulatory 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.





J. SOCIAL PERFORMANCE MANAGEMENT

CORPORATE SOCIAL RESPONSIBILITY

In a rapidly globalising world, interest in corporate social responsibility continues to grow among a broad range of enterprises, civil society actors, investors, and other stakeholders as well as Hattha Bank has undertaken itself accountable for its corporate actions and try to make a positive impact on community and society as a whole.

Hattha Bank's vision and mission are to provide customers with trusted, convenient, innovative financial solutions, and commit to translating Hattha Bank's vision and mission into CSR activities for illustrating the company's goodwill and give-back to the community and society.

Hattha Bank and its parent company Krungsri Bank have defined four explicit CSR pillars as the key indicator for action and measurement. The four pillars will be spliced into various actions to respond to society's interest and to promote positive corporate contributions to sustainable development and growth.

As a result, in 2022 Hattha Bank committed to achieving many CSR projects under the four pillars:

1. Creating sustainable value

- Educated and encouraged employees to actively support the activities of social and environmental education/awareness; and set the KPI for individual employees to accomplish at least three CSR activities per year
- Communicated education messages on environment protection and traffic law education on Hattha Bank's social media channels.

3. Preserving the environment

- Cleaned city and public areas by collecting rubbish
- Joined marathon green activities
- Planted trees

2. Giving back to the community

- Donated blood to National Blood Transfusion Centre
- Donated foodstuff to Orphanage Centre
- Donated foodstuff to poor families/people
- Donated foodstuff to teachers on Teacher Day
- Donated study material to students
- Donated tiles to primary school
- Contributed to trees plantation
- Contributed to street repairing
- Contributed cement to a pagoda
- Sponsored cycling event
- Sponsor solar lamp for District Hall.

4. Providing financial support

- Provided financial support via sponsoring and fund raising to Angkor Hospital for Children
- Provided financial support through True Money Cambodia to Raksa Koma Foundation.



ENVIRONMENTAL PERFORMANCE INDICATOR

Hattha Bank is strongly committed to embedding the environmental and social (E&S) protection into daily operations to make sure of E&S conformity for the sake of customer’s business activities.

SOCIAL AND ENVIRONMENTAL INDICATORS

The attention to environmental and social protection in Hattha Bank’s operation benefits various stakeholders namely institution, clients, and the community/public to reduce the environmental and social impact (direct and indirect) that apply to all business loan based on the E&S category shall be assigned with three categories as follows:





ENVIRONMENTAL PERFORMANCE INDICATORS

In order to keep improving in reducing environmental impact, Hattha Bank has been tracking the resource usage, which is used to compare with the previous years. As indicated, the year 2022 consumption was well managed with a lower quantity per staff member in consumption as below:

NO.	EXPENDITURE	2020	2021	2022
1	Water (cube)	9.66	9.33	9.99
2	Paper (sheet)	6.25	5.62	5.92
3	Tissue (box)	4.63	4.53	5.32
4	Electricity (KW)	878.70	844.47	903.76
5	Oil (litre)	0.23	0.16	0.19
6	Fuel (litre)	5.03	3.21	3.56
7	Diesel (litre)	20.36	16.30	18.46

K. BOARD OF DIRECTORS REPORT

These figures from page 62 to 71 are extracted from audited financial statements for the year ended 31 December 2022,

of which the auditor, Deloitte (Cambodia) Co., Ltd., rendered a true and fair view dated 31 December 2022.

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 2022.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in all aspects of the banking business and the provision of related financial services in the

Kingdom of Cambodia. There were no significant changes to these principal activities during the year.

FINANCIAL RESULTS

The financial results of the Group and the Bank for the year ended 31 December 2022 were as follows:

THE GROUP	31 DECEMBER 2022		31 DECEMBER 2021	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	92,172,891	376,710,604	57,172,688	232,578,496
Income tax expense	(18,329,240)	(74,911,604)	(12,166,107)	(49,491,723)
Profit for the year	73,843,651	301,799,000	45,006,581	183,086,773

THE BANK	31 DECEMBER 2022		31 DECEMBER 2021	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	92,337,066	377,381,587	56,733,612	230,792,333
Income tax expense	(18,467,913)	(75,478,360)	(12,180,322)	(49,549,550)
Profit for the year	73,869,153	301,903,227	44,553,290	181,242,783

DIVIDENDS

No dividend was declared or paid during the year (2021: nil).

SHARE CAPITAL

On 13 April 2021, 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 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 realised 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 realise.

