



About Our Report

This Annual Report covers our financial and non-financial performance during the period 1 October 2020 to 31 March 2022.

Through this report, it is our sincere effort to keep our stakeholders abreast of key developments; business activities and initiatives; market challenges and business solutions; our achievements; mid- to long-term direction; and the overall health of operations in the 18 months period. The report also presents rich insights and forward-looking statements on financial position and performance in the year ahead.

Our financial statements are independently audited and provide in-depth and transparent disclosure of our financial performance. Unless we indicate otherwise, all the data presented relates to the Group, which includes our subsidiaries.

In preparing our report, we were guided by the requirements of local and international and reporting frameworks, guidelines and best practices.



uab bank Group's Annual Report

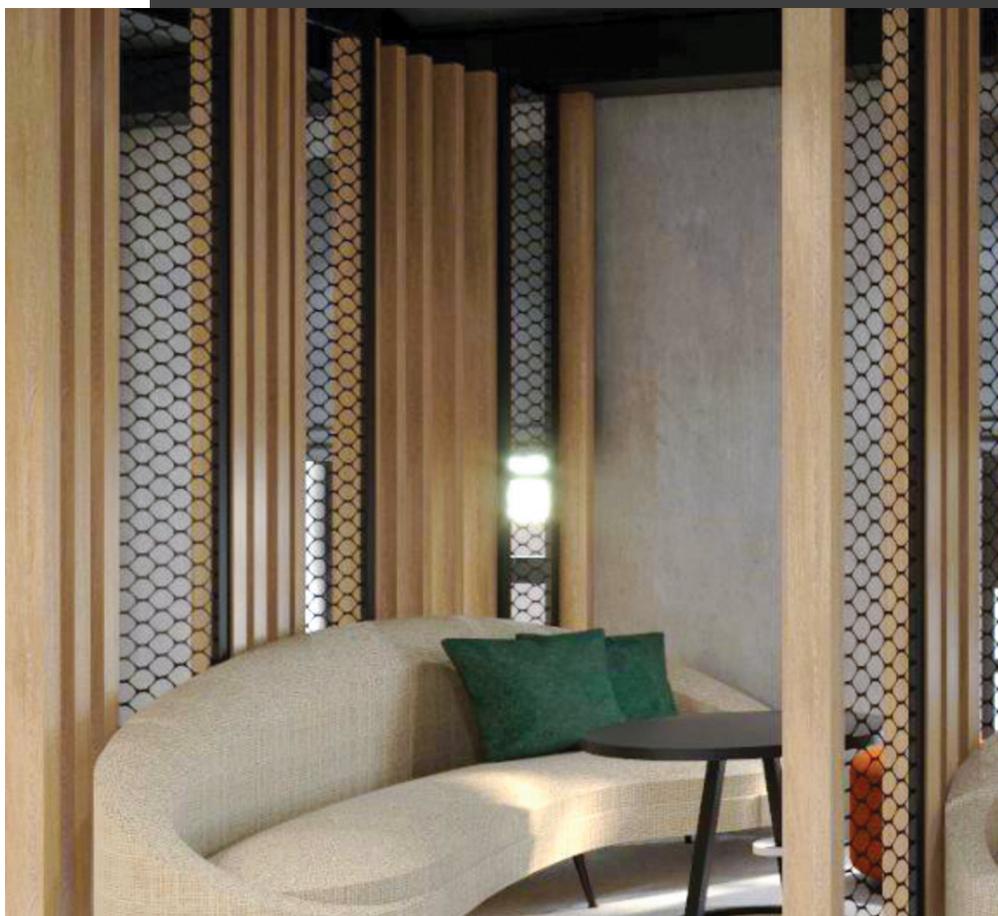
is available for download at

<https://www.uab.com.mm/uab-annual-report-2022/>



Annual Report

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Message from the Chairman

Dear Stakeholders,

It is an honour and a privilege to deliver my first statement as Chairman of uab. I am fortunate to have inherited an engine of growth, which has already built a strong foundation to emerge as a leading bank in Myanmar.

I would like to express my deepest gratitude and appreciation to Ne Aung for his leadership, commitment and dedication in guiding the Bank since its inception.

While I am the bearer of the good news, I take pride in the former leadership as well as the Group's efforts in delivering positive results.

Even more exciting is the fact that right in my first year, I am part of a new direction, the new mid-term strategic roadmap uab 2025 which will accelerate growth and future-proof the organisation towards becoming the leader in Myanmar, supported by #uabians.



Message from the Chairman

“ What can be more surreal and exciting than a welcome note that spell “uab bank – Best Bank in Myanmar by Euromoney – 3 Years in a row”

Congratulations uabian – You made it again!

I feel honoured to be part of uab’s enthralling success, exciting journey and monumental vision...”

VALUE CREATION

While we continue to navigate the new normal, the lessons learnt in solidarity strengthens my belief in a strong recovery and resilient growth.



The Group successfully weathered the challenges of the pandemic to deliver a commendable financial performance for FY 2022, recording Net Profit of MMK 20 bil, a whopping 124% higher than the preceding year, on annualised basis.

Utilising what we had learnt through the pandemic book, the Group continued to prioritise our customers, employees and the community.

With their interests at heart, we have not only been able to maintain their confidence and trust but have also continued to add value to them – rebuilding lives and livelihoods: being with

them, understanding their diverse needs, making sure they have seamless access to finance and financing solutions and keeping them cared on their road to recovery.

RISK AND GOVERNANCE

As a custodian of public funds, we are committed to strengthening our Governance Framework, embedding compliance culture in our everyday work processes and ensuring the adoption of industry best practices.

To this context, I am proud to witness such a cohesive and comprehensive Governance structure put in place in uab – right from as small as Code of Ethics by every employee, to the Board and Committee structure, proper segregation of roles and responsibilities as well as approving authority, strong Anti-Money Laundering and Counter Financing of Terrorism (“AML/CFT”) practices and many more – covering every aspect of the Bank’s ecosystem.

The Group has also continued to create awareness among our employees on the pitfalls of bad business conduct and weak internal controls through various training programmes, risk bulletins, sharing sessions – ensuring that it reaches and embedded in every uabian, through formal and informal channels.



SUSTAINABILITY AND SUSTAINABLE BUSINESS

Given the vulnerability of the world and mankind in the last two years, creating a sustainable environment and ensuring its sustainability has become equally important to delivering the financial returns to our shareholders.

Most importantly, as both individuals and businesses, we have developed a deeper appreciation for our responsibility as citizens of this planet.



We continued to lend our support to those affected by Covid-19 through various measures—PPE and kits to the frontliners, monetary and non-monetary donations (e.g. essential food) to those in need, vaccinations for our staff and

their family members, scholarships to the underprivileged children and many more.

We believe that we shall not only survive but thrive together to build a better and more resilient future together.

ACKNOWLEDGEMENTS

On behalf of the Board, I take this opportunity to express our greatest appreciation and gratitude to my predecessor Ne Aung. He has earned enormous respect from everyone who worked for him and with him. uab owes tremendously for his years of vision and leadership in growing the Group to where it is now.

Further, we saw several changes to our board and leadership team in order to provide better focus and accountability in driving the strategic priorities of uab 2025. I am confident that they will be able to carry out their new roles admirably, and look forward to working closely with our leadership bench to grow the business.

Lastly, I am very appreciative of the warm welcome extended to me by the Board and Senior Management. My journey with uab has only just begun, and I look forward to working closely with each and every one of you #uabian.

Let's embrace the challenges ahead with optimism as we strive towards our Purpose of Leading Change, Humanising Banking.

To everyone, thank YOU.

Nay Aye
Chairman

Who We Are

uab is a leading bank in Myanmar

With accolades and recognition from various local and international finance and banking bodies – Best Bank, Best Governance, Best Management Team as well as one of the leaders in championing sustainability, we see a purpose beyond banking and are committed to supporting our customers, employees and the community towards a sustainable future.

Established in 2010, we are now serving our customers from a growing network of 84 branches in 55 townships and committed to deliver complete solutions to customers through differentiated segment offerings and an ecosystem that supports simple, fast and seamless customer experiences.

Leading **Change**, Humanising Banking



Who We Are

**Our Purpose is to lead the way towards a better Myanmar,
humanising banking, connecting people, creating opportunities
and changing lives**



-  We lead changes in financial services. We are an institution of strength built on sound principles and good governance
-  We deliver banking with a heart, we care for our people and the communities we are in
-  We connect people and build relationships to foster a stronger community spirit
-  We create opportunities and a better future for our staff and our customers
-  We are the change that will empower the communities around us, and together enrich the lives of those we touch

RESILIENT AND STRONG GROWTH



TOTAL LOAN
1.0 TRIL



PROFIT AFTER TAX
20.4 BIL



TOTAL DEPOSITS
1.4 TRIL

THE BEST AMONGST THE INDUSTRY



COST TO INCOME RATIO
30.6%



RETURN ON EQUITY
16.8%



NPL RATIO
8.7%

SOLID KEY PERFORMANCE INDICATORS



COST OF FUNDS
~6.0%



CAPITAL ADEQUACY RATIO
11.6%



CASA RATIO
68.6%

*P&L related items are annualised based on run rate due to 6 months reporting period (Oct21 to Mar22)

What We Do

Towards a better
Myanmar



uab bank, together with our subsidiary uab securities offer a comprehensive end-to-end financial products, services and solutions to all types of customers across all sectors.

1. Retail & SME Banking

Retail banking provides customers with financial solutions essential for them to achieve their financial goals and aspirations. Our products and services include deposits, secured and unsecured loans, insurance, wealth investments and various cashless payments like cards and wallets. We also provide our SME Banking customers with trade financing solutions to help them manage their import and export business and to support their growth ambitions. Our customers can easily access our services across our network of branches, automated teller machines (ATMs), and internet and mobile banking platforms.

In 2020, we launched our digital apps under the brand of SaiSai Pay and uabpay which signalled

our new thrust into fintech. The digital business will increasingly play an important part in expanding our Retail and SME segment reach.

2. Corporate Banking

Corporate Banking provides a full range of banking products, services and solutions to the key businesses in Myanmar. Corporates generally have more complex business needs. Therefore, personalised and long-term relationships are the key to how we conduct Corporate Banking. Customers are assigned dedicated Relationship Managers who will serve them through the different life-stages of their business and provide tailor made solutions.



Facilities offered include working capital financing, commercial loans, treasury management, cash management and international trade finance,

3. Treasury & FI

Treasury offers customers a variety of financial services such as forex, hedging and cross currency swap. Apart from those services, it also deals with other banks for interbank lending/ borrowing and it connects with Central Bank of Myanmar for investments in government treasury bond and bills.

Treasury monitors the liquidity of the bank and ensures that all liability obligations are met. It also ensures efficient use of capital and funding.

Financial Institutions (FI) Dept builds and maintains the good relationship with both financial institutions and other Institutions. Apart from other banks, other institutions include micro finance companies, insurance companies, stockbrokers and NGOs. For these institutions, FI provides support for their cash management, fund transfer and financing needs.

4. Transaction Banking

Transaction Banking supports both SMEs and Corporates in their trade finance needs particularly with import, export and international money transfers. They arrange for letters of credit, documentary collection and SWIFT payments for businesses.

For retail customers, Transaction Banking handles payments over the counter and through accounts for Western Union and RIA Money Transfers facilitating easy worker remittance transfers.

Supply chain financing is also arranged for businesses, and this is designated to help customers to efficiently manage their cash inflows and outflows and support the entire supply chain flow between customers and business partners through Receivable Discounting and Payable Finance Solutions.



5. Bancassurance

An exclusive bancassurance partnership with Manulife has been arranged to help families in Myanmar make better financial decisions, protect themselves and plan for their children's education.

Various life insurance schemes presently available are:

- Manulife Protector
- Education Life
- Credit Life Protector

We continue to develop new schemes for customers.





uab securities is a subsidiary of uab bank, one of the pioneer investment banking houses to be granted license by the Securities and Exchange Commission of Myanmar. uab securities offers a complete range of investment banking products and solutions to retail, mid-market, corporate and institutional clients including the following:

Securities Trading

Securities Trading provides access to shares trading on Yangon Stock Exchange. uab securities is the official trading partner of Yangon Stock Exchange. Securities Trading also provides over-the-counter trading of Myanmar Government Treasury Bonds and shares of unlisted public companies in Myanmar.

Investment Banking

Investment Banking provides a wide range of advisory services which includes the following:

- Mergers and acquisition (“M&A”)
- Capital raising: Initial public offering (“IPO”) and private placement
- Business valuation
- Corporate and debt restructuring
- Debt financing solutions

Diversifying products and services

uab securities evaluates opportunities to introduce new products and services through examining the needs of the clients that are adjacent to existing businesses, capitalising on the connectivity and strength.

In Securities Trading, uab securities is proud to have introduced a new product into the market – **Myanmar Government Treasury Retail Bond**. The benefit is twofold as the business is able to add a new revenue stream for the company and also provide access for the public to invest and participate in a safe investment which is backed by the Government of Myanmar.

uab securities will continue evaluate opportunities to diversify and increase revenue stream.



Best Investment Bank Myanmar 2022



Our Mission



We strive to provide best-in-class advice and pride ourselves in offering thoughtful advice, tailored to the financial objectives of our clients



We strive to provide execution excellence on the most complex transactions in order to help our clients grow



We maintain a steadfast commitment to building long term relation with the client

Our Business Model

We Deploy Our Capital Optimally

Through Our Strategy and Focus Areas

- 
Financial Strength
- 
Robust Relationship
- 
Branding
- 
Physical Network
- 
Valued People
- 
Strategic Capital
- 
Intellectual Capital

OUR PURPOSE

“Lead the way towards a better Myanmar, humanising banking, connecting people, creating opportunities and changing lives”

OUR BUSINESS PILLARS

- 
Retail & SME Banking
- 
Wholesale Banking
(Corporate Banking, Treasury & Financial Institutions, Transaction Banking)
- 
Investment Banking
(uab securities)
- 
Banca Assurance

OUR FOCUS AREA



And Business Activities

To Create Sustainable Value To Our Stakeholders



Lending of Loans and Financing



Shareholders



Deposit Taking



Employees



Treasury & Trading



Regulators



Investment Banking & Securities Trading



Customers



Insurance



Business Partners

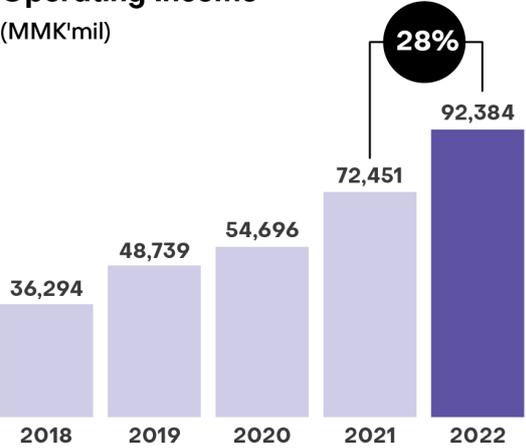


Society

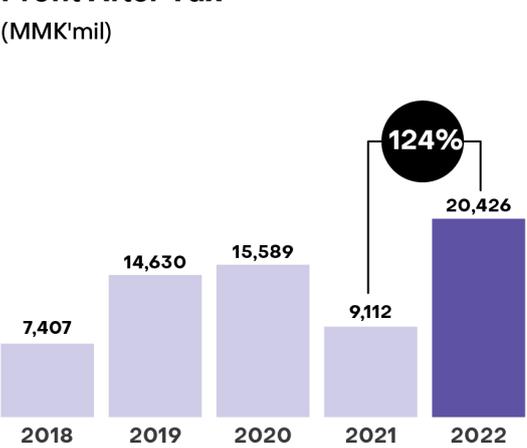
WE CREATE VALUE

Five-Year Group Financial Summary

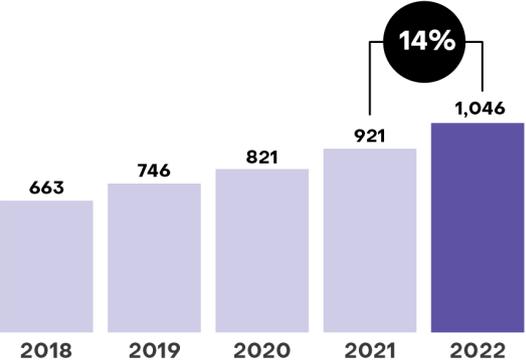
Operating Income
(MMK'mil)



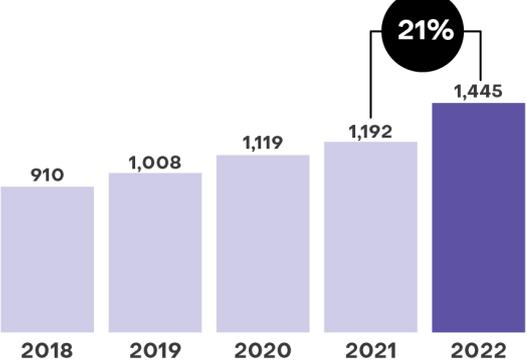
Profit After Tax
(MMK'mil)



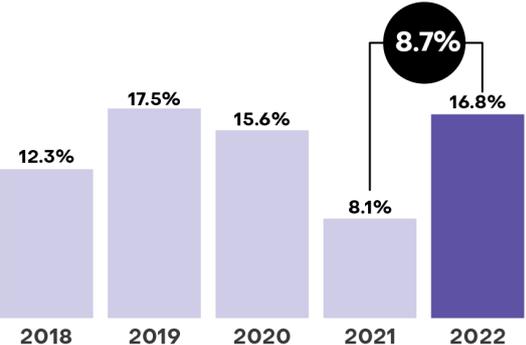
Customer Loan
(MMK'bil)



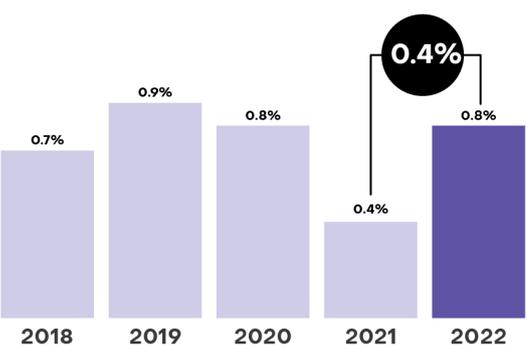
Customer Deposit
(MMK'bil)



Return on Equity
(%)



Return on Assets
(%)



uab Bank Group	2018	2019	2020	2021	2022
Key Income Statement Items (MMK'mil)					
Operating Income	36,294	48,739	54,696	72,451	92,384
Operating Expense	25,258	24,625	28,234	27,165	28,298
Operating Profit ^{N1}	11,036	24,115	26,461	45,286	64,086
Profit After Tax	7,407	14,630	15,589	9,112	20,426
Key Balance Sheet Items (MMK'mil)					
Customer Loan	663,065	746,133	820,522	920,857	1,046,399
Customer Deposit	909,565	1,008,372	1,118,886	1,191,507	1,445,279
Total Asset	1,055,895	1,198,126	1,466,457	1,650,503	1,901,872
Shareholders' Equity	75,504	92,121	107,834	116,173	127,129
Key Financial Indicators (%)					
Cost to Income Ratio (CIR)	69.6%	50.5%	51.6%	37.5%	30.6%
Non-performing Loan Ratio (NPL)	4.74%	4.85%	5.50%	8.70%	8.66%
Return on Average Equity (ROAE)	12.3%	17.5%	15.6%	8.1%	16.8%
Return on Average Assets (ROAA)	0.7%	0.9%	0.8%	0.4%	0.8%
Capital Adequacy Ratio (CAR)					
Tier 1 CAR	7.3%	8.3%	9.2%	9.1%	10.4%
Total CAR	8.5%	9.6%	10.5%	10.3%	11.6%
Liquidity Ratio	23.6%	26.1%	31.4%	31.1%	37.8%

^{N1} Operating Profit before LLP

^{N2} Income Statement Items for 2022 is annualised based on 6 months performance for comparison purposes

Business Highlights



23rd January 2021

1st Virtual Career Day



1st July 2021

11th Annual General Meeting



18th October 2021

Thadinguyt Garawa

June 2021

10 years long service award



25th & 26th September 2021

Business Plan with Management Session

30th October ~ 2nd November 2021

Business Plan presentation to BODs



5th November 2021

uabians Town Hall





25th & 27th November 2021
New Joiner Orientation

20th December 2021
Top Performer Awarding Ceremony



25th & 26th January 2022
Director Training and Orientation

8th March 2022
100 Days Graduation Ceremony with Manulife



10th March 2022
Strategic Partnership with Citizen Pay

15th March 2022
Strategic Partnership with True Money



Business Highlights



16th – 19th March 2022
Managers Conference 2022



26th March 2022

Walk-in Interview



4th April 2022

Welcoming New BODs and Introduction with uabians





6th April 2022

**Customer Appreciation Dinner
(Corporate Banking)**

3rd May 2022

Strategic Partnership with Modus Operandi



16th June 2022

**Customer Appreciation Dinner
(Transaction Banking)**



20th May 2022

**Networking Event
(Treasury & Financial Institutions)**

1st July 2022

**Merchants Appreciation Event
(Merchants Acquiring)**



22nd June 2022

**A Morning Session on Carrers and
improving Business English**



A Fond Farewell... Our Beloved Chairman

The legacy of Ne Aung will continue to be reaffirmed in all of uab's future achievements and successes.

Ne Aung has been a visionary leader, a pillar of strength, a great mentor and a true friend to many uabians.

His determination and commitment were not only unwavering, but also inspiring to many, both within and outside uab.

As Group Chairman, his strong support has set a solid tone and foundation for execution of uab's transformational journey that made it a financially and organisationally robust banking group today.

The Board, Senior Management, and uabians continue to remain inspired by his business acumen, professionalism and dedication in shaping uab into what it is today: a Bank that is focussed on creating sustainable value for all our stakeholders.



Awards & Accolades



“Best Bank in Myanmar 2022”
by EUROMONEY





“Best Bank Awards 2022” by ASIAMONEY



Awards & Accolades

Banking Brand of the Year Myanmar 2022

Global Banking and Finance Awards



Best Retail Bank Myanmar 2022

Retail Banker International
Asia Trailblazer Summit and Awards



Best Retail Bank Myanmar 2022

Global Banking and Finance Awards



Banking CEO of the Year Myanmar 2021~2022

Global Banking and Finance Awards



- 🏆 **Best Bank Myanmar**
World Business Outlook Awards 2021
- 🏆 **Best Bank In Myanmar 2021~2022**
Global Business Review Magazine Award

- 🏆 **Best Transaction Bank**
Cash Management ~ Myanmar 2021
International Finance
- 🏆 **Best Retail Bank in Myanmar**
Retail Banker International



Best Investment Bank Myanmar 2021~2022

Global Banking and Finance Awards



Best Investment Banking CEO Myanmar 2021~2022

Global Banking and Finance Awards



Best Bank Award 2021

Global Finance



Banking CFO of the Year Myanmar 2022

Global Banking and Finance Awards

Best Leadership Transformation

AmCHAM Singapore Awards

CSR Excellence AmCHAM

Singapore Awards

Best CSR Bank Myanmar

Finance Derivative Awards & Global Business Magazine Award

Mid-sized Domestic Retail Bank of the Year

Myanmar Asian Banking & Finance Awards





NAVIGATING COVID-19



Our Response to Covid-19

The global Covid-19 pandemic has been an unprecedented crisis for all of humanity and everything that we have built. It has been as much a test of our economic systems, as it has been of our vision of shaping a progressive and sustainable world.

