



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

# CREDIT POLICY SUMMARY

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## 1. Target Customers

The target loan customers of Hattha Bank are Cambodian people who have certain permanent/current address in the operation areas of Hattha Bank including salary person, self-employed, business person, etc.

## 2. Prohibited Businesses

All business activities being prohibited by national law. It is prohibited as per Environmental and Social Exclusion List. (as stated in Appendix 01)

## 3. Currency

Hattha Bank provide loan in three currencies as below:

No	Currency	Abbreviation
1	Khmer Riel	KHR
2	Thai Baht	THB
3	US Dollar	USD

## 4. Maximum Loan Size

Hattha Bank can provide loan to its client up to 2% of Hattha Bank's Net-Worth.

## 5. Loan Purpose

Hattha Bank provides loan to borrowers who have clear purpose of creating and expanding business to increase profit or for consumption, etc. Hattha Bank has defined the purposes of using loan as following:

1. Agricultural Production
2. Trade and Commerce
3. Service
4. Transportation
5. Construction
6. Buying/ Constructing House
7. Household/Family
8. Production

## 6. Repayment Method

Hattha Bank has designed various repayment methods aiming to match customer's cash flow income such as monthly repayment, balloon repayment, and bullet repayment.

## 7. Credit Bureau Checking

All loan customers including main borrower, co-borrower, and guarantor are required to check with Credit Bureau of Cambodia (CBC).

## 8. Loan Security

Hattha Bank requires collateral for loan security. However, Hattha Bank also open the room for its unsecured loan which does not require collateral based on the specific product design. The acceptable collaterals and requirements are detailed as below:

1. Land, house or building: hard title and/or soft title
2. Fixed or term deposit: certificate the term deposit
3. Other assets as mentioned above: motorbike or car registration card, document to certify the owner of the shop.

## 9. Loan Approval Authority

Hattha Bank has established the structure and the approval authority in three levels as below:

Credit Approval Level
Board Credit Committee (BCC)
Management Credit Committee (MCC)
Head office and Branch

## 10. Credit Review

Periodic credit review is required at least once a year.

## 11. Loan Write Off

Circumstances where a loan should be written off also include, but are not limited to:

1. All forms of securities or collateral have been called and realized but proceeds failed to cover the entire facility outstanding.
2. Hattha Bank is unable to collect or there is no longer reasonable assurance that Hattha Bank will collect all amounts due according to the contractual terms of the loan's agreement.
3. The counterparty has become bankrupt or is undergoing other forms of financial restructuring the consequence of which it is unlikely that it may service the loan;
4. The loan has been classified under loss category.

## Appendix 01

### **List of being prohibited businesses:**

1. The businesses activities which could seriously be harmful to environment and society or seriously impacted by noise or smell to neighbor or community.
2. Production or activities involving any forms of forced labor/ or child labor.
3. Production or trade in weapons and munitions.
4. Gambling, casinos and equivalent enterprises.
5. Business activities involving any form of prostitutions or human trafficking.
6. Production or trade in tobacco and high alcoholic beverages (excluding beer and wine)
7. Commercial logging operations or trade in primary tropical moist forest or forest areas with high biodiversity or conservation value which is banned by the Cambodian Government and International Community.
8. Trade in wildlife or wildlife products regulated under Cambodian Law and International Law.
9. Production or trade in pesticides/herbicides and chemicals which are prohibited by national and international law/regulations.
10. Production or trade in pharmaceuticals which are prohibited by national and international law/regulations.
11. Production or trade in radioactive materials.
12. Production or trade in products containing PCBs such as Capacitors and Switchgears which produced in 1950 to 1985.
13. Production or trade in ozone depleting substances which are prohibited by national and international law/regulations.
14. Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
15. Cross border trade in hazardous materials regulated by Cambodian Law.
16. Business activities that are in contradiction to democracy.
17. Production or trade activities which could damage heritage and culture of Cambodia.
18. Business activities that impinge on forced eviction and/or land grabbing.
19. Others production or trade regulated by Cambodian and international law.

### **Prohibited businesses/activities as per compliance requirement:**

1. Any forms/activities that support bribery or that might cause to be a corruption or corrupt
2. Any business which is considered as obscene and providing sexual services
3. Any business that being restricted by Cambodian laws.

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