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 within 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 globally, 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, Retired on 1 January 2023
- Mr. Phonganant Thanattrai, Chairperson, Vice President and Head of Retail and Consumer Banking of Krungsri, Effective on 1 January 2023
- Mr. Chandrashekar Subramanian Krishoolndmangalam, Director, Chief Risk Officer of Krungsri
- Mr. Pairote Cheunkrut, Director, Chief Strategy Officer of Krungsri
- Ms. Duangdao Wongpanitkrit, Director, Chief Financial Officer of Krungsri
- Mr. Hout Ieng Tong, Director, President and Chief Executive Officer of HATTHA Bank Plc.
- Mr. Wanchairabin Jitwattanatam, Executive Vice President of Regional Business Division of Krungsri
- Mr. Dy Davuth, Independent Director, Vice President of Build Bright University
- Mr. Lonh Hay, Independent Director
- Mr. Pak Sereivathana, Independent Director

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 the 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 2022, and their financial performance and their 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 applies 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, present fairly, in all material respects, the financial positions of the Group and the Bank as of 31 December 2022, and their financial performance and their cash flows for the year then ended in accordance with CIFRSs, and at the date of this statement, there are reasonable grounds to believe that the Group and the Bank will be able to pay their debts as and when they fall due.

On behalf of the Board of Directors



Mr. Hout Ieng Tong
President and Chief Executive Officer

Phnom Penh, Kingdom of Cambodia 29 March 2023

L. AUDITED STATEMENTS FROM INDEPENDENT AUDITOR

BALANCE SHEET

ASSETS	31-DECEMBER-2022 CIFRS		31-DECEMBER-2021 CIFRS	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	65,106,117	268,041,884	53,605,978	218,390,754
Balances with the NBC	255,763,733	1,052,979,289	222,244,286	905,423,221
Balances with other banks	39,271,552	161,680,980	36,358,121	148,122,985
Loans to customers	1,902,504,695	7,832,611,829	1,655,739,462	6,745,482,568
Investment securities	15,702,917	64,648,909	20,000	81,480
Investment in subsidiary	3,508,844	14,445,911	490	1,996
Derivatives held for risk management	21,932,357	90,295,514	21,421	87,269
Property and equipment	17,429,529	71,757,371	8,233,488	33,543,230
Right-of-use assets	20,924,572	86,146,463	21,038,360	85,710,279
Intangible assets	4,360,407	17,951,796	4,498,567	18,327,162
Deferred tax assets, net	2,468,967	10,164,737	8,249,769	33,609,559
Other assets	23,876,250	98,298,521	26,651,875	108,579,738
TOTAL ASSETS	2,372,849,940	9,769,023,204	2,036,661,817	8,297,360,241

LIABILITIES AND EQUITY

LIABILITIES	31-DECEMBER-2022 CIFRS		31-DECEMBER-2021 CIFRS	
	US\$	KHR'000	US\$	KHR'000
Deposits from customers and financial institutions	1,193,357,329	4,913,052,123	1,040,432,277	4,238,721,096
Debt securities issued	43,726,699	180,022,820	-	-
Borrowings	579,769,689	2,386,911,810	558,563,432	2,275,587,422
Subordinated debts	74,012,302	304,708,647	44,106,167	179,688,524
Derivatives held for risk management	1,730,083	7,122,752	2,510,693	10,228,563
Current income tax liabilities	13,710,127	56,444,593	12,856,311	52,376,611
Lease liabilities	23,061,149	94,942,750	22,725,395	92,583,259
Provisions	4,068	16,748	11,596	47,242
Financial guarantee liabilities	2,892,433	11,908,147	-	-
Other liabilities	19,737,315	81,258,527	23,094,527	94,087,103
TOTAL LIABILITIES	1,952,001,194	8,036,388,917	1,704,300,398	6,943,319,820

EQUITY	31-DECEMBER-2022 CIFRS		31-DECEMBER-2021 CIFRS	
	US\$	KHR'000	US\$	KHR'000
Share capital	140,000,000	576,380,000	140,000,000	570,360,000
Share premium	19,082,502	78,562,661	19,082,502	77,742,113
Reserves	44,817,549	194,798,269	14,830,872	64,887,106
Non-distributable reserve	70,000,000	288,190,000	50,000,000	203,700,000
Retained earnings	146,948,695	594,703,357	108,448,045	437,351,202
TOTAL EQUITY	420,848,746	1,732,634,287	332,361,419	1,354,040,421
TOTAL LIABILITIES AND EQUITY	2,372,849,940	9,769,023,204	2,036,661,817	8,297,360,241