Our priority has been to proactively engage with our multiple stakeholders, including our shareholders, employees, customers, suppliers, regulators, peers and community.

We are determined to understand issues and challenges of our stakeholders in managing the impact of Covid-19 and committed to develop recovery measures that will help them to tide through the challenges together.

CUSTOMERS

We remained true to our commitment and supported customers in need and their seamless and safe access to financial services and solutions:

- Provided financial relief and support to affected customers through moratorium/ payment deferment, restructuring & rescheduling solutions.
- Offered guidance on options available for financial assistance while encouraging customers to bank digitally to reduce physical presence at branches.
- Accelerated the enhancement and deployment of fully digital financial products and services to enable our customers to undertake their daily banking needs remotely with minimal disruption.
- Undertook temporary closures of some branches and revised the operating hours when needed and conducted regular disinfection/sanitisation exercises.
- Ensured compliance with SOPs by enforcing

physical distancing measures at customer waiting areas as well as usage of protective equipment such as masks and acrylic barriers at the counters. We also developed an online branch appointment system to manage queues.

REGULATORS

In addressing regulators' relief directives:

- Adopted new lending guidelines including revising the relevant methodology for assessment of borrowers' capacity for repayment, risk profile, R&R applications and collateral requirements to enable speedy and flexible responses to affected borrowers' needs.
- Continuously undertook ad hoc stress tests and simulation analyses in response to the rapid changes in the operating environment to ensure overall resilience.
- Continued to prioritise capital and liquidity strength and operated well above the regulatory minimum despite the capital and liquidity relief afforded to the banking sector through the drawdown of buffers and lowering of liquidity coverage thresholds.

EMPLOYEES

We activated our Business Continuity Plan and prioritised the well-being and welfare of our employees:

- Ensured safety of employees, their families, our customers and communities, as well as continuity of our operations.
- Implemented flexible work policies and practices that enable mobile working, and rollout of necessary technology infrastructure.
- Reconfigured our branch operations with reduced banking hours and workforce

- strength while ensuring services are intact.
- Implemented strict Standard Operating Procedures including physical distancing, usage of personal protection equipment, health monitoring and vaccinations.
- Established 24/7 Crisis Management Unit as helpdesk to our respective stakeholders and issued regular advisories and reminders.
- Conducted virtual learning and employee engagement initiatives to promote mental, physical, emotional and performance fitness.

COMMUNITY

We continued to contribute and giving back to the community we live in especially during in time of need:

- Contributed over MMK 20 million to the regulators for the purchase of protective equipment, hospital equipment, test kits and other initiatives to alleviate the burdened healthcare system and frontliners.

- Channelled various financial assistance and donations to the underserved and impacted communities through our uab Foundation.

SUPPLIERS

We understand the plight of the local and businesses:

- We relieved our vendors of their financial burden by processing their payments as well as supporting their business continuity plans.

SHAREHOLDERS

We consistently engaged our shareholders - providing them transparency of our short and long term approaches to recovery:

- Issued Annual Report and Audited Financial Statements.
- Conducted virtual AGM to comply with physical distancing and other safety measures.



Letter from the CEO

Achieving The Unprecedented and Creating History

Euromoney – Best Bank in Myanmar

Asiamoney – Best Bank in Myanmar

Global Finance – Best Bank in Myanmar

Retail Bankers International – Best Bank in Myanmar

Global Banking and Finance – Best Bank in Myanmar

and many more

uabians – YOU are amazing, YOU rise above!



Letter from the CEO

“ uab will not be just a bank. uab will be a Brand – a brand that will appear in one’s mind when it comes to financial solutions, a brand that will appear in one’s mind when it comes to lifestyle, a brand that will appear in one’s mind when it comes to exclusiveness, differentiation and many more. Like Google in our life, it is the “by default browser” that we will launch to get to the something that we want to ”

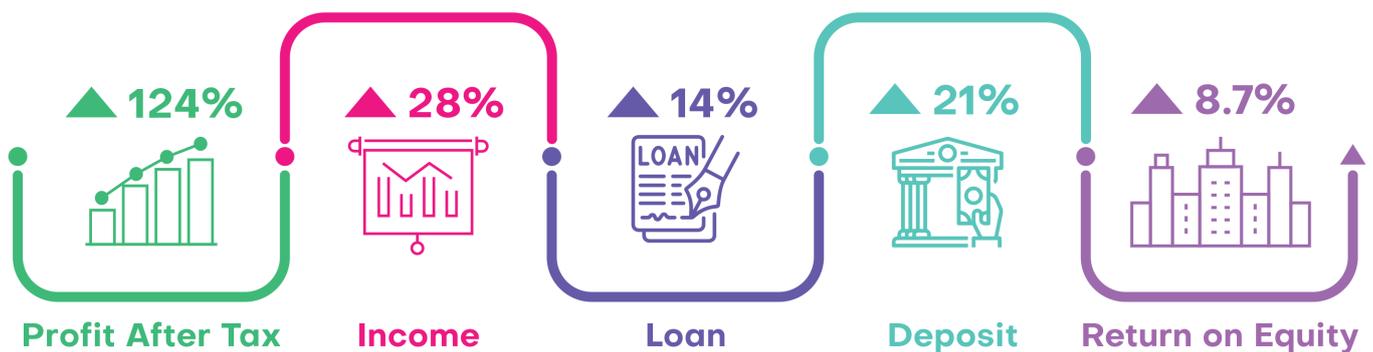
Delivering Solid Financials

The Group recorded a strong and resilient results in Year 2022, despite challenging environment due to prolonged impact from the Covid-19 pandemic that shut down, slowed down and to a certain extent, closed down many businesses permanently.

Operating Income grew by double-digit, 28% yoy on run rate – closing on to the MMK 100 bil mark on the back of disciplined cost of funds management and optimised funding allocation into different income generating assets and business ventures.

forward the digital adoption to a much faster rate. These segments have grown tremendously over the period and started to contribute positively to the bottom line – both through income generating as well as reducing cost to serve for customers at branches.

Besides solid income growth, prudent overhead costs management have brought us to a Cost to Income Ratio of 31%, the lowest in the industry. Whilst cautious management of Asset Quality through various effective measures, have ensured that we continued to be able to deliver a sustainable return during the year.



Further, our persistency and long-term strategy to grow the digital offerings and contactless payments like Wallets and Prepaid Cards have gained much momentum, especially in the last 2 years where the raging Covid-19 have pushed

As a result? Profit After Tax rose to ~MMK 20 billion (on annualised basis), the first for uab. Awesome.

Reflecting these topline gains, The Group’s

gross loans and financing grew by 14% to MMK 1.1 trillion, outpacing the industry growth of 2%. Furthermore, deposits from customers increased by 20% to MMK 1.5 trillion, mainly from strong growth of CASA balances, in contrast to the shrinkage in the overall industry.

uab is committed and confident that the strong financial results will only get better in years to come as the business model that we are built-on is diligent, robust and sustainable.

Charging on, Leading Change

Despite a challenging period, we continued to charge on – building an encompassing ecosystem and holistic customer value proposition to deliver a seamless banking experience to our customers.

Real effort and hardwork toiled-in is never wasted, as we see positive results coming through, one after another.

On business front, we managed to launch a few strategic moves. The partnership with Manulife, offering various investment and insurance coverages was officially to the market and creating a new Business segment in uab, i.e. Banca. It has since gained much acceptance by

the public and we consistently emerged as the fastest growing Banca business in the market.

We also managed to grow our digital and contactless offerings by leap and bounds – introducing many innovative products like Personalised Visa Prepaid Cards on top of expanding our wallet base and merchants network, enhancing our existing “e-services” in various forms like online account opening etc.

Adding on to the digital charge is our *Banking by The Way*, which see us collaborating with Tealive and PTB Go for a few pilot branches. Customers are no longer doing mere banking transactions when they walk into the branches. Instead, they are enjoying the banking experience – having a cup of bubble tea, picking up a cup coffee and cake, understanding new products from the RMs...and so on while having their transactions being taken care of the branch staff. And this is just the starting of the beginning – as there is a whole line of “greater experiences”, waiting to be unveiled to the people, one by one.

Last but not least, our most coveted uab *Flagship* store, finally opened its door to the public. A state-of-the-art design, a combo of warmth from the competent staff to serve all



Letter from the CEO

customers and the cool seamless advanced technology, walking into the branch will “virtually” send anyone from the heart of a Yangon’s bank branch to a world-class financial district in London or New York.

Caring for The People

As we adapt to the economic realities in the last 2 years, we placed emphasis on preserving employee well-being and productivity in the face of the pandemic and its associated impact particularly on the emotional and physical well-being of employees.

We ensured everyone was connected, engaged, and aligned in order to keep the business moving forward. Our foremost priority was keeping employees safe from Covid-19. To this end, we swiftly implemented remote working measures to safeguard our employees and customers.

For essential employees that were required to work onsite, we distributed protective gear such as face masks, face shields, hand sanitisers,

gloves and antiseptic detergents. Realising the effectiveness of vaccines in alleviating the infections, we also quickly worked with the relevant parties, being the first few employers that provide vaccinations to all our employees and their immediate families.

Caring for our people during Covid-19 is important as we tide through the difficult time together.

However, we care more to build on their capability and equipping them to navigate the rapidly evolving banking landscape for their long-term well-being.

During the period, we continued to reskill and upskill our employees through various learning and development programmes – virtual learning via uab’s FB Learning & Development Community, on-the-job training, inductions and orientations for the new joiners, Townhalls and many more.

Our employees are our most valued assets. They are the face of our organisation and they are the ones that determine our performance and contributing to our success and sustained growth.

Hence, we believe in building a career and not just creating a job for them. In short, uab and uabians shall grow and be great together.



“ Transformation is not an event.

It is a journey. A continuous and ongoing process by an organisation to keep improving and bettering itself from its version of yesterday ”

Our Transformational Journey

This year see us completing a few more significant corporate exercises that we have started since our transformational journey kicked-start in Year 2017.

Amongst all, the transformation have led to an overall new and better uab – with much stronger Corporate Governance, high-performance culture, agility in response to more complex and dynamic operating environment, robustness to weather unexpected events, capability to lead the changes and many more.

Through these years too, we saw how uab has grown and matured into a new identity – clear and transparent to the general public. This is of utmost importance as a bank is the custodian of the public's funds and trust.

As it says, uab and uabians will continue to transform, ensuring that we continue to deliver the best to our stakeholders and the people of Myanmar.

The Year Ahead

We take a cautious view of Myanmar's economic outlook given that pandemic-related tailwinds continue to unfold. Whilst half of the world's lives are on a safer mode, the realities of livelihoods kick-in slowly.

Recessions, hyper-inflation, stag-flation, shrink-flation, geopolitical tensions, emergence of new Covid waves, newly declared pandemics – have made the road to recovery more bumpy and uneven for different nations and countries.

Foreseeing tougher challenges ahead, we are committed to stay more focused and will continue to put customer needs at the forefront while embracing technology to emerge stronger and more competitive.

Amongst all, we will prioritise in strengthening our balance sheet, rehabilitating customers' debt, maintaining higher liquidity buffers, as well as driving productivity and cost efficiencies in line with income growth.



Letter from the CEO



Simultaneously, we will continue to build on our sustainability journey, with a focus on generating long-term shareholder returns and creating a positive impact for current and future stakeholders.





Thank You and Kyay Zu Tin Par Thi

No words are enough to thank YOU – Ne Aung. You have been the light that shown us the better way when it was bright and guided us through when it was dark.

We are grateful for your trust and will continue with your vision and mandate – bringing the best to the people of Myanmar.

We wish you well and this light of yours will continue to lead us to greater heights.

With that, we welcome our new Chairman, Nay Aye. Together with the newly appointed independent Board members, Tint Thwin and Wein Thein Min, they will form 50% independence in the Board, strengthening the overall Corporate Governance, on top of bringing with them their wealth of experience and expertise across all industries to continue enhancing the Groups' businesses and practices.

Meanwhile, I would like to thank our Board of Directors for their continued guidance and counsel, which have been imperative in these turbulent times. I would also like to acknowledge my fellow colleagues in the Senior Leadership Team for their unwavering commitment to driving the Group forward.

I am grateful for the continued support and loyalty of all our stakeholders – customers, suppliers, community at large and most of all, each and everyone of uabians.

Everything we do is driven by a commitment to creating value for each of you, as we continue to realise our Purpose of **Leading Change, Humanising Banking.**

Christopher Loh
MD & CEO



uab

Connect. Create. Change.

Board of Directors



U Nay Aye

Non-Executive Chairman & Independent Director



U Tint Thwin
Independent Non-Executive Director



U Win Htein Min
Independent Non-Executive Director



U Than Win Swe
Non-Executive Director



U Thant Zin
Non-Executive Director



Christopher Loh
Managing Director &
Chief Executive Officer

Profile of the Board of Directors



U Nay Aye

Non Executive Chairman & Independent Director

Date of Appointment: 25 November 2021

Age: 66

U Nay Aye was with the Central Bank of Myanmar (CBM) where he served for several years. Over 2007 to 2012, he was appointed Deputy Governor of CBM.

From 2012 to 2016, he served as a Founder and Director General of the Environmental Conservation Department of the Ministry of Environmental Conservation and Forestry. From 2017 to 2019, he was an Advisor to the Construction, Housing, and Infrastructure Development Bank.

Apart from formal career, he is also Chairperson of Central Bank of Myanmar Retirees Association from 2018 to date. He was honored with a Good Civil Servant Badge in 2008 and an Excellent Civil Service Management (First Class) award by the Government of the Union of Myanmar in 2009.

U Nay Aye with his strong accounting and regulatory experience, also chairs the Board Audit Committee.

Academic and Professional Qualification

- Bachelor of Economics (Eco) in 1979, Institute of Economics (Yangon)
- Master of Philosophy (Eco) in 1996, Institute of Economics (Yangon)
- Master of Arts (Eco), 1999
- Completed Director Certification Program (DCP) in 2022

uab Board Committees Served On

- Board Audit Committee (Chairman)
- Board Risk Committee (Member)
- Board Nomination and Remuneration Committee (Member)
- Qualifications & Other Memberships

Length of Service as a Director

- 8 Months



U Tint Thwin

Independent Non-Executive Director

Date of Appointment: 8 December 2021

Age: 63

U Tint Thwin brings to the Board extensive trade and industry experience through his many years of service in the Ministry of Commerce and Ministry of Hotel & Tourism.

U Tint Thwin was with the Ministry of Commerce from period 1994 to 2012 where he served as Deputy Director General of the Ministry of Commerce. He has been involved trade promotion activities ranging from bilateral, regional, and multilateral. He has also been involved as Chief Trade Negotiator and Ministry Counselor for WTO affairs in Geneva, Switzerland.

Subsequently, he worked in the Ministry of Hotel & Tourism from 2013 to 2018 as Director General and been involved extensively in the development of the tourism industry and implementation of the laws and regulations governing the industry.

He joined the Bank's Board of Directors in December 2021.

Academic and Professional Qualification

- Bachelor of Social Science
- Diploma in International Trade Policy
- Diploma in International Trade Law, World Trade Organisation Training, Geneva, Switzerland
- Master of Business Administration from Ramkhamhaeng University BKK
- Completed Director Certification Program (DCP) in 2022

uab Board Committees Served On

- Board Nomination & Remuneration Committee (Chairman)
- Board Credit Committee (Member)
- Board Audit Committee (Member)
- Qualifications & Other Memberships

Length of Service as a Director

- 8 Months

Profile of the Board of Directors



U Win Htein Min

Independent Non-Executive Director

Date of Appointment: 11 May 2022

Age: 52

U Win Htein Min is a career central banker with nearly three decades of banking experience under his belt. He held many positions over 26 years in the Central Bank of Myanmar, rising to the position of Deputy Director-General.

He served in several committees and projects over his tenure including committees involved in SME and agriculture development. He also was a member of the Banking Sector Financial Reporting Standards Implementation Committee and IFRS Translation Review Committee. He further served as a member of the Board of Directors of the Myanmar Credit Bureau.

He was honored with a Good Civil Servant Badge by the Government of the Republic of the Union of Myanmar in 2012.

He was appointed as an Independent Non-Executive Director and Board member of uab bank in 2022. U Win Htein Min with his strong knowledge of risk management and regulatory experience also presently chairs the Board Risk Committee. He has unparalleled knowledge and experience in risk management, bank supervision and regulation, among others.

Academic and Professional Qualification

- Bachelor of Commerce (Honours), University of Yangon
- Master of Development Studies, Yangon University of Economics

uab Board Committees Served On

- Board Risk Committee (Chairman)
- Board Audit Committee (Member)

Length of Service as a Director

- 3 Months



U Than Win Swe

Non-Executive Director

Date of Appointment : 14 June 2010

Age : 56

U Than Win Swe served as the Bank's CEO from its inception in June 2010 until August 2016. Thereafter, he was continued to serve as a non-Executive member of the Board.

Under his management, the Bank received several financial service awards, including Best Trade Finance Bank Myanmar 2015 by International Finance Awards, Fastest Growing Private Bank Myanmar 2014 by Global Banking and Finance Awards, and 50 years ADB TFP Award by the Asian Development Bank – Trade Finance Program, among others.

U Than Win Swe has over 24 years of industry experience in the financial services, trading, real estate, construction, energy, hospitality, and telecommunications industries.

He brings with him unparalleled knowledge in many industries and also in banking.

Academic and Professional Qualification

- Bachelor of Commerce, Yangon Institute of Economics
- Postgraduate Diploma in Management and Administration, Yangon Institute of Economics
- Postgraduate Diploma in Economics, Yangon Institute of Economics
- Master of Public Administration, Yangon Institute of Economics.
- Directors Certification Program (DCP), Thai Institute of Directors Association
- Directors Certification Program (MloD)

uab Board Committees Served On

- Board Risk Committee (Chairman)
- Board Advisory & Strategy Committee (Member)
- Board Credit Committee (Member)
- Board Audit Committee (Member)
- Board Nomination & Remuneration Committee (Member)

Length of Service as a Director

- 12 Years

Profile of the Board of Directors



U Thant Zin

Non-Executive Director

Date of Appointment: 29 December 2017

Age: 48

Since December 2017, U Thant Zin has served as a Non-Executive Director on the Board of uab bank. From 2011 to 2017, U Thant Zin was the Chief Operating Officer of the Bank.

Under his management, uab bank was named Myanmar Domestic Technology & Operations Bank of the Year 2016 by Asian Banking and Finance Awards, as well as other financial services awards from prestigious international institutions.

U Thant Zin now serves on the boards of various enterprises involved in trading, construction, and real estate. He has a good rapport with business leaders from a variety of industries.

In a Non-Executive role, he offers to the Bank, 22 years of industry and banking expertise and has been crucial in providing oversight of the Bank's risk profile and its risk-return portfolio over the last few years.

Academic and Professional Qualification

- B.Sc. (Physics), University of Yangon
- Master of Business Administration, Yangon Institute of Economics
- Diploma in Business Law (DBL), University of Yangon
- Diploma in International Law (DIL), University of Yangon
- Diploma in International Relation (DIR), University of Yangon
- Diploma in Global English, University of Yangon
- Directors Certification Program (DCP)
- Directors Certification Program (MloD)

uab Board Committees Served On

- Board Credit Committee (Chairman)
- Board Advisory & Strategy Committee (Member)
- Board Risk Committee (Member)

Length of Service as a Director

- 5 Years



Christopher Loh

Managing Director & Chief Executive Officer

Date of Appointment : 29 December 2017

Age : 47

In September 2017, Mr. Christopher Loh was appointed Managing Director and Chief Executive Officer of uab Bank. Before joining uab Bank, he held multiple top executive positions at RHB Banking Group, including Group Chief Strategy Officer, Chief Executive of International Business, and Deputy Group Chief Risk Officer.

He was also a partner at a global management consulting firm, where he revolutionized the business and risk capacities of regional and global financial institutions in Asia, the Pacific, the United States, and the United Kingdom. He relocated to Asia after working for a big UK financial firm in London to help establish and lead a very sound risk management practice, where he was the managing director before his departure. He has also worked for a leading insurer in Singapore for a number of years, as well as founded and ran a technology and media start-up.

He has developed uab bank to be one of Myanmar's top banks, guided by his remarkable leadership in Leading Change, Humanizing Banking. Euromoney awarded to uab bank,

Myanmar's Best Bank for both 2019 and 2020 and Retail Banker International named the Bank as "Best Retail Bank Myanmar 2020".

Furthermore, he has substantially rebranded the Bank, the most notable of which is the establishment of uab bank's Head Office in Times' City, one of the most prestigious addresses in the heart of Yangon. Since then, he has been honored and awarded Myanmar's CEO of the Year by several worldwide platforms, including Global Banking & Finance, International Business Magazine, and Business Worldwide.

Academic and Professional Qualification

- B.Eng (Hons) in Engineering and Business, Nanyang Technological University in Singapore
- INSEAD Senior Leadership Programme alumnus.
- Directors Certification Program (MIoD)

uab Board Committees Served On

- Board Advisory & Strategy Committee (Member)
- Board Risk Committee (Member)

Length of Service as a Chief Executive Officer

- 5 Years



Christopher Loh
MD & Chief Executive Officer

Leadership Team



Leong Yang Yang
Head of Finance



George Koshy
Head of Human Resources



Thandar Htike
Head of Corporate Banking



Mahesh Bhandari
Head of Credit & Risk Management



Kyawt Kay Khaing
Deputy CEO, uab bank
CEO, uab securities



Htay Kyaw Naing
Head of Operations



Yin Min Aye
Head of Fintech and Digital



Shwe Mg Oo
Head of Technology



Nay Win Maung
Head of Internal Audit

Management Committee



Christopher Loh
MD & Chief Executive Officer

Qualifications and Other Memberships

- B.Eng (Hons) in Engineering and Business, Nanyang Technological University in Singapore
- INSEAD Senior Leadership Programme alumnus.
- Directors Certification Program (MIoD)

Relevant Experience

- In September 2017, Mr. Christopher Loh was appointed Managing Director and Chief Executive Officer of uab bank.
- Before joining uab Bank, he held multiple top executive positions at RHB Banking Group, including Group Chief Strategy Officer, Chief Executive of International Business, and Deputy Group Chief Risk Officer.
- He was also a partner at a global management consulting firm, where he revolutionised the business and risk capacities of regional and global financial institutions in Asia, the Pacific, the United States, and the United Kingdom.
- He relocated to Asia after working for a big UK financial firm in London to help establish and lead a very sound risk management practice, where he was the managing director before his departure.
- He has also worked for a leading insurer in Singapore for numerous years, as well as

founded and ran a technology and media start-up.

