

**Public Information Summary
Hattha Bank Plc**

Host Country	Cambodia
Name of Borrower	Hattha Bank Plc., a Cambodian public limited company (the “Borrower”).
Project Description	<p>DFC will provide a direct loan to the Borrower, a Commercial Bank for the purpose of providing loans to individuals and micro, small and medium enterprises (MSMEs) in Cambodia.</p> <p>The proceeds of the DFC loan will be used to provide loans to women and women-owned businesses and to individuals and micro, small and medium enterprises working in the following developmental sectors: (i) water sanitation and hygiene, (ii) agriculture, (iii) off-grid solar, (iv) education, and (v) home improvement.</p>
Proposed DFC Loan	\$50,000,000
All-Source Funding Total	\$354,733,478
Policy Review	
Developmental Objectives	<p>The Project is expected to have a developmental impact through the expansion of the Borrower’s MSME loan portfolio in Cambodia. Over 97% of businesses in Cambodia are classified as MSMEs and are severely underserved by formal financial institutions. The formal MSME finance gap stands at over \$3.7 billion. The Project will support MSMEs engaged in WASH, off-grid solar energy, agriculture and women’s products and services. The Project Company’s core business is in rural areas, where poverty is elevated and access to financial and other services is limited. Woman-owned MSMEs face unique challenges and barriers to accessing MSME financing compared to their male counterparts. These challenges and barriers are evident given that more than 50% of women-owned MSMEs financing needs are financed with personal savings and only 18% used a bank loan or other financial products. The Project will emphasize lending to women-owned MSMEs and is aligned with DFC’s 2X Women’s Initiative as approximately 65% of downstream borrowers are women.</p>
Environment and Social Assessment	<p>The Project has been reviewed against DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. Loans to financial institutions for the purposes of SME lending and portfolio expansion are screened as a Category C for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of those downstream investments have been pre-screened as Category C and further review and consent are not required for these investments.</p>

	<p>The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards. Under DFC’s ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2.</p> <p>The Borrower has an environmental and social policy statement that is posted to its corporate website and a basic risk screening system commensurate with their investment strategy but will require strengthening in order to meet DFC expectations. Prior to any investment, all applicants are screened against the Borrower’s ESG Exclusion List that is based upon the IFC, FMO, and DEG’s exclusion lists. Further, the Borrower ensures that its investments will align with the ILO and has newly established screening and risk identification procedures for COVID-19. The Borrower has dedicated policies for grievance mechanisms, human resource policies, external stakeholder contact and outreach mechanisms, and an overall structure that has responsible parties conducting ESG compliance and continuous improvement as part of their job descriptions.</p>
Grants Assessment	N/A