INCOME STATEMENT

	YEAR ENDED 31-DECEMBER-2022 CIFRS		YEAR ENDED 31-DECEMBER-2021 CIFRS	
	US\$	KHR'000	US\$	KHR'000
Interest income	273,339,787	1,117,139,709	216,772,100	881,828,903
Interest expense	(110,907,844)	(453,280,358)	(88,905,833)	(361,668,929)
Net interest income	162,431,943	663,859,351	127,866,267	520,159,974
Fee and commission income	10,464,948	42,770,242	7,716,353	31,390,124
Fee and commission expense	(1,713,251)	(7,002,057)	(1,028,991)	(4,185,935)
Net fee and commission Income	8,751,697	35,768,185	6,687,362	27,204,189
Net losses from other financial instruments at FVTPL	(1,025,146)	(4,189,772)	(526,143)	(2,140,350)
Other income	269,416	1,101,103	302,720	1,231,465
Net impairment losses on financial Instruments	(4,716,353)	(19,275,735)	(4,766,060)	(19,388,332)
Personnel expenses	(53,458,872)	(218,486,410)	(47,877,616)	(194,766,142)
Depreciation and amortization	(6,759,256)	(27,625,079)	(6,163,657)	(25,073,757)
Other expenses	(13,156,363)	(53,770,056)	(18,789,261)	(76,434,714)
Profit before income tax	92,337,066	377,381,587	56,733,612	230,792,333
Income tax expense	(18,467,913)	(75,478,360)	(12,180,322)	(49,549,550)
Profit for the year	73,869,153	301,903,227	44,553,290	181,242,783
Other comprehensive Income/(loss)	14,618,174	70,467,442	3,411,718	18,365,472
Total comprehensive income for the year	88,487,327	372,370,669	47,965,008	199,608,255

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM	RESERVES	NON- DISTRIBUTABLE RESERVE	RETAINED EARNINGS	TOTAL
	US\$	US\$	US\$	US\$	US\$	US\$
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
At 1 January 2022	140,000,000	19,082,502	14,830,872	50,000,000	108,448,045	332,361,419
Issuance of share capital	-	-	-	-	-	-
Profit for the year	-	-	-	-	73,869,153	73,869,153
Other comprehensive income	-	-	14,618,174	-	-	14,618,174
Total comprehensive income for the year	-	-	14,618,174	-	73,869,153	88,487,327
Transfers	-	-	15,368,503	20,000,000	(35,368,503)	-
At 31 December 2022	140,000,000	19,082,502	44,817,549	70,000,000	146,948,695	420,848,746
In KHR'000 equivalents	576,380,000	78,562,661	194,798,269	288,190,000	594,703,357	1,732,634,287

STATEMENT OF CASH FLOWS

Statement of Cashflows (1 of 2)

	YEAR ENDED 31-DECEMBER-2022 CIFRS		YEAR ENDED 31-DECEMBER-2021 CIFRS	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Profit before income tax	92,337,066	377,381,587	56,733,612	230,792,333
Adjustments for:				
Net interest income	(162,431,943)	(663,859,351)	(127,866,267)	(520,159,974)
Net losses from other financial instruments at FVTPL	1,025,146	4,189,772	526,143	2,140,350
Dividends on equity securities at FVOCI	(15,502)	(63,356)	(15,577)	(63,366)
Net impairment losses on financial instruments	4,716,353	19,275,735	4,766,060	19,388,332
Depreciation and amortization	6,759,256	27,625,079	6,163,657	25,073,757
Provision for employee benefits	1,917,650	7,837,436	1,815,546	7,385,641
Other guarantee fee income	(615,921)	(2,517,269)	-	-
(Gains)/Losses on disposals of property and equipment	(96,985)	(396,378)	(260)	(1,058)
Written-off of property and equipment and intangible asset	-	-	94,701	385,244
Effect of currency translation of monetary items	1,385,848	5,663,961	(4,461,439)	(18,149,134)
Total Cash flow from operating activities	(55,019,032)	(224,862,784)	(62,243,824)	(253,207,875)
Changes in:				
Balances with the NBC	(26,308,072)	(107,521,090)	(4,336,988)	(17,642,867)
Balances with other banks	(307,662)	(1,257,415)	(304,513)	(1,238,759)
Loans to customers	(250,848,888)	(1,025,219,405)	(371,196,243)	(1,510,026,317)
Other assets	2,431,237	9,936,466	(4,286,836)	(17,438,849)
Deposits from customers and financial institutions	143,019,374	584,520,182	233,948,213	951,701,330