- He has developed uab bank to be one of Myanmar's top banks, guided by his remarkable leadership in Leading Change, Humanising Banking.
- Euromoney awarded uab bank Myanmar's Best Bank for 2019 and Asian Banking & Finance named it the Domestic Retail Bank of the Year for 2019 and 2020 and Retail Banker International named the Bank as "Best Retail Bank Myanmar 2020".
- Furthermore, he has substantially rebranded the bank, the most notable of which is the establishment of uab bank's Head Office in Times City, one of the most prestigious addresses in the heart of Yangon.
- Since then, he has been honored and awarded Myanmar's CEO of the Year by several worldwide platforms, including Global Banking & Finance, International Business Magazine, and Business Worldwide.



Kyawt Kay Khaing

Deputy CEO, uab bank
CEO, uab securities

Qualifications and Other Memberships

- Business Administration (Finance), University of Portsmouth, United Kingdom
- Master in Banking and Finance, Yangon University
- Certified member of MloD – completed Director Certification Program (DCP)

Relevant Experience

- Kay has held several key positions since establishment of the Bank in 2010, namely Deputy Chief Operating Officer (COO), subsequently its Chief Business Officer (CBO) and in 2017 as the Deputy CEO, a position which she continues to hold.
- She is also currently serving as the CEO of uab securities, a subsidiary of uab bank, focusing on the investment banking businesses.

- Kay has high proficiency in both English and Burmese languages with strong ability to work through complex problems using excellent judgment and decision-making skills.
- Further, she is an outstanding negotiator who is intuitive to conclude agreements and persuade various stakeholders.
- Kay is presently a board member of the Credit Bureau in Myanmar and Co-Chair of the Myanmar Economic Forum.

Management Committee



George Koshy

Head of Human Resources

Qualifications and Other Memberships

- Bachelor of Commerce, University of Melbourne, Australia
- Master of Business Administration (with distinction), University of Stirling, United Kingdom.
- Associate with the Asian Institute of Chartered Bankers

Relevant Experience

- He has over 35 years of experience working in multiple countries in Asia, Africa and Europe covering banking operations, strategy, credit, retail and corporate business.
- George began his banking career in Southern Bank, Malaysia and was there for 14 years wherein he built his operational foundation in Credit, Branch Management and Trade Finance.
- Thereafter, he was with the ICB Banking Group for a period of 15 years, coordinating the operations of banks in 14 countries. During his career with ICB, he sat in the Board of Directors of 12 banks globally.
- George joined uab bank in 2013 as Head of Wholesale and Retail Banking. He was subsequently assigned as Head of Strategy in 2015 and Head of Risk & Compliance in 2017. Thereafter, he was appointed as Head of Human Resources in 2020.



Mahesh Bhandari

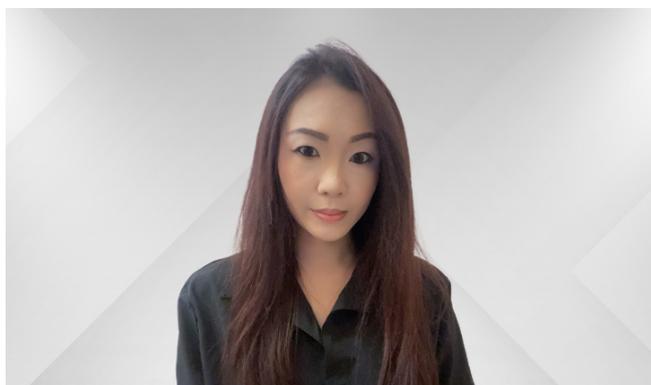
Head of Credit & Risk Management

Qualifications and Other Memberships

- Bachelor of Laws Degree, Tribhuvan University, Nepal
- MBA (Finance), Pokhara University, Nepal

Relevant Experience

- Mr. Mahesh has over 24 Years of extensive banking experience in various banks and in several countries in Asia.
- He started his career with Himalayan Bank in Nepal, and built his solid foundation in Banking Operations, International Banking and Trade Finance.
- He subsequently continued his career with ABA Bank in Cambodia in Operations, Trade Finance, and International Relations. Mahesh was Chief Trade Finance and Remittance Officer (CTRO) in ABA Bank.
- Mahesh joined uab bank in 2012 with the position of Head of Trade Finance & Financial Institutions, and in 2018, he was deputed as a Head of Treasury & Financial Institutions.
- In 2020, with his strong banking exposure in various fields of banking, Mahesh has been appointed as Head of Credit, Risk & Compliance.



Leong Yang Yang
Head of Finance

Qualifications and Other Memberships

- Certified Accountant, CPA Australia
- Bachelor of Business (Accounting & Finance), Charles Sturt University

Relevant Experience

- Yang Yang has more than 12 years of experience in the Banking industry across multiple line of Business (Group Strategic P&L and Balance Sheet, Retail Finance, Corporate Support Services, Treasury).
- She started her career in one of the Big Four audit firms, KPMG, and worked with a few MNCs like IBM and Lafarge as business partners in planning, financial analysis and budgeting.
- She subsequent was with banks, working for CIMB, Ambank and RHB Bank in Malaysia before joining uab bank
- Yang Yang joined uab bank in 2018 as Head, Legal & Secretariat to strengthen the overall Governance and lead special projects in the CEO Office. The Bank has since been recognized by multiple platforms as the top Bank in Myanmar with the best Governance practice and remain the only Bank in Myanmar that has published full Annual Report for two years in a row.
- She is present oversees the Bank's Accounting and Finance function as Head of Finance.



Thandar Htike
Head of Corporate Banking

Qualifications and Other Memberships

- Bachelor of English, Yangon East University
- Master of Business Administration, Yangon University of Economics
- Certificate of Documentary Credit Specialist (CDCS), London Institute of Banking & Finance

Relevant Experience

- Thandar joined uab bank in 2014 as the Deputy Head of Trade Finance and subsequently promoted to Head of Trade Finance in 2018.
- She was one of the main contributors to the rapid growth of the Trade Finance business at uab bank Limited. Subsequently in 2019, Thandar was appointed to head a bigger portfolio as Head of Corporate Banking.
- Thandar has over 19 years of track record in reputable local and international companies in Myanmar, specifically in commercial trading and international trade finance – having been on both sides as a customer (previously) and as a banker (currently).
- She is a uab home grown talent who has rose to the leadership over last 6 years, and a testimony of the Bank's success story of internal succession.

Management Committee



Htay Kyaw Naing
Head of Operations

Qualifications and Other Memberships

- Associate degree in Machine Tools and Design Government Technical Institute (1996–1999)
- Bachelor of Arts (Business Management), Dagon University (2000–2003)
- Diploma in Logistics Management, Queensfield University Singapore (2009–2010)
- Diploma in Logistics Management, The Association of Managers and Administrators (UK) (2009–2010)
- Master of Business Administration, Yangon University of Economics (2014–2016)

Relevant Experience

- Htay Kyaw Naing had over 20 years of experience in a number of organisations especially in Project Management, Administration, Logistics and Operation with the positions of Logistic Manager and General Manager.
- Htay joined uab bank in 2015 and held the positions of Assistant Director, Deputy Director, and subsequently was promoted as Director and Head of Operations.
- As Head of Operations, he supervises the day-to-day operations of the Bank's branches and ATMs and directs the expansion of the Bank's retail network.



Shwe Mg Oo
Head of Technology

Qualifications and Other Memberships

- Bachelor of Engineering (Information Technology), Yangon Technological University
- AGTI (Electrical Power)

Relative Experience

- Shwe Mg Oo has 8 years of lecturing experience as Assistant Lecturer at Technological University (Hmaw Bi) and Pyay Technological University from 2002 to 2010.
- Over 2010 to 2013, Shwe Mg worked as a freelance IT Engineer, gaining in-depth knowledge and experience in Technology.
- Shwe Mg joined uab bank in 2013 and rose the ranks from Deputy Manager to Director.
- He is presently the Head of Technology Department and oversees the Bank's technology infrastructure and banking software platform.



Yin Min Aye
Head of Fintech and Digital

Qualifications and Other Memberships

- Bachelor of Computer Science (Yangon University of Computer Studies)
- Certificate of Global Leaders for Innovation and Knowledge (Japan America Institute of Management Science)

Relevant Experience

- Yin Min joined uab bank in 2019 and she is currently working as Head of Fintech & Digital Department
- She has over 14 years' experience across diverse roles in IT Service Industry with proven track record in the delivery of the projects, product and restructuring systems
- Over the period, she had contributed to establishing new ideas and innovation in business strategies, market penetration, business growth and profitability.
- With her strong fintech and digital background, at uab bank, she is presently leading its fintech and digital initiative to build an inclusive digital ecosystem.
- She developed the Bank's iconic first celebrity app, SaiSai Pay and uabpay+ which forms the building blocks for uab's digital ecosystem.



Nay Win Maung
Head of Internal Audit

Qualifications and Other Memberships

- Bachelor of Administration, Dagon University, Myanmar
- Master of Public Administration, Yangon University of Economics, Myanmar

Relevant Experience

- Nay Win Maung is amongst the pioneers of uab bank, joining in 2010.
- He has over 25 years of demonstrated history in reputable local Myanmar banks, with strong expertise in Operations and Compliance.
- Nay Win Maung has led many key Operations Projects in uab bank, including setting up new branches, restructuring, improving Branch Operations and was Head of Operations at uab bank.
- With his strong operational experience, he presently heads the Internal Audit function and provides critical and active Third -Line-of-Defence support to the Bank.

Corporate Governance Overview Statement



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Our Board faced new challenges as a result of the continuous COVID-19 pandemic throughout the Year 2021. Heightened expectations from regulators, demands from various stakeholder groups and uncertainty about the future has made the Board’s decision making process more complex.

The function of the Board of Directors is no more as straight forward as it used to be. In the pre-pandemic world, for many business leaders, good governance was all about compliance, transparency, and aggressive pursuit of shareholders’ interests and returns.

In 2021, when COVID-19 continued to decimate the socioeconomic fabric of our society, Boards recognised the new reality.

And the new reality is that Boards’ decisions must be based on multiple factors or

considerations that drive stakeholder value, beyond shareholders’ returns. The new reality also means the Boards needs to be able to demonstrate resilient leadership that preserves as well as enhances the value for both shareholders and stakeholders.

Our existing corporate governance framework, which is anchored on competent leadership, operative internal controls, sound risk culture and accountability and robust reporting structure, has supported our Board in the deliberation and consideration since the onset of the COVID-19 pandemic.

Our Board ensures that our corporate governance framework, which encompasses best practices, policies and guidelines, remains updated and resilient to adapt to operating challenges - contribute towards value creation for all uab’s stakeholders.

GOVERNANCE MODEL



Corporate Governance Overview Statement

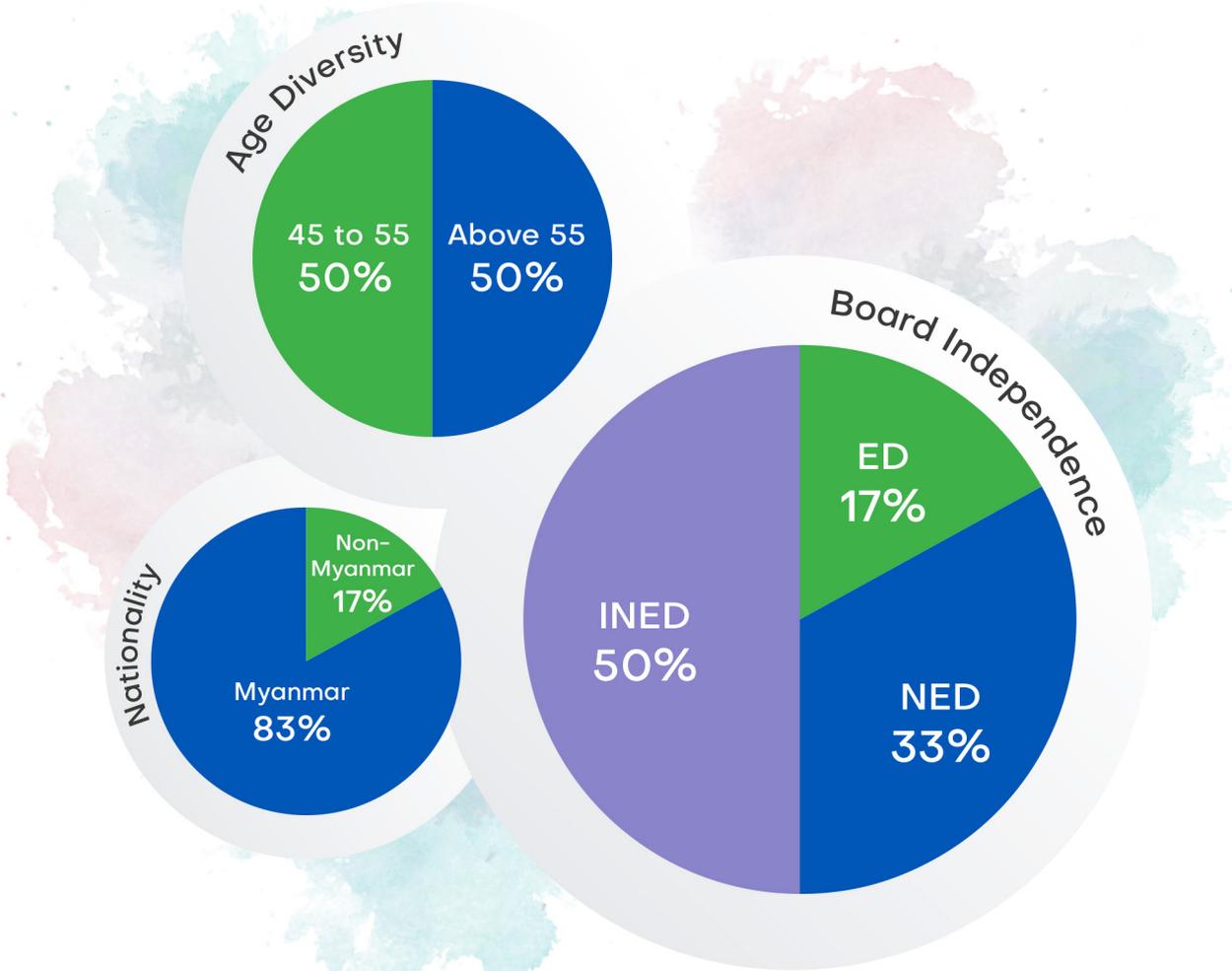
A. BOARD LEADERSHIP AND EFFECTIVENESS

The Board acknowledges the importance of having a well-balanced, diverse, experienced and cohesive group to drive the long-term sustainable success of the Group through ethical, responsible and experienced leadership.

During the year, there were 3 Independent Non-Executive Directors (“INED”), 2 Non-Executive Directors (“NED”) and one Executive Director (“ED”) i.e. the Managing Director/CEO serving on the Board of uab bank.

The existing Board composition provides extensive relevant business experience needed to oversee the efficiency and sustainable operation of the Group’s activities where each individual Director bring a diverse range of skills, knowledge and experience (including financial & non-financial industries and local & international experiences), which are necessary to provide effective governance and oversight of the Group.

Board Composition



Board Skills and Experience



Role and Responsibilities of The Board

The Board believes that the success of the Group's strategy requires the same to be aligned with good governance practices.

To achieve this, a strong system of risk management and internal controls have been put in place to ensure that the Group's risk appetites are set and risks are identified, assessed and managed effectively.

Apart from setting the tone from the top and establishing the core values of the Group, the Board also monitors Management's execution of strategy and financial performance, striking the right balance between short term and long-term goals.

The Board is also mindful of their wider obligations and considers the impact their decisions will have on the Group's various stakeholders such as employees, shareholders,

customers, and the community as a whole.

The Board is committed to delivering value to all our stakeholders at all times, even during the pandemic. Noting that the pandemic has accelerated the importance of good governance, the Board has taken a more active role in ensuring COVID-19 initiatives undertaken by Management are implemented in a structured and timely manner, consistent with the Group's obligations to our customers, our staff and members of the public as well as the long-term health and sustainability of the Group.

During the year, our Board spent a considerable amount of time reviewing and discussing with Management, the impact of COVID-19 on our business operations, including the actions taken to safeguard the health and safety of our employees, fortify the financial performance, ensure uninterrupted services to customers and lend measures to assist deserving customers.

Corporate Governance Overview Statement

Board of Directors

- Reviewing and adopting strategic directions for the long-term success of the Group and delivery of sustainable value to its stakeholders.
- Reviewing and approving the overall strategies and significant policies of the Group.
- Overseeing the conduct and affairs of the Group's business.
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
- Planning succession of the Board and Senior Management.
- Overseeing the implementation of the Group's governance framework and internal control framework, and periodically reviewing the adequacy and integrity of the management information and internal controls system to ensure they remain appropriate in light of material changes to the size, nature and complexity of the Group's operations.
- Overseeing the development and implementation of a sustainability framework for the Group.

Chairman

- Ensuring the Board operates effectively and fully discharges its legal and regulatory responsibilities.
- Leading the Board in its deliberations.
- Leading the Board in the oversight of the Management and in inculcating the right culture, values and behaviours, both at the top and throughout the entire Group.
- Ensuring effective communications between the Board and the stakeholders.

Independent Non-Executive Directors

- Sounding Board member to the Chairman.
- Monitor and challenge the performance of the Management.
- Exercise independent judgment in deliberating and reviewing items brought before the Board and Board Committees.

Managing Director / CEO

- Leading the Management team and is responsible for the overall strategy, execution of the strategies, management and operation of the Group.
- Executive responsibility on day-to-day operations and business, including seeking business opportunities and ensuring the continued relevance, adequacy and effectiveness of the Group system of internal controls and risk management.

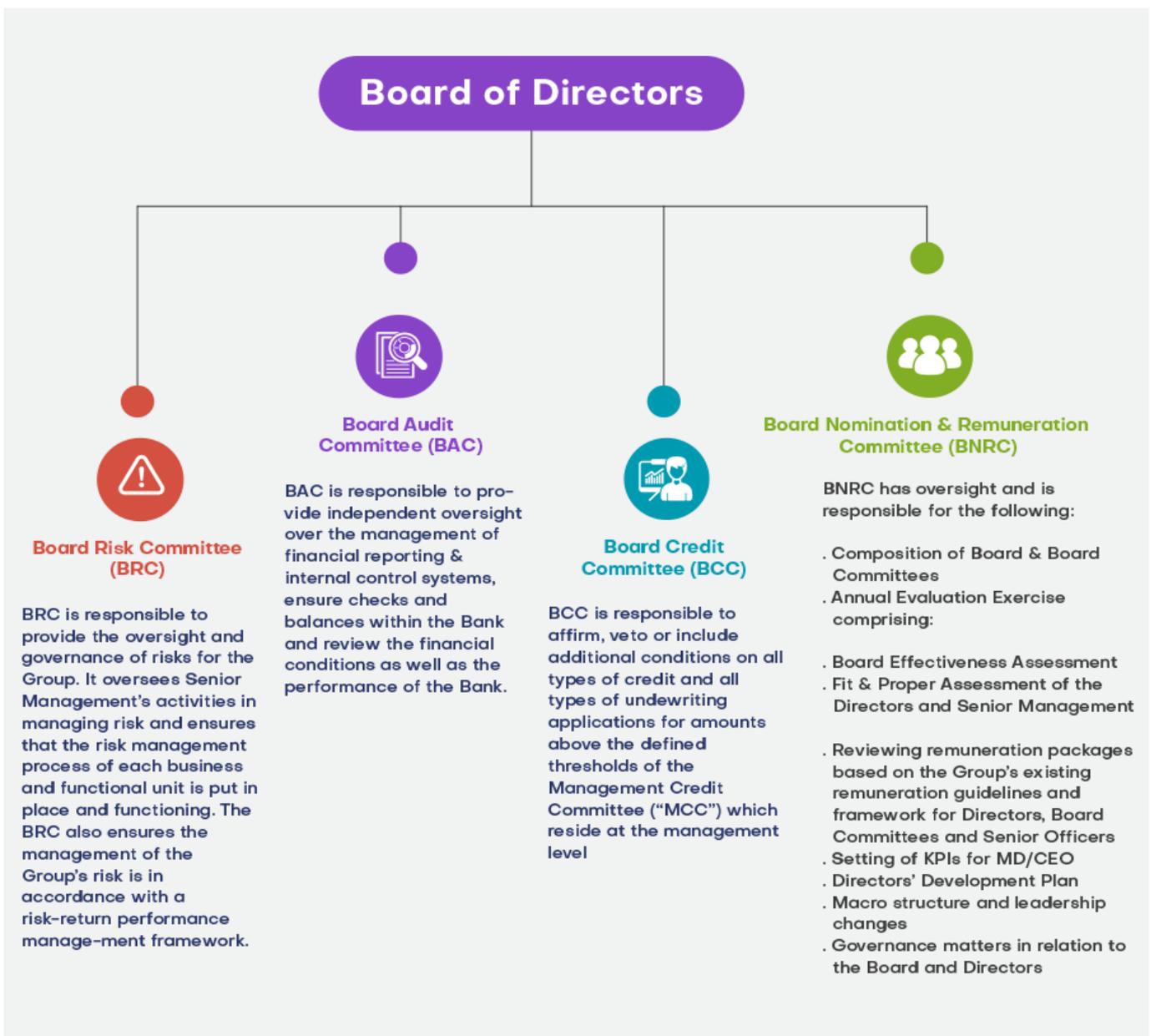


Board Committees

The Board has delegated authority to various Board Committees to enable them to oversee certain specific responsibilities based on their terms of reference.

The terms of reference of each Board Committee set out the responsibilities of the Board Committee, conduct of meetings including quorum, voting requirements and Board Committee membership. Any change to the terms of reference for any Board Committee requires Board approval.

The minutes of the Board Committee meetings, which records the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information. During every Board meeting, the Chairperson of each Board Committee provides an update on significant matters discussed at the Board Committee meetings which are typically scheduled before the Board meeting.



Corporate Governance Overview Statement

Board Meetings

Before each Board meeting, the Chairperson oversees the setting of the agenda of Board meetings, in consultation with the Group CEO, to ensure that there is sufficient information and time to address all agenda items.

The agenda also allows for flexibility when needed. All materials for Board and Board Committee meetings are uploaded onto a secured portal which can be accessed on tablet devices provided to the Directors.

The Board Charter provides that Directors should receive meeting materials prior to the Board meeting to allow sufficient time for Directors to review and analyse relevant information.

The deliberations and decisions arrived at during Board meetings are clearly minuted in a timely manner and action items for Management will be communicated to the relevant parties after the Board meetings.

The draft minutes are then tabled at the following meeting for confirmation and thereafter signed by the Chairperson.

The Board meets on a regular basis, in accordance to the guidelines stipulated by the

Myanmar Companies Law or more frequently as circumstances dictate.

The dates of these scheduled meetings are determined well in advance to enable the Directors to plan ahead. In addition to the scheduled meetings, Special Meetings may be convened as and when required. All Directors attended more than 90% of all Board meetings held in FY 2021-22.

Based on the Standard Operating Procedures for COVID-19, some of the Board meetings were held virtually during the lockdown period to allow Directors to attend meetings in a safe and responsible manner.

Members of Senior Management have also been invited to attend selected Board meetings to support the Board with further information on the matters being deliberated.

In addition to the scheduled meetings, the Non-Executive Directors have a framework and forum to meet separately to discuss specific matters without the presence of any Executive Director or Senior Management.

The Board of Directors reviews regularly the performance of the MD & CEO and Senior Management and their succession planning.



	Board Audit Committee (BAC)	Board Credit Committee (BCC)	Board Risk Committee (BRC)	Board Nomination & Remuneration Committee (BNRC)	Board of Directors (BOD)
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1.	U Nay Aye	Chairman (2/2)	NA	NA	Member (1/1)	Chairman (4/5)
2.	U Tint Thwin	Member (2/2)	Member (5/7)	Member (1/2)	Chairman (1/1)	Member (4/5)
3.	U Than Win Swe	Member (2/2)	Member (7/7)	Chairman (2/2)	Member (1/1)	Member (5/5)
4.	U Thant Zin	NA	Chairman (7/7)	Member (2/2)	NA	Member (5/5)
5.	Mr Christopher Loh	NA	NA	Member (2/2)	NA	Member (5/5)

Notes : Numbers in the bracket denote meeting attendance from 1 Oct 2021 to 31 Mar 2022

Code of Conduct and Whistle Blowing Policy

The Board has also established a Code of Conduct, setting out the standards of behaviour that are expected of all employees of uab as well as the Board in terms of engagement with customers, business associates, regulators, colleagues and other stakeholders.

Further, the Code of Conduct provides guidance in areas where employees may need to make personal and ethical decisions. In addition to providing guidance, the Code of Conduct makes references to specific Group Policies and Procedures relating to conflicts of interest, bribery, corruption, money laundering/counter-financing of terrorism, customer management, whistle blowing and fraud management.

In addition, the Board has also adopted a Code of Conduct for Directors that sets out the fundamental guiding principles and standards for Directors to carry out their duties.

The Whistle Blowing Policy sets out avenues for legitimate concerns to be objectively investigated and addressed. Under this Policy, individuals will be able to raise concerns about

illegal, unethical or questionable practices in confidence and without the risk of reprisal. The Policy is applicable to all employees, suppliers, vendors, associated stakeholders and uab's customers.

Remuneration Framework and Policy

The Board delegates to the BNRC the responsibility to set the overarching principles, parameters and governance framework relating to the Group's remuneration matters.

Employee remuneration is comprised of two main components – Fixed and Variable:

Fixed consists of base salary and fixed allowances

- Determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive levels.

Variable consists of annual cash bonus and sales incentives

- Performance-based and not guaranteed, reflecting the individual employee's performance, and business unit or function

Corporate Governance Overview Statement

performance as well as the Group's results.

- Purpose of motivating, rewarding and retaining high performing employees who create value and contribute to the success of the Group.

Measurement of Performance

The Group's performance is determined in accordance with a balanced scorecard which includes key measures on profitability, cost, capital, medium to long-term strategic initiatives, sustainability performance and initiatives, as well as risk, audit and compliance positions.

The Group's key measures are cascaded to the collective scorecards of business units and enabler functions accordingly and subsequently to individual goals.

For each employee, performance is tracked through a set of balanced goals. In addition to financial targets, goals in the scorecard usually include measures on customer experience, long-term initiatives (where progress of milestones or ROI may be monitored), risk management and process controls, audit and compliance findings, as well as people-related measures.

At the end of the year, performance of each individual is then assessed through the Group's performance management framework which is based on the meeting of individual goals in the scorecard and qualitative feedback.

For the Group CEO, performance is likewise measured through a scorecard which covers measures on ROE, cost, risk and controls, customer experience and strategic initiatives – the assessment of the scorecard forms the basis of the Group CEO's variable compensation.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit Committee

The BAC is chaired by Independent Director and is not the Chairperson of the Board. Members of the BAC have the relevant accounting or related financial management experience or expertise.

This is to promote robust and open deliberations by the Board on matters referred by the BAC. To promote uab's sustainability agenda, the BAC also ascertains that sustainability considerations of the business and stakeholders are incorporated in the internal audit scope taking into account Environmental, Economic and Social issues that are material to the Group and its stakeholders.

uab has in place a process to consider the appointment/re-appointment of External Auditors, which is in line with CBM's Policy on External Auditors. The process requires the BAC to assess the External Auditors' compliance with qualification criteria set out by CBM, which includes evaluating the independence, objectivity and performance of the External Auditors.

The BAC must ensure that the objectivity, independence and effectiveness of the External Auditors are maintained.

Risk Management and Internal Control Framework

The Board is cognisant of its overall responsibility and oversight of uab's system of internal controls and is constantly keeping abreast with developments in areas of risk and governance.

To this end, the Board continues to be involved in determining uab's level of risk appetite and

identifying, assessing and monitoring key risks to safeguard shareholders' investments and uab's assets, in a manner which enables uab to meet its strategic objectives.

For this purpose, the Board has established governance and processes for reviewing the effectiveness, adequacy and integrity of the Group system of internal controls and risk management.

Whilst it is not possible to completely eliminate risks of failure in achieving uab's objectives, the system of internal controls is designed to mitigate these risks by identifying, managing and controlling risks effectively.

The framework provides the Board and Management with tools to anticipate and manage both existing and potential risks, taking into consideration evolving risk profiles as dictated by changes in business strategies, the external environment and/or regulatory environment.

The BRC is responsible for formulating and reviewing the risk management policies and risk appetite of uab. The BRC also provides oversight and advice to the Board and Management in respect of the management of compliance risk.

The BRC comprises four members, of whom three members (including the Chairperson) are Independent Directors.

Group Internal Audit (GIA) reports independently to BAC and provides independent appraisal on the adequacy, efficiency and effectiveness of risk management, controls and governance processes implemented by Management. GIA adopts a comprehensive audit plan, amongst all covers emerging risks including

elevated risks arising from changes in managing work and business processes following COVID-19 pandemic. The internal audit function is reviewed periodically by the BAC to ensure its adequacy in performing its role.

GIA reports significant and material findings to the BAC with recommended corrective actions. Management is responsible to ensure that corrective actions on reported weaknesses are executed within an appropriate timeframe.

The deadlines committed by Management on corrective actions are closely monitored and undue delays have to be explained and justified to the BAC for approval.

Communication With Stakeholders

The Group is committed to providing timely and transparent information on corporate strategies and financial data to the investing communities.



We consider ongoing engagement and communication with stakeholders as key to building trust and understanding between the Group and its stakeholders.

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Annual General Meeting

The Board ensures that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the AGM.

The AGM Notice includes details of the resolutions proposed, along with any relevant information and reports. uab held its 11th AGM on 1st July 2021 with the Notice and Agenda of the AGM delivered to the shareholders before the meeting. The Notice and Agenda were also published on uab's website at www.uab.com.mm thereafter signed by the Chairperson.





Statement on Risk Management & Internal Control





Statement on Risk Management & Internal Control

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing a sound risk management and internal control system in the Group.

The Board's responsibility includes reviewing the adequacy and effectiveness in identifying, assessing and responding to risks which may hinder the Group from achieving its objectives.

One of the vital roles of the Board is to establish the Group's risk appetite, which articulates the levels and types of risk that it is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in the Group's strategic goals and plans, ensuring that the corresponding risks are adequately mitigated within its approved risk appetite.

In view of the inherent limitations in any risk management and internal control system, the Board recognises that such a system can only provide reasonable, rather than absolute assurance against material financial misstatement, fraud or losses.

The Board plays a crucial role in establishing a strong risk management and internal control governance structure, which is critical in setting the tone and culture of effective risk management and internal control. To effectively carry out its risk and control oversight responsibilities, the Board has established the Board Risk Committee and Board Audit Committee to oversee matters relating to risk, compliance and controls, respectively.

These Board committees update the Board periodically of their work, key deliberations and decisions on delegated matters.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing all policies and procedures established by the Board in relation to risk and control. The role of the Management includes:

- Identifying and evaluating risks relevant to the Group's business, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Designing, implementing and monitoring the implementation of an effective risk management and internal control system;
- Implementing remedial actions to address compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board any changes to the risks or emerging risks and the corrective and mitigation actions taken.

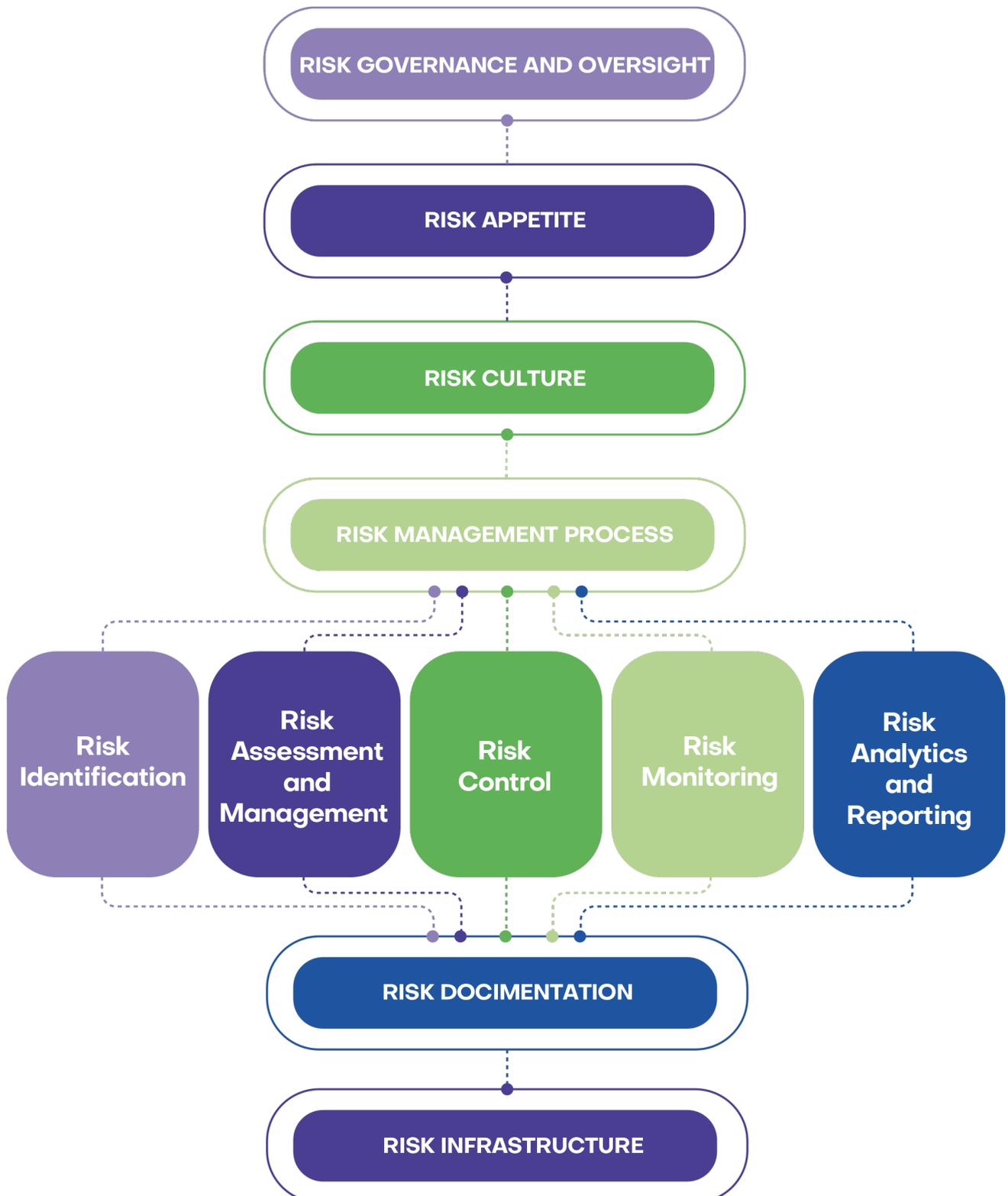
RISK MANAGEMENT

Group Risk provides oversight of risk management on a Groupwide through the establishment of the Group's risk strategies, frameworks and policies, with independent assessment and monitoring of all risk challenges.

During the financial year, Group Risk has continued to focus on value creation and supporting the Group in meeting its strategic and business objectives.

RISK MANAGEMENT FRAMEWORK

The Group has put in place a risk management framework approved by the Board for identifying, assessing and measuring, controlling, monitoring and reporting of significant risks faced by the Group in the achievement of the Group's business objectives and strategies.



Statement on Risk Management & Internal Control

Risk Governance and Oversight

The Board of Directors sits at the top of the risk governance structure and is ultimately responsible for the Group's risk management strategy, appetite, framework and oversight of risk management activities.

Board Risk Committee which reports directly to the Board provides oversight and assists the Board to review the Group's overall risk management philosophy, frameworks, policies and models, and risk issues relevant and unique to its business.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Management Risk Committee comprising Senior Management of the Group and which reports to the relevant Board Committee and Group Management Committee.

Meanwhile, Group Asset and Liability Committee ("Group ALCO") oversees market risk, liquidity risk and balance sheet management.

Risk Appetite

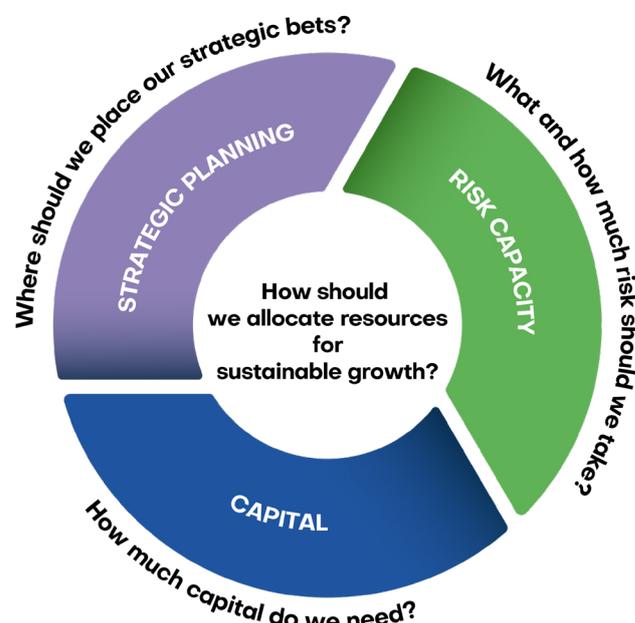
The Group's risk appetite is an integral component of the Group's robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of Management at all levels.

Risk appetite for the Group is defined as the amount and the type of risks that the Group is willing to accept in pursuit of its strategic and business objectives.

Risk tolerance on the other hand, is the acceptable level of variation relative to the

achievement of the Group's strategic and business objectives.

The risk appetite enables the Board and Senior Management to communicate and assess the types and levels of risk that the Group is willing to accept in pursuit of its business and strategic goals while taking into consideration the constraints under a stressed environment.



The Group's risk appetite defines our risk capacity and translates it into risk limits and/or tolerances as guidance, which are then used to regularly measure and evaluate our risk profile.

The defined risk appetite and risk tolerance is integrated into the strategic planning process and are periodically reviewed by the Board and the Management in line with the Group's business strategies and operating environment such as market conditions, stakeholders' expectations and internal capabilities.

Such review includes identifying and setting new risk appetite metrics for the business entity or removal of risk appetite metrics that are no longer applicable as well as updates on the risk appetite thresholds to be in line with the Group's business strategy and risk posture.

The main business and operations inherent risks that were considered in the risk appetite review

include regulatory compliance risk, credit risk, market and liquidity risk, operational risk and technology and cyber risk.

Risk Culture

The risk and compliance culture is driven by a strong tone from the top which serves as the foundation upon which robust enterprise wide risk management structure and governance are



built. This is to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activity across the Group.

Risk management is a core responsibility of the respective businesses and operating units. More so, it is the responsibility of every uabian.

Statement on Risk Management & Internal Control

Risk and compliance policies are clearly defined, consistently communicated and continuously reinforced throughout the Group to embed a robust culture that cultivates active identification, assessment and mitigation of risks. As part of the risk and compliance culture, the Board, Senior Management and employees of the Group are committed to adhering to the requirements of relevant laws, rules and regulations. This commitment is clearly demonstrated through the establishment and strengthening of policies, processes and controls in managing and preventing non-compliance.

The Group has implemented on-going Risk Culture and Awareness Programmes. Amongst others, induction programmes, engagement sessions, e-learning, Risk Bulletins and refresher courses to all staff. An integrated assurance platform is also emplaced to provide a single, collective view of risk controls, compliance and governance.

This ensures that risk considerations are embraced by all employees in enhancing the customer experience, building trust and brand value of the Group for long-term sustainability of the organisation. A strong risk culture minimises the Group's exposure to financial and non-financial risks including reputational impact, over time.

In addition, the Group has implemented the Risk & Compliance Officer that aims to cultivate proactive risk and compliance management and to establish a robust risk culture. The RCO programme entails the appointment of RCO at the respective business and functional units who acts as key liaison on all risk and compliance matters.

Risk Documentation

The Group recognises that effective implementation of the risk management system and process must be supported by a robust set of documentation and infrastructure. Towards this end, the Group has established frameworks, policies and other relevant control documents to ensure clearly defined practices and processes are implemented consistently across the Group.

Risk Infrastructure

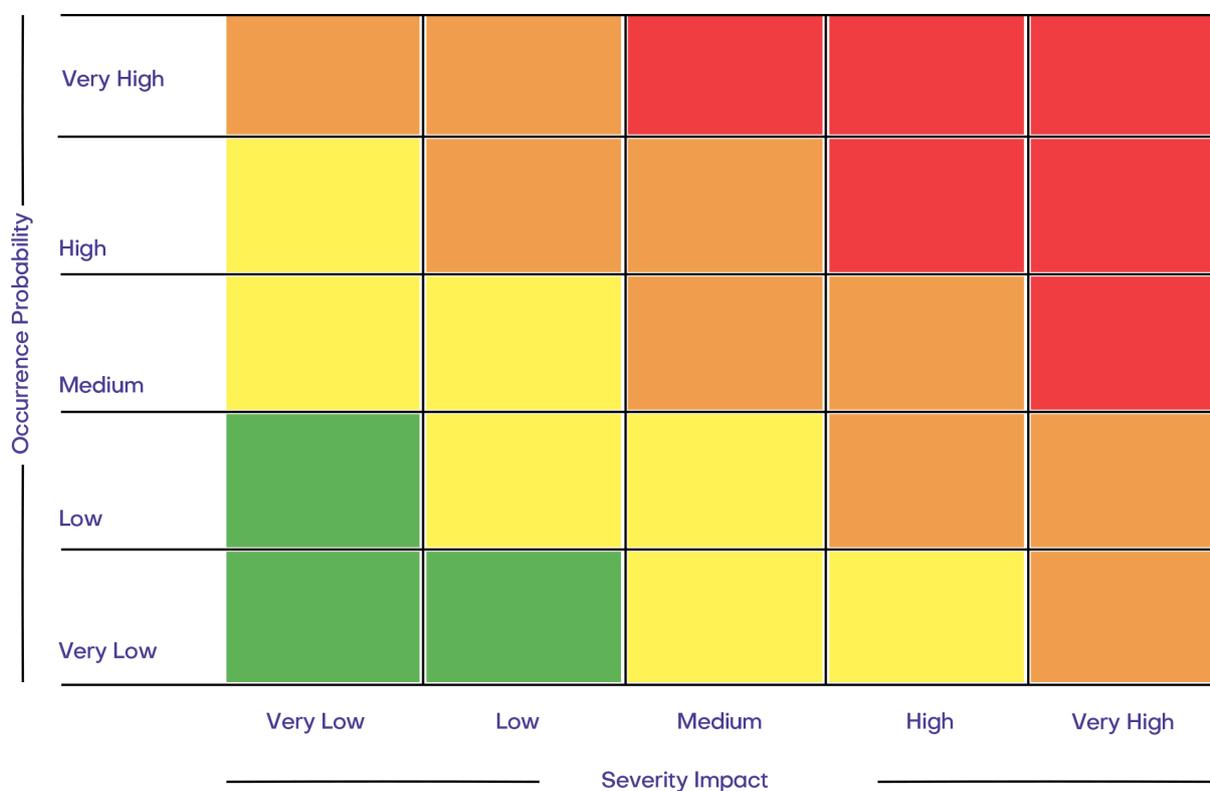
The Group has organised its resources and talents into dedicated risk management functions, and invested into the technology, including data management, to support the Group's risk management activities.

Risk Assessment

The Group has an established and comprehensive process for risk identification at every stage of the risk-taking activities, namely transactional, product and even at the respective Divisions and Group level. Risks are also identified through Operational Risk Loss Event reporting and Portfolio thematic analysis.

As part of the Group's periodic material risk assessment, the Group reviews the types and components of material risks, determines its quantum of materiality and refinement of processes taking into consideration the feedback received, including the independent reviews.

Material risk assessment is measured from the dimension of occurrence probability and severity impact. In addition, risk assessment also considers among others, the effectiveness of controls in place, and the impact to financial and non-financial indicators such as reputational



Quadrant	Description
 Material	These are the risk events that would have higher chance of occurring and if occur, it has severe impact on banks financially and/or non-financially and would impact the Group almost immediately.
 Significant	These are the tail risk events—low frequency but with relatively high impact/high velocity or high frequency but with low impact/low velocity.
 Moderate	These are the normal risk events that do not happen very often and if occur, it has no severe impact on banks or would not impact the Group immediately. These are to be recognised and managed as day-to-day business operations.
 Insignificant and Immaterial	These are the risk events that do not happen often, do not have severe impact on banks and would only impact the Group after one year (or a month for technology risk events). These are to be recognised and managed as day-to-day business operations.

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risk. These are translated into a heat map matrix to derive the materiality of the risk as shown in the table above.

The use of the above matrix is a simple mechanism to increase visibility of risks and assist in decision-making. The Group considers risks which fall within the Red zones are 'Material', which may have severe impact on the Group financially and/or non-financially.

Significant efforts will be taken to manage and mitigate these risks events.

KEY INTERNAL CONTROL PROCESSES

The Group's system of internal control is designed to manage and reduce risks that will hinder the Group from achieving its goals and objectives.

It encompasses the policies, procedures, processes, organisational structures and other control aspects that are implemented for assuring the achievement of the Group's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and internal policies.

The key processes established by the Board that provide effective governance and oversight of internal control systems include:

A. Control Environment and Control Activities

Organisation Structure

The Group has a formal organisational structure with clearly defined lines of accountability and

responsibility, authority limits and reporting.

The organisational structure provides the basic framework in ensuring that the Group's business and operations operate smoothly as well as depicting the span of control in ensuring effective supervision of day-to-day business conduct and accountability.

Sustainability Management

The Board of Directors has oversight of the Group's sustainability practices towards ensuring appropriate Environmental, Social and Governance ("ESG") factors are embedded within the Group's business strategies, operations as well risk management process. In carrying out the said responsibility, the Board is also responsible to ensure that the Group's Sustainability practices are aligned with the Group's long term strategic direction.