	YEAR ENDED 31-DECEMBER-2022 CIFRS		YEAR ENDED 31-DECEMBER-2021 CIFRS	
	US\$	KHR'000	US\$	KHR'000
Other liabilities	(3,357,212)	(13,720,925)	13,189,819	53,656,184
Cash used in operations	(190,390,255)	(778,124,971)	(195,230,372)	(794,197,153)
Interest received	267,563,918	1,093,533,733	213,361,420	867,954,257
Interest paid	(97,252,855)	(397,472,418)	(86,746,466)	(352,884,624)
Income tax paid	(15,487,839)	(63,298,798)	(8,922,342)	(36,296,087)
Net cash used in operating activities	(35,567,031)	(145,362,454)	(77,537,760)	(315,423,607)
Cash flows from investing activities				
Purchases of property and equipment	(11,577,527)	(47,317,353)	(4,946,287)	(20,121,496)
Purchases of intangible assets	(708,619)	(2,896,126)	(1,381,020)	(5,617,989)
Purchases of investment securities	(15,000,000)	(61,305,000)	-	-
Placement of capital guarantee	-	-	(2,500,000)	(10,170,000)
Prepayment of building Construction	-	-	(7,061,522)	(28,726,271)
Proceeds from disposal of property and Dividend received equipment	100,748	411,757	1,736	7,062
Dividend received	15,502	63,356	15,577	63,366
Net cash used in investing activities	(27,169,896)	(111,043,366)	(15,871,516)	(64,565,328)

Statement of Cashflows (2 of 2)

	YEAR ENDED 31-DECEMBER-2022 CIFRS		YEAR ENDED 31-DECEMBER-2021 CIFRS	
	US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities				
Proceeds from borrowings	349,116,943	1,426,840,946	336,316,042	1,368,133,659
Proceeds from debt securities issuance	39,397,240	161,016,520	-	-
Proceeds from subordinated debts	30,000,000	122,610,000	35,000,000	142,380,000
Repayments of borrowings	(327,702,125)	(1,339,318,585)	(175,805,653)	(715,177,396)
Repayments of subordinated debts	(2,000,000)	(8,174,000)	(2,000,000)	(8,136,000)
Repayments of debt securities Issuance	-	-	(29,666,255)	(120,682,325)
Principal elements of lease payments	(4,744,560)	(19,391,017)	(4,579,644)	(18,629,992)
Issuance of share capital	-	-	25,000,000	101,700,000
Net cash generated from financing activities	84,067,498	343,583,864	184,264,490	749,587,946
Net increase in cash and cash equivalents	21,330,571	87,178,044	90,855,214	369,599,011
Cash and cash equivalents at the beginning of the year	177,142,409	721,678,174	86,287,195	349,031,704
Currency translation differences	-	8,257,041	-	3,047,459
Cash and cash equivalents at the end of the year	198,472,980	817,113,259	177,142,409	721,678,174

M. THREE YEARS FINANCIAL SUMMARY

KEY FINANCIAL INDICATORS	2020	2021	2022
Solvency ratio	18.2%	21.0%	21.7%
Debt to equity ratio ^{3/}	500%	513%	464%
Liquidity Coverage Ratio	131.0%	164.3%	146.0%
Non-performing loans ratio ^{1/}	1.31%	1.45%	2.25%
Loan to deposit ratio ^{2/}	166.9%	164.4%	165.1%
ROAA ^{3/}	1.83%	2.48%	3.35%
ROAE ^{3/}	11.11%	15.06%	19.61%
Interest Coverage ratio ^{3/}	143%	164%	183%

^{1/}NBC Definition

^{2/}Contractual Balance

^{3/}For 2020 and 2021 figures,

it may differ from last year annual report due to using HTB's figure alone instead of group's figure





We are ready for growing with quality

www.hatthabank.com

■ Address

No. 606, Street 271, Sangkat Boeng Tumpun 1,
Khan Mean Chey, Phnom Penh, Cambodia.
P.O. Box: 2044

■ Online

Email: info@hatthabank.com
FB: www.facebook.com/HatthaBankPlc

■ Phone

Toll Free: 1800 212 222
Phone: 023 999 266