The Group Sustainability Framework sets out its approach in managing material matters, mitigating negative impacts and contributing towards sustainable development. The Framework consists of 3 thematic sustainability pillars, i.e. Sustainable and Responsible Banking, Embedding Good Practices and Enriching and Empowering Communities.

Within each pillar, the Group has identified key focus areas that are important to the business and operations as well as to its stakeholders.

Policies and Guidelines

Policies, guidelines and processes governing the Group's businesses and operations are documented and communicated Group-wide as well as made available to employees through



the Group’s intranet for ease of reference and compliance.

These policies, guidelines and processes are reviewed and updated by the business and functional units through a structured review and approval process to cater to changes in laws and regulations as well as relevance to the business and operational environment.

Authority Limits

The Board has approved the Group Delegation of Authority (“DOA”) which defines the approving authority with its approving limits for the various levels of Management in the Group. Accordingly, the Management is empowered to discharge their responsibilities and be accountable for their decisions and actions.

The Group DOA is reviewed periodically and updated in line with changes in the organisation structure, business environment or operational needs.

Information Technology (“IT”) Security

The Group regards IT security as a very high priority to ensure the confidentiality, integrity and availability of the Group’s information assets and IT infrastructure.

IT security in the Group is achieved through the implementation of a risk-based control approach covering people, process and technology.

IT Security policies, standards, guidelines and procedures are well established and supported by proper organisational structures with competent resources. Defence in depth strategy is used where multiple layers of IT Security controls are enforced throughout the IT infrastructure and system.

But equally important to the technology and process controls is the continuous programme to raise the level of security awareness of staff of all levels, Board members as well as third party technology service providers.

In addition, the rapid adoption of digitisation has led to increased risks to traditional on-premises computing system. To address this emerging risk, the Group has adopted a multi-pronged approach:

- Gradual deployment of digital solutions with increased investment in security infrastructure and the hiring of support personnel with skillset covering digital fraud and cloud security.
- Establishing proper governance in the

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management of digital deployment including introduction of policies to strengthen the security controls covering the overall digitisation initiative.

- Continuous assessment of Third Party's cyber security posture and subscription of threat intelligence service for better visibility of the current cyber landscape.
- Enforcement of secure coding practices that applies security considerations to how software will be coded and encrypted to best defend against cyber-attack or vulnerabilities.

Budgeting Process

A robust budgeting process is established requiring all key operating divisions in the Group to prepare budgets and business plans annually for approval by the respective Boards.

The Group's budget and business plans as well as strategic initiatives, taking into account the established risk appetite, goes through a challenged session with Management prior to deliberation at the Board where the Group budget is presented.

Human Capital Management

One of the key constituents of any internal control system is its people and that our system of risk management and internal control is dependent on the responsibility, integrity and sound judgement that employees apply to their work. Hence, the Group has in place policies and procedures that govern recruitment, appointment, performance management and rewards as well as matters relating to discipline, termination and dismissal.

For sustainable growth, the Group places emphasis on human capital development, talent management and succession planning. To

enhance employee competencies, structured and technical trainings as well as management and leadership workshops are provided to them based on their identified needs during the annual performance assessment.

For talent management, initiatives such as Leadership Development Programme, Individual Development Plan and mentoring are implemented to develop identified talents in the Group to facilitate the continuous supply of high potentials and suitable successors for future leadership roles.

Group Code of Ethics and Conduct

The Group Code of Ethics and Conduct is established to ensure a high standard of ethical and professional conduct is upheld by all employees in performing their duties and responsibilities. It is a requirement that all employees of the Group understand and observe the Code.

New recruits are briefed on the Code and are required to sign the Employee Declaration of Compliance Form upon joining the Group.

The Group has also established the Gifts and Hospitality Guideline to promote integrity and transparency for giving and receiving gifts. The Guideline complements the Code and are designed to help the Group and its employees understand the respective parties' obligations in upholding corporate integrity and transparency about gifting.

Group Anti-Bribery and Corruption Policy

The Group adopts zero tolerance on bribery and corruption in line with its core shared values and the Group Code of Ethics and Conduct for employees. The Group is committed to

conducting its business in accordance with all applicable laws and regulations, and the Anti-Corruption Law and Commission Act.

The Group Anti-Bribery and Corruption Policy set out the guiding principles to support the Group's business operations and assist the employees in upholding corporate integrity and the Group's reputation in its dealings within and outside the Bank.

Group Anti-Money Laundering and Counter Financing of Terrorism Policy

The Group Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policy ("Group AML/CFT Policy") is drawn up in accordance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and Central Bank of Myanmar's ("CBM")'s standards on AML/CFT.

It sets out the high level standards towards building a stronger and robust AML/CFT compliance regime within the Group, facilitates consistency in managing the AML/CFT compliance risk across the local and regional entities within the Group, and sets out the Group's policy statements in respect of the general principles and key measures to which the Group adheres to.

Pursuant to the Group AML/CFT Policy, the entities and/or employees within the Group are required to adopt Risk Based Approach ("RBA") to customer acceptance and implement the AML/CFT Compliance Programme framework.

This includes customer due diligence ("CDD") requirements, monitoring of customer activities/transactions, reporting of suspicious transactions, record keeping, AML/CFT training, protection of customer information, and

enforcement actions for noncompliance to the requirements.

The Group AML/CFT Policy also outlines the roles and responsibilities as well as establishes clear accountability of the Board, Senior Management and all employees within the Group.

The Board has an oversight responsibility for establishing the AML/CFT policies/guidelines and minimum standards while the Senior Management is accountable for the implementation and management of AML/CFT compliance programmes in accordance with the policies and guidelines as approved by the Board.

Group Fraud Risk Management Policy

The Group Fraud Risk Management Policy is designed to promote consistent organisational behaviour through the development, implementation, and regular review of fraud prevention, detection and response strategies. The Policy defines the core governing principles for fraud risk management within the Group which include leadership and ethical culture, fraud awareness and prevention, fraud control and detection, fraud reporting and escalation as well as fraud response with appropriate corrective actions.

The policy also outlines the roles and responsibilities of the Board, Senior Management and respective stakeholders within the Group on fraud risk management.

The Group instils a culture of vigilance amongst employees in handling and combating fraud as well as to deter future occurrences. Robust and comprehensive tools/infrastructure and programmes are emplaced to ensure risks resulting from fraud are identified, escalated/

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reported and managed in a decisive and timely manner. Stern disciplinary action is taken against employees involved in fraud.

Reputational Risk Management

The Group adopts a holistic approach and sound governance in managing reputational risk and to institutionalise awareness and its consequences. Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust and creating better customer experience and security are vital parts of our obligations as a financial institution.

Hence, the Group has emplaced a policy with roles and responsibilities of key stakeholders with regard to processes, such as monitoring of social media sentiment, to facilitate effective reputational risk management and monitor risk exposures within the risk appetite.

B. Business Continuity Management

The Group recognises and is fully committed to the need to provide uninterrupted critical services to its customers, ensure the safety of its employees, protect its assets including data, and safeguard the interest of its key stakeholders that collectively ensure the viability of the organisation. Hence, the Group is aware of the importance of a sound Business Continuity Management (“BCM”) Framework and Programme to build organisational resilience and an effective response and recovery mechanism to safeguard the interest of key stakeholders, reputation and brand.

The Group’s BCM Programme is based on good business continuity practices, CBM and other regulatory guidelines and international standards.

A sound BCM Programme has been implemented in the Group to ensure the critical business functions are recovered in a timely manner in the event of any disruption. Reviews, assessments, updates and testing of the BCM plans are conducted regularly to ensure adequacy, effectiveness and readiness of the business recoveries.

Simulation exercises and emergency situations are conducted to familiarise and equip staff with the skills and processes required to ensure that in the event of any disruption, critical business processes can continue or be recovered in a timely manner.

2021-2022 was proven to be another challenging year due to the COVID-19 pandemic outbreak. The Management has taken proactive and precautionary measures to mitigate and manage the outbreak and risk of infection while ensuring continuous provision of essential services.

The Group has activated its Business Continuity Plan (“BCP”) pandemic strategy for all business functions across the Group which includes split operations and Work-From-Home arrangements, utilisation of digital platform for any meetings and provided constant advisory and updates on the COVID-19 Standard Operating Procedures (“SOP”) for all uab staff.

Moving in tandem with COVID-19 coordination are some new initiatives to enhance the BCM programme. The Group has enhanced the crisis management processes with a view of expediting the crisis response and minimising the impact to ensure the resiliency of our operations.



The Group has also conducted assessment on managing and responding to COVID-19 outbreak and incorporated lessons learned to enhance the control measures arising

Procurement Manual and Non-Credit Discretionary Power

The Group Procurement Manual is designed to streamline the functions of procurement within the Group. It serves as a standard guideline for good management practices expected in the procurement process and procedures.

The authority to approve any request for budgeted or unbudgeted expenditure conforms to the applicable approval authority policies, i.e. Delegation of Authority (DOA) or equivalent. The DOA defines the authority limits approved by the Board for procurement activities, acquisition and disposal of assets, operational write-offs, donations, as well as approval of general and operational expenses.

C. Information and Communication

Performance Review

Regular and comprehensive information is provided by Management to monitor its performance against the strategic business plan and the annual budget approved by the Board. This information covers all key financial and

operational indicators as well as key strategic initiatives undertaken by the Group during the year.

The Board and the Group Management Committee (“GMC”) receive and review financial reports on the Group’s monthly and quarterly financial performance against approved targets and the reasons for any significant variances as well as measures that are being put in place to meet such targets.

The heads of the core businesses and functions in the Group present their respective management reports to the GMC at its monthly meeting, covering areas such as financial performance, key activity results and new business proposal or process for information of and deliberation by the GMC.

Group Whistleblowing Policy

uab is committed to the highest standard of ethics and integrity in its conduct of business and operations.

The GWBP encapsulates the governance and standards to promote an ethical, responsible and secure whistleblowing practice in uab.

The whistleblowing channels provide proper mechanism and secured avenues for employees

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and members of the public to report any knowledge of improper conduct in good faith, without fearing any adverse consequences. Access to whistleblowing information is governed by the strictest confidentiality.

Incident Management Reporting

To complement the Group's internal control monitoring, a comprehensive incident management reporting guideline has been implemented to ensure proper escalation and management of incidents according to the level of severity.

The established incident management reporting process ensures that all incidents with material risk and losses are escalated promptly within the escalation timeline to Senior Management and the Board with necessary steps taken to mitigate any potential risks that may arise. Periodic monitoring and updating on the progress of the incidents until resolution enables the decision makers to undertake informed decision-making and be kept up to date on situations as well as manage risks effectively.

D. Monitoring

Board Committees

The Board has in place, Board Committees that are set up to support the Board in its oversight function. The Board Committees include the Board Risk Committee, Board Audit Committee, Board Credit Committee, Board Nomination & Remuneration Committee.

These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective Terms of Reference ("ToR").

Detailed responsibilities of these Board Committees can be found under uab bank website and their respective ToRs available at: <https://www.uab.com.mm/governance/risk-management/>



Group Management Committee

The GMC comprises the Group Managing Director and CEO as the Chairman and the key Senior Management of the Group.

The GMC provides the leadership and direction in the implementation of strategies and policies approved by the Board and meets monthly to discuss and deliberate strategic matters that impact the Group's operations.

Management Audit Committees

Management Audit Committee ("MAC") is responsible for timely rectification of any audit findings and the underlying causes highlighted by the internal and external auditors, and regulators.

The status of rectification of all audit findings and the mitigation action plans implemented by Management to adequately address the underlying causes are closely monitored by the MAC at every meeting.

The MAC comprising senior level representatives from different business/functional groups are chaired by the Group Deputy CEO. The MAC meet monthly and the minutes of meetings together with the relevant audit reports are subsequently tabled to the BAC for information, deliberation and direction for further action where required.



Group Compliance

Compliance is the collective responsibility of the Board, Senior Management and every employee of the Group. The compliance function forms an integral part of the Group’s risk management and internal control framework. In view that a strong compliance culture reflects a corporate culture of high integrity and ethics, everyone is expected to promote self-regulation and be accountable for their own activities while maintaining ethical principles and behaviour.

In addition to day-to-day monitoring, Group Compliance’s commitment towards instilling a strong compliance culture across the Group is demonstrated through the establishment of a robust compliance monitoring framework which includes, among others, implementation of comprehensive compliance policies, frequent compliance reviews, regular engagement sessions with business/functional units and

branches, annual compliance risk assessment to identify high risk areas and conduct of regular training/awareness sessions across the Group to ensure that all employees are well informed of the latest regulatory requirements and expectations.

Further, the Boards and Senior Management are also apprised of the Group’s state of compliance through the submission of the Group Compliance report on a periodic basis.

INTERNAL AUDIT

Group Internal Audit (“GIA”) is established by the Board to provide an independent appraisal on the adequacy and effectiveness of the Group’s risk management, internal control and governance processes implemented by the Management.

The internal audit covers all key activities of the Group, including that of its branches, all the business and support functions, subsidiaries as well as outsourced activities. GIA adopts a risk-based approach in determining the auditable units and frequency of audits in line with the Group’s key risks, strategies and areas of focus, which are identified based on GIA’s risk assessment methodology.

The risk-based internal audit plan is approved by the BAC annually. Audit reports detailing the audit findings, root causes and impact, GIA’s comments and recommendations, and Management’s response are tabled to MACs and BAC on a monthly basis.

GIA function is independent from the activities and operations of other operating units within the Group.

It is led by the Group Chief Internal Auditor who

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reports functionally to the BAC and administratively to the Group Managing Director to ensure GIA's independence from Management.



CONCLUSION

The Board, through the BAC and BRC confirm that it has reviewed the adequacy and effectiveness of the Group's Risk Management and Internal Control System.

Based on the monthly updates from its Board Committees and the assurance received from the Management, the Board is of the view that the Group's Risk Management and Internal Control System is operating adequately and effectively to safeguard the interest of the shareholders and the assets of the Group for the financial year under review and up to the date of approval of this Statement.

The Board is also satisfied that the Group has put in place an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in achieving its business and strategic objectives amidst the dynamic and challenging business environment and increasing regulatory scrutiny, particularly during the time of the global COVID-19 pandemic.





Human Capital Report



Human Capital Report

FY2021 was probably one of the most tumultuous years experienced since the incorporation of the Bank. The COVID-19 pandemic which began its first wave in March 2020, came on its 2nd wave in Sept 2020 and soon after abating in December 2020 dawned the political crisis in February 2021 and as if it was not enough, the 3rd wave of the pandemic swept through in July 2021.

Right throughout the crisis period, the Bank successfully ran on its Business Contingency Plan (BCP). The Crisis Control Unit formed under the BCP provided a single command structure that ensured consistency of decisions and together with the sense of responsibility displayed by uabians, saw the Bank rising above the difficulties of not only 1 crisis but 3 concurrent periods of disruptions. We certainly stand tall at the performance and loyalty of our employees.



A desire to
connect.



The passion to
create.



The courage to lead
change

Despite the challenges, our employees remained focused and dedicated delivering our commitments to our customers, linkage to our communities, protecting returns to our shareholders, compliant to the regulators and exercised mutual respect to one another.

These events have enabled the Bank to think differently about developing a future-focused work force which is able to withstand constant disruptions and adapt with agility the unexpected changes that the future can bring. It is clear that the world is changing and the Bank will have to follow suit. The disruptions also increasing accelerate the push towards the adoption of technology not only in communication but in data storage and performance management.

These events also highlight our responsibilities

towards building towards our Environment, Social & Governance (ESG) Goals. Our commitment is to direct our workforce into helping to build a sustainable future for both themselves and the community.

COVID -19 and the political crisis

The disruptions that occurred over FY 2021 were

- 2nd wave COVID-19 – from mid-Sept 2020 to November 2020
- Political crisis – from Feb 2021 to May 2021
- 3rd wave COVID-19 – from July 2021 to August 2021

The Bank handled the 2nd wave of COVID-19 by working with the health authorities in the various cities to ensure that uabians and their affected families who had COVID-19 close contact were adequately quarantined at designated hotels and when found to be infected to be further

quarantined at Government quarantine centres. The Bank spent a sum of MMK 38.6 million in ensuring that our employees were adequately protected.

Although 8 branches were closed during the 2nd wave, our employees also responded to ensure that essential services continued throughout the period.

Just as the 2nd Wave of COVID 19 had settled down, the political crisis in February 2021 brought further disruptions in bank services. A core group of employees continued to provide daily essential services to Customers despite the upheaval over the period of February 2021 and by March 2021, the Bank began to restart its branch services.

A number of staff who were affected by the social unrest arising from the political crisis began to return back to duty and by May 2021, the Bank was able to fully re-open all its branches.

The 3rd COVID-19 wave had a much bigger impact and unlike the 2nd wave, the 3rd wave had a far greater toll and we sadly saw the loss of 5 of our colleagues during the period July to early August 2021. Almost 80 of our branches had to close for a period of 2 to 3 weeks each. In the midst of this, we saw uabians rallying to help each other and their families in providing oxygen equipment, medicines, food, medical care and support. Many uabians came back to their branches and stations to ensure essential services still continued.

The Bank spent a sum of **MMK 134.9 million** in the provision of support which included the opening of a COVID-19 Relief Centre in Yangon for those who need a place of quarantine and medical support.

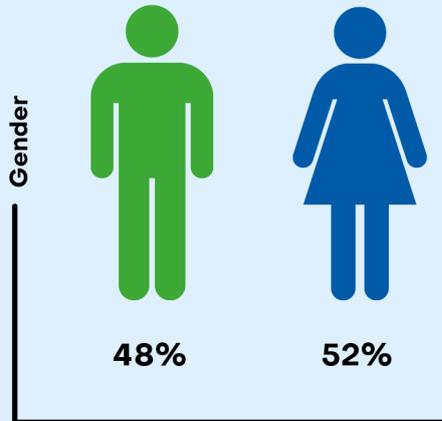
Responses and people engagements

Here are some of the ways that the Bank and employees responded to the crisis:

- A centralised Crisis Control Unit was set up which coordinated the effort and decision making over the 3 disruptive periods. This provided clearer direction and engagement to the employees
- At the same time leadership was decentralised to Head of Department and Branch Manager levels to ensure that each unit would independently provide support to their unit members and ensure that productive levels were optimised with regard to work performance.
- Use of suitable software and hardware enabled remote work- from-home capability. These included the provision of lap-tops to employees and the use of mobile phones access to view learning and development videos. Software most used included Microsoft Office 365 and Zoom.
- The rotation of employees physically reporting to their station enabled social distancing and contingency for back-up in case any team falls into COVID-19 contact.
- Practising safe methods of hand sanitising, mask wearing and social distancing for employees, customers and visitors.
- Physical help in delivering O2 equipment, medicines and food to employees and families affected and setting up a COVID-19 relief centre in Yangon.
- Vaccination campaign in August and Sept 2021 to ensure that each member of staff was provided with the opportunity for 2 doses of COVID-19 vaccination
- Weekly video broadcast over the **uabians Facebook Community page** to ensure that suitable training materials were available for staff to gainfully use the time to enhance their skills .

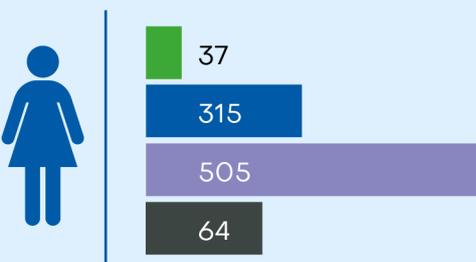
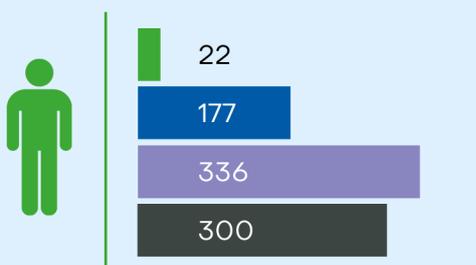
Human Capital Report

Statistics



uab bank is an equal opportunity employer and the gender balance remained unchanged over FY 2021 and FY 2022.

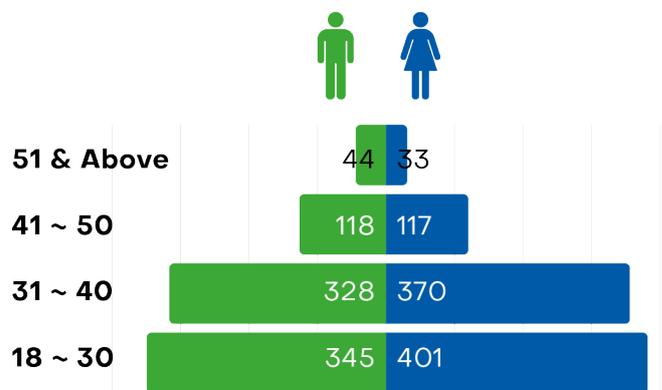
Gender Balance by Job Type



Our People Profile

The disruptions saw reduced levels of customer activities and banking transaction levels and through natural attrition, the Bank reduced its head count in FY 2021 from 1,835 to 1,722. It is expected that the head count will increase over FY 2022 as the economy moves to a more stable footing.

Age Distribution By Gender



It is noted that 42% of our staff force is 30 years of age and below indicating a relatively young work force whilst balanced by 19% of our staff force who are 41 years and above.

uab bank is committed to diversity and inclusiveness where people can realise their full potential. Within its diversity and multi-generational workforce, it also looks towards developing a highly engaged community.

On 6th November 2020, we held a webinar with Myanmar students in Singapore and another webinar with students in Thailand on 12th Jan 2021. Subsequently, a Virtual Career Day was organised on 23rd January 2021. The Virtual Career Day was probably the 1st done by any company in Myanmar and these events were towards expansion of our brand and widen our scope for diverse talent.

Learning & Development

Despite the disruptive intervals, learning and development was emphasised with the number of training hours increasing to 22,176 man-hours in FY 2021 compared to 13,157 hours in FY 2020. Much of the reason for this increase in FY 2021 has been better expertise in handling and delivering on-line training; a process that we start in FY 2020.

With the stabilising of the operating environment, we are postured to accelerate the learning and development opportunities for employees in FY 2022.

In developing our future focus strategy, the development of local talent is critical in building our bench strength and leadership succession vital to sustainability. Over FY 2021, 220 employees were promoted and to support the retail banking business, 6 new Area Manager positions were created. Apart from identifying employees with leadership potential for training programs, these promotions are some of the opportunities we take to develop people for the next level. In developing succession, we look at both our internal staff and also talent from outside the Bank.

Creating Community

In order to bind together our community of employees who are spread throughout Myanmar, we created a uabians Community page on Facebook and this enables members of the community to post activities at their branches both business and social. With the deaths of employees from COVID-19, a memorial board enable various employees to express their sorrow and gratitude for the life of their colleagues and this enabled proper closure with passing away of friends.

The Community page also enable the showcase of achievements, sales efforts and posting of training material.

In building our community, we were pleased to recognise 219 employees who had served the Bank for over 10 years and gold coins and medallions were distributed individually by Senior Management to them in Yangon, Mandalay and other cities.

It is this sense of community that we hope will enable better sense of belonging translating to better retention and development. Learning is not a set path and it is becoming more



Human Capital Report

unstructured than before. The community that interacts together provides a learning culture where people learn from each other.

Our Rewards & Remuneration

The Bank's rewards and remuneration scheme has two (2) main components i.e., Fixed Pay and Variable Pay, and over this, we developed deeper sales-based incentives to incentivise employees with better rewards for sales performance. An improved sales model for sales staff is being adopted to enable a better reward structure for high performing sales employees. We take a holistic view of several factors to determine and to ensure that an employee's total compensation is fair. This is done with the objectives to reward contributions, motivate and retain talents.

Further, the Board of Directors and Senior Management conducts regular reviews of the remuneration policy to ensure that compensation practices and programs are consistent with regulatory requirements and are responsive to market developments. Remunerations, rewards, and compensation are viewed beyond short term financial measures and looks at the longer- term sustainability objectives.

Even though FY 2020 was a disruptive year, we are pleased to note that uabians continued to enjoy a bonus pot albeit a smaller one. Further, in developing our Total Rewards package, in December 2020, we reviewed our Staff Housing Loan to further provide opportunities for employees to invest in their own homes. This then allows employees to view their career with the Bank on a longer-term perspective.

Focus for FY 2022

The impact of the 3 periods of disruption in FY 2021 appears now to be moving into a period of stabilisation. One clear pattern that is emerging is the increasing trend towards digitalisation. The workplace will need to respond accordingly, and we are moving towards investments in HR management solutions to stay ahead.

As we future focus our work force, the HR focus remains unchanged- attracting and cultivating talent whose mission is to build a better Myanmar. Given the Bank's expansion plans, bringing in the right talent particularly local talent whilst building our community and continued focus on our ESG commitments will be key to our focus in FY 2022.



uob

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PTB GO CONVENIENCE STORE



Sustainability Statement





Sustainability Statement

1. SCOPE

This Sustainability Statement reports our Environmental, Social and Governance initiatives for financial year ending 31st March 2022 (FY 2022).

2. OUR APPROACH TO SUSTAINABILITY

Our purpose is to lead towards a better and more sustainable Myanmar. We aim to contribute to the financial and social empowerment, as well as the well-being of our stakeholders. In the longer term, we believe our contributions will be an agent for change to greater national socio-economic development. We have based our FY2022 Sustainability Statement on materiality assessments and stakeholder engagements conducted during the year. The Bank continues to align its business objectives with its sustainability targets.

3. IDENTIFYING MATERIAL ISSUES

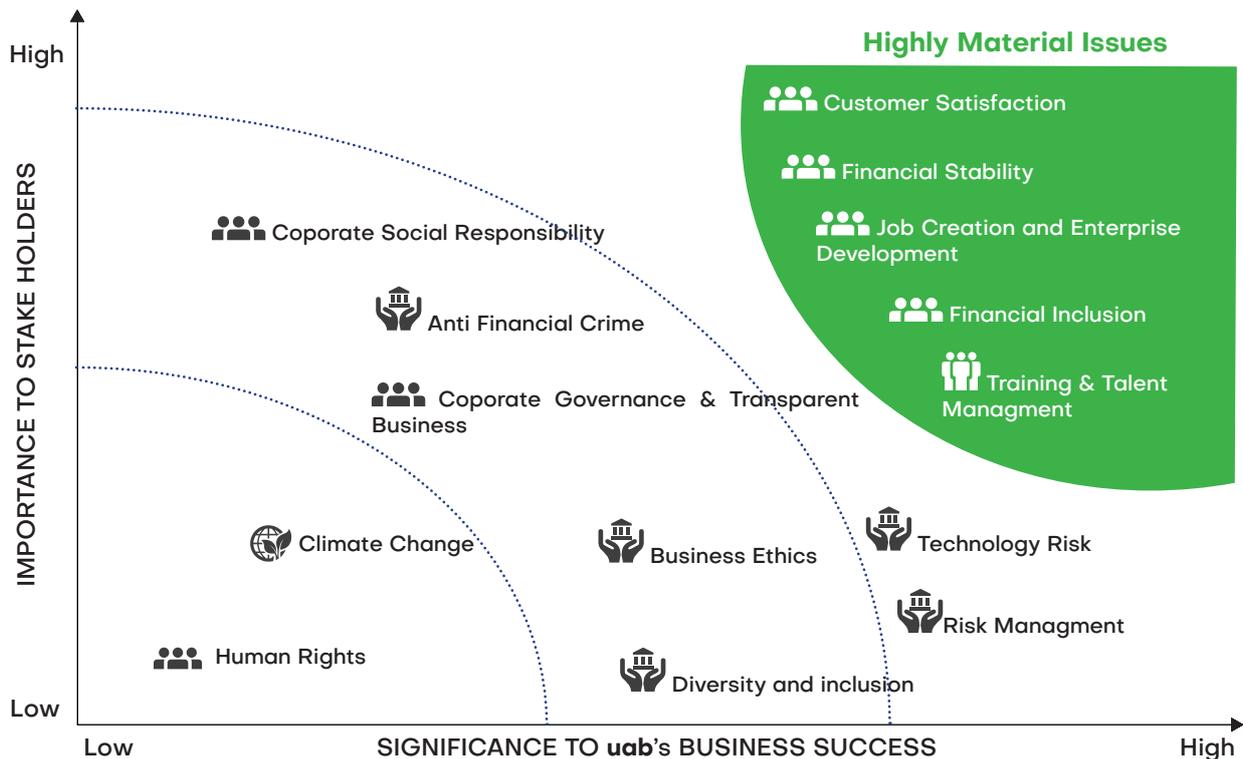
The materiality assessment was reviewed in March 2022 and the sustainability matters

which are shown on the materiality map below were found to be most relevant to the Bank and our stakeholders

The significant stakeholders with whom we engage with are:

- Customers
- Shareholders
- Employees
- Business Partners & Suppliers
- Regulators
- Community

There were no significant changes noted from previous year except, that all stakeholders had a strong emphasis on financial stability as a critical component given the recent COVID-19 and political crisis over Myanmar and its effect on the business environment. In the Bank's latest Annual Report, we address the steps taken towards continuing to build on our strong financial strength and foundation.



A deeper discussion of our material assessment can be found in our website at:

<https://www.uab.com.mm/strategy/materiality-assessment/>

Similarly, how we engage with our stakeholders may be found in:

<https://www.uab.com.mm/strategy/stakeholder-engagement/>

4. ALIGNING OUR BUSINESS AND SUSTAINABLE GOALS

The United Nations Sustainability Goals (SDGs) are made up of seventeen (17) goals and having determined the highly material issues at the Bank, we have decided to focus our business targets towards four (4) of the SDGs. Below, we have stated specific targets towards the SDGs.

Sustainability Development Goals	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	4 QUALITY EDUCATION 	3 GOOD HEALTH AND WELL-BEING 
Material issues identified	·Financial inclusion ·Financial stability	·Job creation and Enterprise development	·Training & Talent Management	·Customer satisfaction
Specific targets	·Enabling home ownership ·Providing digital solutions ·Financial literacy ·Continued good financial performance of Bank	·Financing SMEs ·Developing products for cash flow management	·Regular training to employees ·Scholarship and bursary support for children of employees	·Appropriate and suitable products ·Transparency ·ESG Policy ·Developing bancassurance

Further, having identified specific targets, the progress and impact of our targets are as below. It must be noted that we had first launched this journey towards sustainability measurements in 2019 and the time horizon towards achieving and developing the targets is 2024.



Sustainability Statement

Item	Target	Time target	Achievements as at Financial Year ending 31st March 2022
Home ownership (SDG 8)	10.5% of total loan portfolio	30 September 2024	As of 31st March 2022, the home finance portfolio made up 2.74% of the total loan portfolio
Digital solutions (SDG 8)	Enabling customers to operate an account through handheld devices	App to be developed by 30 September 2020 with yearly incremental improvements.	<p>uab bank's digital app (uabpay) was successfully launched in 2020 and it is being developed into a Super app, enabling Customers to conduct their business without being at the Bank branch.</p> <p>The following features have been developed:</p> <ul style="list-style-type: none"> • opening a digital wallet • payments to merchants through QR code • access to all bank accounts • access to all credit and prepaid cards • wallet-to-wallet and account-to-account transfers • Interbank transfers • Bill payments • Mobile top-ups <p>Inter-wallet operability is an on-going process and fund transfers may be made to Citizens Pay, MPT Pay and Mandalay Smart Pay.</p> <p>International Money transfers may be received from RIA Money Transfers.</p> <p>Cash withdrawal through agents (other than bank branches) through uabpay+ is being developed as the next phase.</p>
Financial literacy (SDG 8)	Conduct at least 12 financial literacy sessions or projects per annum to unbanked, underbanked, and underserved individuals	30 September 2024	<p>Despite the COVID -19 and unstable political situation during the financial year, financial literacy outreach was conducted to educate people on inward remittances particularly with Western Union and RIA money transfers. This was successfully undertaken in 7 villages in the Tatkon/ Naypitaw area, 2 villages in in Kyaukpadaung area and 1 village in the Pokkoku area.</p> <p>At each village, between 25 to 40 villagers attended the sessions and about 300 people were reached though the program.</p>

Item	Target	Time target	Achievements as at Financial Year ending 31st March 2022
Financing SME (SDG 9)	26% of total loan portfolio	30 September 2024	As of 31st March 2022. SME financing made up 9.35% of the loan portfolio. 22.56% of SME financing were made through JICA 2-step loan program which provided preferential interest rates to reduce the cost of borrowing to these SMEs.
Developing products for cash flow management (SDG 9)	Developing a Supplier Chain Financing solution	30 September 2024	Supplier Chain Financing product has been launched enabling customers to discount their invoices whilst waiting to receive payments from buyers. A Cash Management solution is presently being developed.
Training employees and development of talent (SDG 4)	A minimum of 30,000 man-hours of training to be provided each year.	30 September 2024	For FY ending 31st March 2022, a total of 35,800 man-hours. In addition, during the short financial year, 17 students received work exposure as interns.
ESG Policy (SDG 3)	To formulate and thereafter implement an ESG policy	Formulation by March 2023. Full implementation by March 2024	Policy is presently on a work-in-progress basis.
Transparency (SDG 3)	Issue GRI Index and SASB Index	Publication of index and to be completed by May 2020 and yearly reviews to be conducted.	The GRI and SASB Index has been successfully published by the Bank. The Bank's Annual Reports and Sustainability Reports are now publicly available in the Bank's website. The Bank also has voluntarily subscribed for Pwint Thit Sa (Transparency in Myanmar Enterprises) reviews conducted by the Myanmar Center for Responsible Business to ensure transparency.
Bancassurance (SDG 3)	Launch bancassurance by financial year 2021	1 st phase to be launched by May 2021	uab bank has partnered with Manulife to offer life insurance protection through the Bank's bancassurance product. This is with effect from January 2021. As a 2nd phase, the Bank is finalising the negotiation with a General Insurance provider to offer general insurance products through a bancassurance scheme.

Sustainability Statement

5. NON- FINANCIAL KPIS

In its sustainability objective the Bank adopts a number of non-financial KPIs and a summarised discussion of the relevant non-financial KPIs is as below:

Topic and Social Issues	Financial year ending 31st March 2022 (FY 2022)	Impact
Equal Opportunity Employment (gender, age)	<p>Total employees: 1,756</p> <ul style="list-style-type: none"> · Male: 835 · Female: 921 <p>By age</p> <ul style="list-style-type: none"> · 18-30 years: 746 · 31-40 years: 698 · 41-50 years: 235 · above 51 years: 77 <p>Promotions awarded for FY 2022 totalled 192 staff out of which:</p> <ul style="list-style-type: none"> · Male: 74 · Female: 118 <p>Staff with job grades of Vice President and above:</p> <ul style="list-style-type: none"> · Male: 11 · Female: 14 	<p>The Bank ensures that there is equal opportunity in gender, age and promotional opportunities. Over FY 2022, there was generally, a satisfactory balance in the provision of equal opportunity.</p> <p>A separate Human Capital Report is available in the Annual Report 2022</p>
Employee engagement	<p>An Employee Satisfaction survey published on 14th August 2020 produced the following results:</p> <ol style="list-style-type: none"> 1. Number of respondents: 1,155 (82.5% of white-collar work force) 2. Score: 5.7 on a 7-point Likert Scale (81.4%) <p>The good score resulted in the Bank being listed under “Best Companies to work in Myanmar 2020 – Employee’s Choice” https://www.jobnet.com.mm/bcim</p>	<p>Employee satisfaction indicated by the good score further appeared to have a positive impact on the Bank’s financial performance with Net Profit per Employee in FY 2022, improving to MMK 11.6 million per employee (annualised) compared to MMK 5.2 million in the previous year.</p> <p>A fresh employee satisfaction survey is due to be published in September 2022.</p>
Employee Turnover rate (%)	Employee turnover amongst operating staff was 15.8%	Employee turnover was slightly over the targeted maximum of 15% .
Absenteeism rate (%)	Absenteeism Rate (%): 0.29% (Absenteeism is the unexcused leave measured against the working days in the period)	The absenteeism rate of 0.29% for FY2022 which was a slight increase compared to 0.23% in the previous year, indicating a continued satisfactory employee engagement.
Disability (number)	1 person	The Bank has policies on non-discrimination and equal employment opportunity for disabled persons. uab is committed to hiring any capable individual regardless of their disabilities.

Topic and Social Issues	Financial year ending 31st March 2022 (FY 2022)	Impact
Fatality Rate (%)	0 % fatality rate	<p>The fatality rate for FY 2022 was Nil with no deaths reported and within the Bank's target of zero fatalities.</p> <p>Given that the Bank is in the Service industry and not in an industrial or manufacturing environment, the accident and fatality rates are expected to be low.</p>
Frequency rate for accidents (number)	<p>Six (6) car accidents involving uab drivers. The accidents were reported to be minor.</p> <p>There were no fatal injuries during FY2022.</p>	<p>The Lost Time Injury Frequency Rate (LTIFR) due to accidents FY 2022 was 3.71 (where lost time due to accidents is measured per one million hours worked).</p> <p>This is compared to 2.27 in the previous years. Both the numbers are low due the nature of the jobs in the banking industry.</p>
Training (number)	<p>Total man hours of training provided: 35,800 hours Number of staff who attended training sessions : 1,750</p>	<p>Despite the FY 2022 having 6 months only, the training hours increased to 35,800–man hours compared to 22,200 hours the previous year.</p>
Career Development/ Appraisal (number)	<p>Over the 6 months period, one (1) performance appraisal was conducted in October 2022. All confirmed employees of the Bank were appraised.</p> <p>As part of career development and succession, 192 employees were promoted based on their performance over FY 2022.</p>	<p>This is the 6th year in running of conducting these sessions and the Bank has been consistent with conducting appraisal and career development sessions.</p>
Health & Safety	<p>The Health & Safety Policy was reviewed and made available in our website: (https://www.uab.com.mm/governance/governing-policies/)</p> <p>Annually, the Administration Dept of the Bank conducts a survey on the physical maintenance at branches. From the survey, recommendations are made to the Management on physical improvements. The surveys for Financial Year 2022 had been completed.</p>	<p>The frequency and fatality rates for FY 2022 have been provided in the report above and they remain acceptable with no fatal injuries.</p> <p>Over FY2022, the COVID-19 pandemic continued to have some impact with the Omicron variant albeit, a much smaller impact on health and safety compared the prior 2 years. The Bank ensured the following on the Myanmar Ministry of Health directives and the guidelines of WHO over the period.</p>

Sustainability Statement

Topic and Social Issues	Financial year ending 31st March 2022 (FY 2022)	Impact
Health & Safety	<p>At uab Tower @ Times City, a HSE inhouse audit and health check by the Facility Management Team together with the Bank's Internal Auditors was conducted over March 2022 as an effort to monitor our existing HSE guidelines and to continually improve our awareness and management of our key risks.</p> <p>Several health benefits are made available to employees including:</p> <ul style="list-style-type: none"> · Welfare grant of MMK 100,000 for major surgery · Paid leave of up to 6 months for prolonged illness · 30 days of paid medical leave · Work Life Balance <p>Further, as a part of our initiative to support work life balance, we offer flexible working hours, sabbatical leaves, extended maternity leaves et al</p>	<p>The steps taken for COVID-19 precautions and safety included work-from-home, facial mask, cleaning of hands, social distancing, quarantine and vaccination.</p> <p>Apart from safety precautions stated above, the Bank provided aid to both employees and the community throughout the pandemic period. The Bank sponsored a total of 606 employees and their family members with vaccinations FY2022.</p>

Within our non-financial KPIs, the environmental impact were as below:

<p>Environmental issues</p> <p>Waste</p>	<p>One of the largest source of waste in the Bank is paper and to discourage the use of paper, the Bank has undertaken a digital exercise with the following policy development:</p> <ul style="list-style-type: none"> · Cloud based storage vs the conventional way of paper storage · All communications between staff are now done via email. · Electronic submission of credit proposals, expenditure approvals, leave request and formation of digital registers · Central printing and e-fax · Re-engineering to reduce paper applications and forms at branch counters <ul style="list-style-type: none"> · Printing paper expenditure · FY ending 30th Sept 2020 = MMK 41,733,825 · FY ending 30th Sept 2021 = MMK 23,013,837 · FY ending 31st Mar 2022 = MMK 7,117,869 (6 months) <p>As at 28th Feb 2022, two major projects namely a Loan Origination System and Human Resource Management System had been launched and this is expected to further reduce the use of paper for loan and HR processes. These projects are expected to be completed by 30th Dec 2022.</p>
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<p>Energy</p>	<ul style="list-style-type: none"> • Electricity expenditure <ul style="list-style-type: none"> • FY ending 30th Sept 2019 = MMK 258,858,101 • FY ending 30th Sept 2020 = MMK 343,629,518 • FY ending 30th Sept 2021 = MMK 290,597,476 • FY ending 31st Mar 2022 = MMK 144,033,359 (6 months) • New increased charges of electricity energy per unit starting from 1st July 2019 by the Ministry of Electricity and Energy saw the increase in cost of electricity • At uab Tower where our Head Office staff are centralised, Implemented Central air-conditioning system to reduce electrical consumption • Encouraged good practice of switching off utilities when not in use • Petrol expenditure <ul style="list-style-type: none"> • FY ending 30th Sept 2019 = MMK 320,747,063 • FY ending 30th Sept 2020 = MMK 183,769,514 • FY ending 30th Sept 2021 = MMK 193,804,048 • FY ending 31st Mar 2022 = MMK 257,688,493 (6 months) • Adopted a policy of replacing older vehicles with more energy efficient and environmentally friendly vehicles • Together with the above a more vigorous control of use of company cars was implemented. • COVID-19 had some impact with reduction of physical visits and use of internet and phone contact for FY 2020 and 2021. • Significant petrol price increases were seen in FY 2022
<p>Carbon</p>	<ul style="list-style-type: none"> • Carbon: Estimated to have been produced from our electricity and petrol consumption <ul style="list-style-type: none"> • FY ending 30th Sept 2020 = 1,880 metric tons • FY ending 30th Sept 2021 = 1,266 metric tons • FY ending 31st Mar 2022 = 754 metric tons (6 months) • The consumption reduced in FY 2021 due to higher work-from-home schedules by employees as a result of the COVID-19 pandemic and political situation
<p>Water</p>	<ul style="list-style-type: none"> • Water: <ul style="list-style-type: none"> • FY ending 30th Sept 2019 = MMK 3,294,350 • FY ending 30th Sept 2020 = MMK 4,233,561 • FY ending 30th Sept 2021 = MMK 1,994,207 • FY ending 31st Mar 2022 = MMK 1,621,050 (6 Months) • Controls are being implemented to moderate usage of water. • With drinking water, we have reduced the use of smaller plastic water bottles with water dispensers using larger reusable plastic bottles. • At the new Head Office, uab Tower @Times City and newly renovated branches, eco-friendly toilet flushes have been installed.

Sustainability Statement

6. SOCIETAL RESPONSIBILITIES

A number of societal responsibilities have been acted upon and they include

6.1 Product Responsibility:

uab bank has formulated and implemented a Product Responsibility Statement. Based on the statement, we adhere to following principles while designing and launching of the product:

- Product must relate to economy
- Product must be easy to understand
- Product must create benefits

Oversight of all product development and performance is by the Management Product Committee.

A variety of products are offered by the Bank and they include deposits, loans, remittances, payment apps, cards and bancassurance. These products are described in our website.

The latest Product Responsibility Statement can be found at:

<https://www.uab.com.mm/governance/governing-policies/>

6.2 Supply Chain Management

We adopted the Vendor Code of Conduct, which requires vendors to abide by human rights laws, environmental laws, bribery and corruption laws et al.

The Vendor Code of Conduct sets out our expectation of Vendors towards achieving sustainability.

The Management is also looking at steps of shortening the supply chain via building a direct relationship with producers to enable the producers to obtain profits whilst we control our cost

The latest Vendor Code of Conduct can be found at:

<https://www.uab.com.mm/governance/governing-policies/>

Vendors are expected to comply the Bank's Code of Ethics, which is also available on this website

6.3 Philanthropic Activities

Over period 1st Oct 2020 to 31st March 2022, the Bank has contributed a sum of MMK 216,094,070 towards the following:

- Setting up an Oxygen Plant **MMK 150,001,700**
- Sponsor of Sinopharm vaccine **MMK 28,300,000**
- Purchasing O2 Concentrators **MMK 17,793,500**
- Supplying COVID-19 medicines **MMK 7,000,000**
- COVID-19 Support **MMK 13,498,870**

Much of the effort over the last 3 financial years has been towards fighting the COVID-19 pandemic and the above was on top of the contributions of **MMK 170,336,740** made in the previous year.

An up-dated **Statement on Donations and Charitable Contributions** can be found at:

<https://www.uab.com.mm/governance/governing-policies/>

7. NON-FINANCIAL ACTIVITY

7.1 Customer health and safety

Due to the nature of the banking activity conducted, products offered to customers generally have a low negative impact on customers' health and safety.

For FY 2022, there were no reports or complaints of injury to Customers.

For the safety of Customers, security guards at the Bank's premises are regularly reminded of maintaining security. Security cameras are also checked.

COVID-19 precautions continued over FY 2022 and the requirements for face mask, hand sanitizing and social distancing were observed at our branches.

Where an incident occurs, incident reporting is made through the Bank's Operational Incident Reporting mechanism and actions taken in a timely manner and the mechanism is explained in Item 7.8 below.

7.2 Supplier/ Contractor selection and criteria

uab bank's **Vendor Code of Conduct** describes the uab banks' expectations of how its vendors conduct the business. All the vendors (including subcontractors) who provide products and/or services are expected to act in accordance with the Code. uab bank assesses the prospective Vendors against their compliance with our Codes before they are selected to provision services/products to the Bank. uab bank has circulated the Vendor Code of Conduct to all the vendors.

The Bank's "**Basic Procurement Guidelines**" sets the procedures for vendor selection when a purchase order is required to be issued and it provides the Bank's Management the assurance that due care has been taken for each order made.

Due to the nature of the activity conducted, a major portion of the Bank's sourcing cost is directed towards stationery. We lay emphasis on sourcing locally and encourage small and medium enterprises. Out of 150 vendors (as of 31st March 2022), who are currently associated with us, 90 % of them are small

or medium enterprises. Further, **Anti-Bribery and Corruption Policy, Gift Guidelines** have been formulated and rigorously implemented to ensure transparency during the vendor selection process.

Incidents of non-compliance to Codes and Policies involving vendors and suppliers are reported via the **Operational Incident Reporting mechanism** (see Item 7.8).

7.3 Environmentally- friendly value chain At sourcing level

uab bank relies on a number of vendors to deliver the end services. The services provisioned by vendors may not be visible at the end user level however, services are essential for us in order to ensure we continue to give world class service to our customers. We understand relying on third parties exposes us to certain risks, that might be contrary to our views and beliefs. Thus, to ensure, values and beliefs of the vendors are aligned with our values and belief, uab bank has adopted Vendor Code of Conduct. Vendor Code of Conduct requires vendors to have policies and mitigating measures for negative environmental impacts from their operations, products and services. Vendors are also subject to the Bank's Code of Conduct.

At the bank level

uab bank is committed to reduce the use of energy, carbon emissions, waters discharge et al. Reducing paper consumption is a major project and the bank is moving towards optimizing its digital platform to this end.

Our energy, carbon emission and water discharge numbers have been reported in the Non-financial KPIs above.

Sustainability Statement

At customer level

Since the Bank is primarily involved in lending activity, we are aware in certain situations customers activities have negative impacts on the environment. For our lending and financing activities, we have established an **EXCLUSION LIST**, which list down sectors that do not fit our beliefs and values and our commitment towards sustainability. The following are the list of sectors that have been listed in **exclusion list**:

- Production, trading and maintenance of weapons and munitions of any kind.
- Trade in or unauthorized catching of wildlife or wildlife products
- Production or trade in any product or activity deemed illegal under Myanmar laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances.
- Hunting marine mammals and shark finning
- Using of dynamite and poison in fishery practices
- Activities involving harmful or exploitative forms of forced labour or harmful child labour
- Activities involving people smuggling of any kind



7.4 Interaction with communities

Communities are one of the principal stakeholders of our business and in our materiality assessment for sustainability, the views of the community are important. We have adopted four (4) of the seventeen (17) UN Sustainable Development Goals.

<p>Financial Inclusion (SDG 8)</p>	<ul style="list-style-type: none"> • Enabling homeownership uab bank provided 292 people with new home ownership in the financial year which ended on 31st March 2022 (compared to 208, the previous year). • Providing Digital Solutions We launched mobile banking, uab pay and internet banking to increase financial inclusion. • Financial Literacy We conducted various financial literacy initiatives during the financial year. Despite the COVID-19 and security issues, for FY 2022, we went out to 10 villages and reached out to 300 villagers show how they could receive inward remittance from migrant workers outside Myanmar
<p>Job Creation and Enterprise Development (SDG 9)</p>	<ul style="list-style-type: none"> • Financing to SME We provided financing to 1,180 SMEs, as of 31st March 2022 (compared to 1,077 in previous year) which not only enable enterprises to thrive but also create job opportunities. • Developing products and solutions for cash flow management
<p>Employee Development and Training (SDG 4)</p>	<ul style="list-style-type: none"> • Offering motivating working conditions • Regular training to employees with 35,800 man-hours in FY 2022 (over six months) • 17 University students were interned in FY 2022 and 16 in the previous year.
<p>Customer Satisfaction (SDG 3)</p>	<ul style="list-style-type: none"> • Appropriate and suitable products • Transparency • Bancassurance launched covering life insurance and general insurance to be launches in the new financial year.

Further, in December of 2017, uab bank launched “Be The Change Myanmar” program and in 2020 set up uab Foundation to launch meaningful CSR activities.

The Bank’s philanthropic contributions have been reported in 6.3 above.

Sustainability Statement

7.5 Anti-corruption programmes and procedures

uab bank has formulated and implemented Anti-Bribery and Corruption Policy. The policies cover all the activities of the Bank, its subsidiaries and third-party service providers. In line with our belief of **ZERO TOLERANCE** towards corruption we:

- Raised awareness of the matters in various forums and how it could potentially impact the reputation of uab bank
- Circulated Anti-Bribery and Corruption Policy and Gift Guidelines to all employees
- Formulated and implemented Conflict of Interest Policy
- Developed a reporting mechanism (including establishing Whistleblower reporting channel)

Training and awareness on the Anti-Bribery and Corruption Policy is done at Orientation sessions and various training programmes of the Bank.

Reports of incidences are made through the **Operational Incident Reporting mechanism** (see Item 7.8).

7.6 Creditors' rights

The Code of Conduct of uab bank requires that all business dealings must be conducted fairly and equitably.

The Bank operates its business with integrity and implements an honest and transparent information disclosure system treating all creditors equally and without discrimination. With information disclosure (including but not limited) to information on the Bank's annual reports, website, social media sites, agreements, statutory reports and brochures, all creditors are entitled to obtain relevant

information according to their needs to make an objective decision.

The protection of creditors rights is contained in the agreements made by both parties with the Bank ensuring contractual compliance and performance of its obligations in a timely manner so as to avoid delays that may result in loss or inconvenience to either party.

The Bank is careful to ensure that creditor's rights are fulfilled, and trust is maintained. All complaints from Creditors and incidences are reported via the Operational Incident Reporting mechanism (see Item 7.8 below).

7.7 Central Bank of Myanmar Directives

uab bank endeavours to meet all stipulations of the Financial Institutions Law and Central Bank of Myanmar's directives. Where a stipulation or directive cannot be met, the Bank writes to the Central Bank requesting for waiver or additional time for compliance. The Bank is also subject to inspection by the Central Bank of Myanmar and all findings of inspections and audits are reported the Bank's Board of Directors together with Management responses and proposals for rectification. The external auditors and internal auditors also report on compliance to laws and regulations and this is also reported to the Board of Directors.

The Bank also makes daily, weekly, monthly, quarterly, six-monthly and yearly statistical reports to the Central Bank which indicate the level of its compliance.

The financial statements of the Bank are also published in the Bank's website.

7.8 Operational Incident Reporting mechanism.

Over FY 2022, the Disciplinary Committee of the Bank handled **11 cases** of disciplinary actions taken from complaints and infringement of the Code of Ethics and other Bank Policies

How we monitor and report incidents, complaints, and breach of policy & procedures

- Compliance Officers are appointed at all branches and head office departments. Their duties include the monitoring and adhering of all policies and procedures of the Bank.
- The Bank has adopted an Incident Reporting mechanism that requires the reporting of all operational incidents and breaches of Policy (as recommended by the Basel Standards). Such reporting is required to be made by Compliance Officers and Section Heads within 24 hours of the incident to the Risk & Compliance Department and Operations Department at Head Office. Incidents are further escalated to the relevant Supervisors.
- Further, the Bank maintains the following open lines to receive complaints from customers and stakeholders:
 - Call Centre
 - Email: info@uab.com.mm
 - Facebook messenger
 - Branch counter
 - Whistleblowing on wb@uab.com.mm or by SMS on **09 – 44 44 36 309**
- Each incident raised through the above will be reported through the Incident Reporting mechanism.

- Reported incidents are escalated to the relevant Supervisors and where this involves the breach of the Code of Ethics or misconduct, the incident is handled by the Disciplinary Committee.
- The reporting of all incidents is made to the Management Committee and Board Risk Committee by the Risk & Compliance Department through the Bank's Compliance Officer. The closure of all incidences reported is also monitored.
- Employees are also encouraged to report incidents through open communications to their Supervisors, Heads of Departments or Human Resources Business Partners.
- Confidentiality and whistleblowing protection are also available to employees as described in the Bank's Whistleblower Protection Policy.

8. STANDARDS ADOPTED

The following standards were adopted in our non-financial reporting:

AA 1000 – this was used to assess stakeholder engagement to establish a materiality index as stated in our Sustainability Statement issued in our Annual Report and website.

GRI – This may be downloaded from our website

SASB – This may be downloaded from our website

Corporate Information





Corporate Information

Board of Director

Nay Aye
(Non-Executive Chairman & Independent Director)

Tint Thwin
(Independent Non-Executive Director)

Win Htein Min
(Independent Non-Executive Director)

Than Win Swe
(Non-Executive Director)

Thant Zin
(Non-Executive Director)

Christopher Loh
(MD/CEO)

Board Audit Committee

Win Htein Min (Chairman)

Nay Aye

Tint Thwin

Thant Zin

Board Risk Committee

Thant Zin (Chairman)

Nay Aye

Win Htein Min

Christopher Loh

Board Nomination & Remuneration Committee

Tint Thwin (Chairman)

Nay Aye

Head Office

Level 21, uab Tower @ Times City,
Kyun Taw Road, Kamayut Township, Yangon.
(Company No: 189354002)

Phone : +95 1 470 7000
Website : www.uab.com.mm

Senior Management

Christopher Loh
MD/CEO

Kyawt Kay Khaing
Deputy CEO, uab bank
CEO, uab securities

George Koshy
Head, Human Resources

Mahesh K Bhandari
Head, Credit & Risk Management

Nay Win Maung
Head, Internal Audit

Thandar Htike
Head, Corporate Banking

Htay Kyaw Naing
Head, Operations

Shwe Maung Oo
Head, Technology

Yin Min Aye
Head, Fintech & Digital

Leong Yang Yang
Head, Finance

Auditor

V Advisory Limited Building 14,
Room # 306,
MICT Park, University of Yangon
Hlaing Campus, Yangon.

Phone: +95 9 79 5155 155
Email: info@v-advisory.com.mm



Annual Report 2021

Financial Statements

Content

- Directors' Report
- Independent Auditor's Report
- Statement of Consolidated Financial Position
- Statement of Consolidated Comprehensive Income
- Statement of Consolidated Changes in Equity
- Statement of Cash Flows
- Notes to the Consolidated Financial Statements





Directors' Report

The Board of Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the bank for the financial period ended 31st March 2022.

Principal Activities

The Bank group is principally engaged in commercial banking, investment banking and its related financial services.

The subsidiary is principally engaged in the businesses of securities trading and investment banking including merger and acquisition advisory, equity capital raising through initial public offering ("IPO") and corporate advisory services.

There were no significant changes in the nature of the principal activities during the financial period.

Results

	Group (MMK'mil)	Bank (MMK'mil)
Profit Before Tax	13,392	13,382
Taxation	(3,179)	(3,175)
Profit After Tax for the Period (Attributable to Equity Holders)	10,215	10,207
Retained Earnings (Brought Forward)	23,946	23,286
Adjustments:		
- Transferred to Statutory Reserve (25%)	(2,552)	(2,552)
- Transferred to General Loan Loss Reserve	-	-
- Prior Year Dividend Paid Out	-	-
- Prior Year Adjustments	742	742
Retained Earnings (Carried Forward)	32,351	31,683

*Excluding Non-controlling Interest

There were no material transfers to or from reserves, allowances, or provisions during the financial period other than those as disclosed in the statement of changes in equity to the financial statements.

In the opinion of the Board of Directors, the results of the operations of the Group and of the Bank during the current financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

Issuance of Shares

During the financial period, the Bank has no issuance of paid-up capital in addition.

Share Option Scheme

As at the date of this report, there was no share option of the Bank outstanding and available for issue under the Share Option Scheme.

Directors

The Directors who served since the date of the last report are:

- Nay Aye (Non-Executive Chairman and Independent Director)
- Than Win Swe (Non-Executive Director)
- Thant Zin (Non-Executive Director)
- Tint Thwin (Independent Non-Executive Director)
- Win Htein Min (Independent Non-Executive Director)
- Christopher Loh (MD/Chief Executive Officer)

Business Outlook

The key priorities for 2022 include revenue growth across all segments specifically through our greater reach to the Retail and SME segments, focus on attaining cheaper and more diversified funding sources, growing our loan portfolio within our risk appetite, while proactively managing our asset quality, while keeping our capital and liquidity position strong.

uab bank group is also IFRS 16 compliance and is ready for full adoption of IFRS in line CBM's timeline.

Other Statutory Information

- a) Before the statements of financial position and income statements of the Group and of the Bank were made out, the Directors took reasonable steps:
 - to ascertain that proper action had been taken in relation to the writing off of bad debts and making allowances for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowances had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
 - to ensure adherence to the regulations and/ or guidelines about AML/CFT issued by Central Bank of Myanmar.
- b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - the amount of the allowances for doubtful debts in the financial statements of the Group and of the Bank inadequate to any substantial extent; and
 - the values attributed to current assets in the financial statements of the Group and of the Bank misleading.
- c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.
- d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Bank which would render any amount stated in the financial statements misleading.

Directors' Report

- e) As at the date of this report, there does not exist:
- any charge on the assets of the Group and of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability of the Bank which has arisen since the end of the financial year other than those arising in the normal course of the business of the Group and of the Bank.
- f) In the opinion of the Directors:
- no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the liability of the Group and of the Bank to meet their obligations as and when they fall due; and
 - no item or transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Bank for the financial year in which this report is made.

Significant and Subsequent Events

There are no significant adjusting events after the statements of financial position date up to the date when financial statements are authorised for issuance.

Auditor

The Audit Committee has re-appointed to V Advisory Limited as auditor of the Group and Bank, V Advisory Limited has expressed its willingness to be re-appointed.

On behalf of the Board of Directors in accordance with a resolution of the Directors dated 1st July 2022.

Than Win Swe
Director

Christopher Loh
MD/Chief Executive Officer

Independent Auditor's Report



Opinion

We have audited the consolidated financial statements of uab bank Limited and its subsidiary (The Group), which comprise the statement of financial position as at 31st March 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period ended 31st March 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up so as to give a true and fair view of the financial position of the Group as at 31st March 2022, and its performance, its changes in equity and its cash flows for the period then ended, in accordance with Myanmar Financial Reporting Standards (MFRSs).

Basis for opinion

We conducted our audit in accordance with Myanmar Standards on Auditing (MSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other information

Management is responsible for the other information. The other information comprises the Directors' statement, but does not include the consolidated financial statements and the auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Myanmar Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the

Independent Auditor's Report

Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with MSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statement. As part of an audit in accordance with MSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with Section 280 of the Myanmar Companies Law 2017, we report that:

- (i) We have obtained all the information and explanations we have required
- (ii) The consolidated financial statements referred to in the report are drawn up in conformity with applicable law:
- (iii) The consolidated financial statements exhibit a true and fair view of the state of the company's affair according to the best of our information and the explanations given to us, as shown by the books of the Group and
- (iv) The financial records have been kept by the Bank as required by section 257 (a) & 258 (a) of the Myanmar Companies Law 2017.

Also in accordance with Section 89(A) of the Financial Institutions Law, we report that the consolidated financial statements of the Bank adequately reflect the financial position of the Bank and its solvency.

This report is solely for the uab bank Limited and should not be used by or distributed to other parties for other purpose.

Date: July 2022
Yangon, Myanmar

Myat Noe Aung
Certified Public Accountant
PAPP Registered No. 196
V Advisory Limited
Complex 45, Tower B, #B 406,45 Street,
Botahtaung, Yangon 11161, Myanmar.

Consolidated Statement of Financial Positions

as at 31 March 2022



	Notes	The Group		The Bank	
		2022	2021	2022	2021
		MMK'000	MMK'000	MMK'000	MMK'000
Assets					
Cash and cash equivalents	8	252,076,352	188,245,265	251,656,813	188,239,759
Loan and advances to customers	9	1,046,398,905	920,856,746	1,036,552,140	910,329,842
Investment securities	10	358,510,000	358,510,000	362,174,000	362,174,000
Property, plant and equipment	11	48,347,945	49,502,027	48,342,630	49,496,345
Right-of-use assets	12	21,743,673	19,380,009	21,743,673	19,380,009
Investment properties	13	902,196	911,297	902,196	911,297
Intangible assets	14	302,852	335,631	281,432	289,081
Deferred tax assets	15	-	766,120	-	766,120
Other assets	16	173,590,084	111,995,958	169,731,824	108,617,991
Total Assets		1,901,872,007	1,650,503,053	1,891,384,708	1,640,204,444
Liabilities					
Deposits and placements with banks	17	23,717,910	26,921,399	23,717,910	26,921,399
Deposits from customers	18	1,445,278,805	1,191,506,868	1,445,946,180	1,192,116,749
Borrowings	19	100,393,588	159,000,000	100,393,588	159,000,000
Other liabilities	20	201,775,654	127,157,545	201,190,483	126,812,395
Lease liabilities	21	3,577,499	3,802,860	3,577,499	3,802,860
Total Liabilities		1,774,743,456	1,508,388,672	1,774,825,660	1,508,653,403
Equity					
Share Capital	22	54,000,000	54,000,000	54,000,000	54,000,000
Reserves	23	30,875,292	54,264,633	30,875,292	54,264,633
Retained earnings		32,350,854	23,945,668	31,683,756	23,286,407
Equity Attributable to Shareholders of the Bank		117,226,146	132,210,301	116,559,048	131,551,040
Non-controlling Interest		9,902,406	9,904,080	-	-
Total Equity		127,128,551	142,114,380	116,559,048	131,551,040
Total Equity and Liabilities		1,901,872,007	1,650,503,053	1,891,384,708	1,640,204,444
Off-Balance Sheet					
Performance Guarantee	24	78,151,935	80,843,186	78,151,935	80,843,186
Contingent Liabilities		2,850,204	2,250,600	2,850,204	2,250,600
Commitment		30,738,033	51,564,227	30,738,033	51,564,227
Government Treasury bond		1,750,000	1,750,000	-	-

See accompanying notes to the consolidated financial statements

Authenticated by the Directors:

Than Win Swe
Director

Christopher Loh
MD/Chief Executive Officer

Leong Yang Yang
Head of Finance

Consolidated Statement of Comprehensive Income

for the Period Ended 31 March 2022

	Notes	The Group		The Bank	
		2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Interest income	25	64,098,948	123,871,450	63,569,814	122,775,553
Interest expense	26	(35,196,280)	(72,536,860)	(35,209,771)	(72,543,732)
Net interest income		28,902,668	51,334,589	28,360,043	50,231,821
Fee and commission income	27	14,371,646	12,122,719	14,285,446	12,008,030
Other income	28	2,917,515	8,993,769	2,928,447	8,987,498
Operating income		46,191,829	72,451,077	45,573,936	71,227,349
General and administrative expenses	29	(2,772,408)	(3,573,396)	(2,664,019)	(3,388,102)
Personnel expenses	30	(8,422,058)	(17,453,104)	(8,401,002)	(17,349,484)
Operating lease expenses	31	(241,972)	(366,138)	(241,972)	(359,959)
Depreciation and amortisation		(1,005,997)	(2,608,344)	(980,063)	(2,503,166)
Depreciation on Right-of-use assets		(1,399,594)	(2,617,410)	(1,399,594)	(2,617,410)
Other expenses	32	(176,480)	(246,816)	(153,797)	(204,062)
Finance cost	33	(130,435)	(299,958)	(130,435)	(299,958)
Operating expenses		(14,148,944)	(27,165,167)	(13,970,882)	(26,722,141)
Operating profit before allowance		32,042,885	45,285,910	31,603,054	44,505,208
Less: Allowance for credit and other losses	34	(18,650,576)	(33,149,536)	(18,220,437)	(32,676,440)
Net profit before tax		13,392,309	12,136,374	13,382,617	11,828,768
Taxation	35	(3,179,100)	(3,024,092)	(3,175,571)	(2,950,486)
Net profit after tax		10,213,209	9,112,281	10,207,046	8,878,281
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		10,213,209	9,112,281	10,207,046	8,878,281
Profit for the year attributable to:					
-Shareholders of the Bank		10,214,883	8,969,151	10,207,046	8,878,281
-Non-controlling interest		(1,674)	143,131	-	-
		10,213,209	9,112,281	10,207,046	8,878,281

See accompanying notes to the consolidated financial statements

Authenticated by the Directors:

Than Win Swe
Director

Christopher Loh
MD/Chief Executive Officer

Leong Yang Yang
Head of Finance

Consolidated Statement of Changes in Equity

for the Period Ended 31 March 2022



The Group

	Attributable to equity holders of the Bank					Non-controlling Interests	Total Equity
	Share Capital	Statutory Reserve	General Loan Loss Reserve	Retained Earnings	Total		
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Balance at 1 October 2021	54,000,000	13,456,583	40,808,050	23,945,667	132,210,301	9,904,080	142,114,380
Issued shares	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10,214,883	10,214,883	(1,674)	10,213,209
Transfer to reserves	-	2,551,762	(25,941,103)	(2,551,762)	(25,941,103)	-	(25,941,103)
Prior year adjustment	-	-	-	742,065	742,065	-	742,065
Dividends	-	-	-	-	-	-	-
Balance at 31 March 2022	54,000,000	16,008,345	14,866,947	32,350,854	117,226,145	9,902,406	127,128,551
Balance at 1 October 2020	54,000,000	11,237,013	14,866,947	17,969,158	98,073,118	9,760,949	107,834,067
Issued shares	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	8,969,151	8,969,151	143,131	9,112,281
Transfer to reserves	-	2,219,570	25,941,103	(2,219,570)	25,941,103	-	25,941,103
Prior year adjustment	-	-	-	(773,071)	(773,071)	-	(773,071)
Dividends	-	-	-	-	-	-	-
Balance at 30 September 2021	54,000,000	13,456,583	40,808,050	23,945,667	132,210,301	9,904,080	142,114,380

The Bank

	Share Capital	Statutory Reserve	General Loan Loss Reserve	Retained Earnings	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Balance at 1 October 2021	54,000,000	13,456,583	40,808,050	23,286,407	131,551,040
Issued shares	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10,207,046	10,207,046
Transfer to reserves	-	2,551,762	(25,941,103)	(2,551,762)	(25,941,103)
Prior year adjustment	-	-	-	742,065	742,065
Dividends	-	-	-	-	-
Balance at 31 March 2022	54,000,000	16,008,345	14,866,947	31,683,756	116,559,048
Balance at 1 October 2020	54,000,000	11,237,013	14,866,947	17,400,767	97,504,727
Issued shares	-	-	-	-	-
Total comprehensive income for the year	-	-	-	8,878,281	8,878,281
Transfer to reserves	-	2,219,570	25,941,103	(2,219,570)	25,941,103
Prior year adjustment	-	-	-	(773,071)	(773,071)
Dividends	-	-	-	-	-
Balance at 30 September 2021	54,000,000	13,456,583	40,808,050	23,286,407	131,551,040

Authenticated by the Directors:

Than Win Swe
Director

Christopher Loh
MD/Chief Executive Officer

Leong Yang Yang
Head of Finance

Consolidated Statement of Cash Flow

for the Period Ended 31 March 2022

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Cashflows from operating activities				
Profit before tax	13,392,309	12,136,374	13,382,617	11,828,768
Adjustment				
Depreciation & amortisation expenses	1,005,997	2,608,344	980,063	2,503,166
Depreciation expenses of Right-of-use assets	1,399,594	2,617,410	1,399,594	2,617,410
Impairment on loan	8,915,670	25,941,103	8,915,670	25,941,103
Net gain on disposal of fixed assets	(274,901)	(49,175)	(274,455)	(49,175)
Write off fixed asset	38,752	51,084	38,752	51,084
Finance cost	130,435	299,958	130,435	299,958
Lease adjustment- other income	-	12,099	-	12,099
Changes in				
Loan and advances	(125,542,159)	(100,334,373)	(126,222,298)	(100,807,469)
Other assets	(60,327,232)	(3,473,778)	(59,848,625)	(2,651,569)
Deposit from customers	250,568,448	65,822,378	250,625,942	66,330,680
Other liabilities	35,995,542	45,317,573	35,684,745	45,138,441
	125,302,455	50,948,996	124,812,440	51,214,496
Income tax paid	(2,235,990)	(2,865,446)	(2,160,000)	(2,635,000)
Net cash from (used in) operating activities	123,066,465	48,083,550	122,652,440	48,579,496
Cashflows from investing activities				
Acquisition of property, plant and equipment	(963,594)	(1,204,934)	(962,538)	(1,202,381)
Acquisition of Right-of-use assets	(384,390)	(4,107,200)	(384,390)	(4,107,200)
Disposal of fixed assets	1,243,560	95,016	1,242,495	95,016
Repayment of lease liability	(448,388)	(741,426)	(448,388)	(741,426)
Acquisition of Intangible asset	(76,154)	27,772	(76,154)	27,772
Purchase of Government treasury bonds	-	(72,750,000)	-	(72,750,000)
Net cash used in investing activities	(628,965)	(78,680,773)	(628,974)	(78,678,219)
Cashflows from financing activities				
Issue of share capital	-	-	-	-
Dividend paid	-	-	-	-
Borrowings /repayment of loan	(58,606,412)	38,647,200	(58,606,412)	38,647,200
Net cash from financing activities	(58,606,412)	38,647,200	(58,606,412)	38,647,200
Net increase/(decrease) in cash and cash equivalents	63,831,087	8,049,977	63,417,053	8,548,477
Cash and cash equivalents at beginning of the year	188,245,265	180,195,288	188,239,759	179,691,282
Cash and cash equivalents at end of the year	252,076,352	188,245,265	251,656,813	188,239,759

Authenticated by the Directors:

Than Win Swe
Director

Christopher Loh
MD/Chief Executive Officer

Leong Yang Yang
Head of Finance

1 General

uab bank Limited and its subsidiary (The Group) is a Private Bank Limited incorporated and domiciled in Myanmar and has its registered office at No(3), Bank Development Zone, Corner of Kyaing Tone Road and Mawlamyine Road, Oaktaya Thiri Township, Nay Pyi Taw, Myanmar. The Directorate of Investment and Company Administration (DICA) has issued incorporation certificate to the Bank on 14 June 2010 as per Registration No.390/2010-2011 under The Myanmar Companies Act. The Group has renewed its incorporation certificate under new Myanmar Companies Law 2017 and obtained new registration certificate number 189354002. The banking business were operated under License No. MaVaBa/PaBa(R) 14/8/2016 issued by the Central Bank of Myanmar (CBM) on 24 August 2016 under Section 14(A) of Financial Institutions of Myanmar Law (2016). The principal activities of the Bank are to carry out the domestic remittance business and other financial services subject to the approval of the CBM. On 25 November 2011, the Bank was granted an Authorised Dealer Licence No. CBM, FE MD (78/2011) to carry out banking business in both local and foreign currencies. The Bank is currently operating with Eighty (81) branches in total in widespread locations in Myanmar as the Bank open the one new branch, Mawlamyaing branch, during the period.

2 Summary of Significant Accounting Policies

2.1 Accounting Period

The accounting period is from 1 October 2021 to 31 March 2022, the financial period under the existing Law of Myanmar. Balances of 30 September 2021 and transactions occurred for the financial year from 1 October 2020 to 30 September 2021 in this report are for purpose of comparison only.

2.2 Opening Balances as at 1 October 2021 are carried forward from the financial statements for the financial year ended 30 September 2021, audited by V Advisory Limited (Certified Public Accountants).

2.3 Basis of Accounting

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standards (MFRSs) and instructions and guidance provided by the Central Bank of Myanmar (CBM).

They are prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purpose fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

2.4 Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investment, 'available-for-sale' ("AFS") financial assets and 'loan and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction cost, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

2.4.1 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

2.4.2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash and cash equivalents and placement with other financial institutions) are measured at amortised cost using the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

2.4.3 Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, and an impairment loss recognised.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract such as default or delinquency in interest or principal payment ; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

2.4.3 Impairment of Financial Assets (continued)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent years.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of loans and advances, where the carrying amount is reduced through the use of an allowance account. When a loan and advance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Credit Quality

The Bank categorises its loans and advances in accordance with CBM regulation. Based on the instructions and guidances issued by the CBM, the Bank generally classifies its loans and advances as "Sub-standard" when the counterparty has failed to make payments when contractually due, for more than 60 days but not more than 90 days. Loans and advances are generally further classified as "Doubtful" and "Loss" where the loans and advances are past due by more than 90 days to 180 days and over 180 days respectively.

(i) Performing Loans

Pass grades indicate that the timely repayment of the outstanding credit facilities is not in doubt and the credit facility does not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower. As per the CBM's instruction, all loans with repayments made within one month is considered as "Pass".

(ii) Non-Performing Loans

Non-performing means a loan or advance that is no longer generating income and which is classified as doubtful or loss defined by CBM.

Doubtful grades indicate that the credit facilities exhibit severe weaknesses such that the prospect of full recovery of the outstanding credit facilities is questionable and the prospect of a loss is high, but the exact amount remains undeterminable. As per the CBM's instruction, all loans with repayments between 91 to 180 days past due are classified as "Doubtful".

Loss grades indicate the amount of loan recovery is assessed to be insignificant. As per the CBM's instruction, all loans with repayments over 180 days past due are classified as "Loss".

In determining if the loan is non-performing, Management also considers several factors such as expected future cash flows, the financial ability of the borrower to meet its obligations, and business and economic conditions.

For financial assets measured at amortised cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

2.4.4 Derecognition of Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.5 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

2.5.1 Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form and integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.5.2 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

2.5.3 Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.6 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provision of instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.7 Property, Plant and Equipment

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified and included in the respective categories of property, plant and equipment. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Buildings, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off cost or valuation of assets (Other than freehold land and properties under construction) less their residual values over their useful life, using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

· Buildings	40 years
· Leasehold improvements	Over period of lease
· Office machinery and other equipment	5–10 years
· Furniture, fixtures and fittings	5–10 years
· Electrical equipment and computer accessories	5 years
· Motor vehicles	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Investment Property

The Group recognises investment property as an asset when, and only when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

2.8 Investment Property (Continued)

An investment property is measured at cost on initial recognition & transactions cost are included in initial measurement. Subsequently, investment property is measured at fair value, which is based on the valuation by independent valuer. A gain or loss arising from a change in the fair value of investment property shall be recognised in profit or loss for the period in which it arises.

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

2.9 Intangible Assets

Intangible assets are identifiable non-monetary assets such as software licenses and rights without physical substance. They are recognised only if it is probable that the asset will generate future benefit for the entity. Those assets with an indefinite useful life are tested for impairment annually. All intangible assets must be tested for impairment when there is an indication that its carrying amount may be greater than its recoverable amount. Intangible assets with finite useful life are amortised on straight line basis over their estimated useful life and charged to income statement.

2.10 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at banks and deposits with financial institutions and Central Bank of Myanmar which are subject to an insignificant risk of change in value.

2.11 Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.11 Impairment of Tangible and Intangible Assets other than Goodwill (Continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.13.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit equates to 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because there are minimal items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

2.13.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

2.13.2 Deferred Tax (Continued)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.13.3 Current and Deferred Tax for the Year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The following are the critical judgments apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements.

2.14 Capital and Equity Instruments

2.14.1 Classification as Debt or Equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.15 Revenue Recognition

Revenue comprises the fair value of consideration received or receivable for rendering of services in the ordinary course of the activities of the Group. The Group recognises revenue when the amount of revenue and its related cost can be reliably measured, when it is reasonably assured that the related receivables are collectable, and when the specific criteria for each of the Group's activities are met as follows:

2.15.1 Interest Income and Expense

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

2.15.2 Fees and Commission Income

Fee income is earned from a diverse range of services provided by the Group to its customers. Fee income is accounted for as follows:

- income earned on the execution of a significant act is recognised as revenue when the act is completed (for example, commission arising from issuance of payment orders, telegraphic transfer and remittance and other services);
- income earned from the provision of financial facilities to customers is recognised as revenue as the services are provided (for example, default fees on loans, service charges and commitment fee for loans overdrafts), usually on a time - apportion basis.

2.16 IFRS 16 Leases

The Group adopted IFRS 16 with an initial application date of 01 October 2019. The Group applied modified retrospective transition method and thus prior comparatives were not restated. The Group also elected to apply the practical expedient that allows the Group to rely on its assessment of whether leases were onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment view.

The Group rents its offices in most of the cities in which it operates. In addition, the Group also rents motor vehicles.

Previously, each lease contract was qualified either as finance leases, or as operating lease, with accounting treatment appropriate for each category. In application of IFRS 16, all lease contracts are now recognised in right-of-use assets and in lease liabilities by a debt corresponding to the discounted value of future payments. Lease term is defined on a contract- by contract basis and corresponds to the firm period of the commitment taking into account any optional periods that are reasonably certain to be exercised.

The transition method used consists in recognising the cumulative effect of the initial application as an adjustment on opening equity, by considering that the right-of-use of the underlying asset is equal to the amount of the lease liability, adjusted by the amount of rents paid in advances as well as lease incentives received from the landlord and, where applicable, repair costs. The contractual rents corresponding to low unit value assets are directly in expenses.

The discount rates applied as of the transition date is based on the Group's marginal lending rate for secured loan. These discount rates are determined with respect to the remaining terms of lease from the date of first-time application, namely 01 October 2019.

2.17 Foreign Currency Translations

The consolidated financial statements of the Group are measured and presented in the currency of the primary economic environment in which the Group operates (its functional currency). The functional currency of the Group is assessed to be the Myanmar kyat (MMK) by the Management.

In preparing the financial statements for the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the year.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

3 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the Directors of the Group are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

3.1 Critical Judgments in Applying Accounting Policies

The following are the critical judgments apart from those involving estimations that the Directors have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amount recognised in the financial statements.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2.1 Impairment Losses on Loans and Advances

A loan is impaired when there is objective evidence that events since the loan was granted, have affected expected cashflows from the loan. The impairment loss is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate. The Group reviews its loans and advances to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in profit or loss, the Management exercises judgment on whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the loan before the decrease can be identified within an individual loan.

3.2.2 Useful Life of Property, Plant and Equipment

Property, plant and equipment are depreciated over their useful lives, using the straight-line method. Management estimates the useful lives of property, plant and equipment, based on expected usage and industry norms. Changes in the expected level of maintenance, usage and technological developments could impact the useful lives and residual values of these assets, therefore future depreciation charges could be revised.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



4 Financial Instruments

4.1 Categories of Financial Instruments

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Loans and receivables	1,404,908,905	1,279,366,746	1,398,726,140	1,272,503,842
Financial liabilities	1,569,390,303	1,377,428,267	1,570,057,678	1,378,038,148

4.2 Fair Value of Financial Assets and Liabilities

Financial instruments comprise financial assets and financial liabilities. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

As at the end of each reporting year, the Group did not hold any financial instruments which are measured at fair value on a recurring basis.

5 Financial Risk Management

The Group's activities are principally related to extending loans and advances, accepting deposits and carrying out transactions. These expose the Group to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk.

Managing these financial risks forms an integral part of the Group's business. The Group adopts the risk management set out in accordance to the risk appetite of the Group, which encompass a variety of controls and reporting processes. These not only include risk parameters for the various financial instruments that the Group may undertake, but also directions on the types of business is conducted.

The Group believes that it has effective processes in place to identify, measure, monitor and ultimately, mitigate these financial risks.

5.1 Credit Risk

Credit risk is considered to be the risk of loss due to inability or unwillingness of the counterparty to fulfill its payment obligations to the Group. Management has a credit policy in place. The Group generally holds, full collateral against the credit facilities granted and the right to dispose of the collaterals when certain exposure thresholds are exceeded. The Group generally only accepts lands and building as collaterals, with other types of collaterals such as gold and machineries making upon the minority of the population of collateral held. Credit evaluations to derive the Group's risk exposures according to internal policies are performed on all clients at the inception of the loans and at loan roll over dates.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

5.1 Credit Risk (continued)

The Group employ a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for loans and advances, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances include charges over land and buildings, gold, equipment and contract financing, guarantees, project contracting and residential properties are also acceptable for security of loan.

All credit lending to non-bank customers are generally secured. In addition, in order to minimise credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

The fair value of collateral valued by an independent assessor is based on valuation techniques commonly used for the corresponding assets, done before the inception of the loan. Loans are usually given between the margins of 30% to 70% of the Forced Sale Value, which is also independently estimated. There is revaluation of the collaterals in subsequent periods, generally at the time of renewal/roll-over of a loan.

The credit risk management and control are centralised with the Credit Committee, which report to the Board of Directors on a monthly basis. Exposure to credit risk is also managed through regular analysis of the ability of borrowers, to meet interest and capital repayment obligations and changing these lending limits where appropriate.

5.1.1 Maximum Exposure to Credit Risk

The following table presents the Group's maximum exposure to credit risk at the end of reporting period in respect of on-balance sheet and off-balance sheet financial instruments, without taking into account the value of any collateral or other security held, in the event the counterparties fail to perform their obligations. The maximum exposure to credit risk to on-balance sheet is carrying amount of these instrument as reported in the statement of financial position. For contingent liabilities, the maximum exposure to credit risk is the maximum amount the Group would have to pay if obligations of the instruments issued are called upon. For commitments, the maximum exposure to credit risk is the full amount of undrawn credit facilities granted to customer.

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Cash and cash equivalents	252,076,352	188,245,265	251,656,813	188,239,759
Loan and advances	1,046,398,905	920,856,746	1,036,552,140	910,329,842
Investment securities	358,510,000	358,510,000	362,174,000	362,174,000
Other assets	173,590,084	111,995,958	169,731,824	108,617,991
	1,830,575,341	1,579,607,968	1,820,114,777	1,569,361,591
Off-balance sheet				
Performance guarantee	78,151,935	80,843,186	78,151,935	80,843,186
Contingent liabilities	2,850,204	2,250,600	2,850,204	2,250,600
Commitments	30,738,033	51,564,227	30,738,033	51,564,227
Government Treasury bond	1,750,000	1,750,000	-	-
	111,740,172	134,658,013	111,740,172	134,658,013
Total maximum exposure to credit risk	1,942,315,513	1,714,265,982	1,931,854,949	1,704,019,605

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for the Period Ended 31 March 2022



5.1.1 Maximum Exposure to Credit Risk (continued)

Collateral and Other Credit Enhancements

In respect of the Group's deposit with other banks, the Group considers the exposure to credit risk to be low as these deposits are placed with credit-worthy financial institutions. The financial effect of collateral or credit enhancements obtained for Other Assets are not expected to be significant.

For the loans and advances granted by the Bank, the following types of collateral and credit enhancements are obtained;

- Charges over land and buildings
- Charges over plant and machinery
- Mortgages over residential properties
- Pledge
- Vehicles
- Bank Guarantees - Stand by Letter of Credits
- Fixed Deposits and balances earmarked in Savings accounts

5.1.2 Credit Risk by Industry

The following table sets out the Group's loan and advances based on exposure by industry as at the end of the reporting period:

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Agricultural	1,140,147	1,101,520	1,140,147	1,101,520
Livestock	853,024	956,057	853,024	956,057
Manufacturing	109,927,235	103,650,509	109,927,235	103,650,509
Trading	414,172,539	359,893,109	414,172,539	359,893,109
Transportation	18,096,492	18,018,421	18,096,492	18,018,421
Construction	158,867,170	146,325,753	158,867,170	146,325,753
Service	249,934,488	235,275,573	249,934,488	235,275,573
Housing loan	29,007,726	18,028,498	29,007,726	18,028,498
Pledge	591,900	743,500	591,900	743,500
Credit life loan	71,547	10,201,632	71,547	10,201,632
Hire purchase	8,917,531	540,346	8,917,531	540,346
Staff loan	11,656,684	37,497,806	906,684	26,497,806
General	32,603,475	-	32,603,475	-
Loans to other banks	31,334,000	-	31,334,000	-
Credit cards	2,345,264	2,048,184	2,345,264	2,048,184
Total	1,069,519,222	934,280,909	1,058,769,222	923,280,909

5.1.3 Credit Quality of Loans and Advances

Loans and advances are graded by the Group against an internally developed credit rating scale, which generally corresponds to the credit ratings set out in the instructions and guidance issued by the CBM. The following tables sets out the credit ratings of the Bank's loans and advances.

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5.1.3 Credit Quality of Loans and Advances (continued)

The Group

CBM's notification no. 17/2017			2022			2021		
Classification of loans & advances	Days past due	Provision on	NPL * loans & advances	Interest in suspense	Valuation of security	NPL * loans & advances	Interest in suspense	Valuation of security
Standard	30	0%	729,903,990	-	901,093,899	774,499,338	-	1,060,345,937
Watch	31-60	5%	97,481,904	-	135,012,980	6,078,026	-	7,504,883
Substandard	61-90	25%	62,496,005	-	83,528,340	33,599,863	-	61,560,320
Doubtful	91-180	50%	19,009,895	2,476,396	20,998,070	18,129,971	2,530,052	7,437,998
Loss	over 180	100%	129,293,420	111,047,598	74,075,390	101,973,711	79,850,216	77,872,843
			1,038,185,214	113,523,994	1,214,708,679	934,280,909	82,380,268	1,214,721,981
Gross NPL %			=			8.57%		
						8.59%		

The Bank

CBM's notification no. 17/2017			2022			2021		
Classification of loans & advances	Days past due	Provision on	NPL * loans & advances	Interest in suspense and claim A/c balance	Valuation of security	NPL * loans & advances	Interest in suspense and claim A/c balance	Valuation of security
Standard	30	0%	719,153,990	-	901,093,899	763,499,338	-	1,060,345,937
Watch	31-60	5%	97,481,904	-	135,012,980	6,078,026	-	7,504,883
Substandard	61-90	25%	62,496,005	-	83,528,340	33,599,863	-	61,560,320
Doubtful	91-180	50%	19,009,895	2,476,396	20,998,070	18,129,971	2,530,052	7,437,998
Loss	over 180	100%	129,293,420	111,047,598	74,075,390	101,973,711	79,850,216	77,872,843
			1,027,435,214	113,523,994	1,214,708,679	923,280,909	82,380,268	1,214,721,981
Total NPL % =			=			8.66%		
						8.70%		

Notes to the Consolidated Financial Statements

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The Group

	31.3.2022		30.9.2021	
	MMK'000		MMK'000	
	Loans & advances	Investment securities	Loans & advances	Investment securities
Neither past due nor impaired	729,903,990	358,510,000	774,499,338	358,510,000
Past due but not impaired	159,977,909	-	39,677,889	-
Individually past due and impaired	148,303,315	-	120,103,682	-
	1,038,185,214	358,510,000	934,280,909	358,510,000

The Bank

	31.3.2022		30.9.2021	
	MMK'000		MMK'000	
	Loans & advances	Investment securities	Loans & advances	Investment securities
Neither past due nor impaired	719,153,990	362,174,000	763,499,338	362,174,000
Past due but not impaired	159,977,909	-	39,677,889	-
Individually past due and impaired	148,303,315	-	120,103,682	-
	1,027,435,214	362,174,000	923,280,909	362,174,000

5.2 Liquidity Risk

Liquidity risk is the risk that the Bank is unstable to meet its cash flows obligations when they are due, such as upon the maturity of deposits or arising from loan draw-downs.

It is unusual for any bank to completely match the maturity profile of its assets and liabilities since business transacted is often of different terms and of different types. Therefore, controlled mismatching of the maturities of assets and liabilities is fundamental to the management of liquidity of the Bank.

The objective of the liquidity risk management is to ensure that the Bank has the ability to generate sufficient cash or its equivalents, in a timely and cost effectively manner, to meet its commitments as they fall due.

The Management of liquidity risk is centralised in the Treasury Department who reports to the Management and Assets-Liability Committee ("ALCO"). ALCO meeting is held on monthly basis to oversee liquidity risk management of the Bank and is supplemented by a "Liquidity Meeting" which is held weekly in addition to any meetings called by the Executive Management on need to basis. The Bank has in place Business Contingency Plan ("BCP") which include disasters situation facing by the Bank. The BCP covers operational steps and procedure of how to handle money transactions during disaster situation, meeting all contingencies arising not only from the ordinary course of business but also on liquidity crisis situation.

As part of its liquidity risk management framework set by the Management and the regulatory requirements stipulated by the local authority, the Bank is required to maintain adequate liquid assets to manage its short-term liquidity. Such liquid assets include investments in government securities, borrowings with Central Bank of Myanmar and holding cash reserves. This is to ensure full cash inflows are available to meet customer withdrawals upon maturity.

Notes to the Consolidated Financial Statements

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	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Liquidity ratio	37.78%	31.08%	36.90%	30.17%

Minimum requirement for bank's liquidity ratio is 20% fixed by Central Bank of Myanmar as per instruction number 19/2017.

5.2.1 Maturity Analysis

The table below analyses the Bank's financial assets and liabilities on a contractual undiscounted cash flow basis, grouped based on the remaining contractual maturities as at the end of the reporting period. The adjustment column includes items which are part of the contractual undiscounted cash flows, such as interest payable or receivable, but are not included in the carrying amount of the financial instruments in the statement of financial position.

On a behavioral basis, the expected cash flows of some of these financial liabilities could vary significantly from the disclosures below. While deposits from customers are contractually on demand, these deposits are expected to remain relatively stable, and has been a source of long-term funding for the Bank, based on historical trends. Similarly, while undrawn loan commitments are contractually available on demand, these are not all expected to be drawn upon immediately.

Notes to the Consolidated Financial Statements

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5.2.1 Maturity Analysis

The Group

	On demand or less than 3 months	3 to 12 months	Over one year	No specific Maturity	Total
2021	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Assets					
Cash and cash equivalents	252,076,324	4	23	-	252,076,352
Loan and advances to customers	276,810,884	307,087,783	274,325,081	211,295,474	1,069,519,222
Investment Securities	-	660,000	357,520,000	330,000	358,510,000
Other assets	81,688,987	86,786,829	3,738,683	1,711,115	173,925,613
	610,576,195	394,534,615	635,583,787	213,336,588	1,854,031,187
Liabilities					
Deposit from banks	23,593,240	18,568	106,102	-	23,717,910
Deposit from customers	665,858,817	211,692,129	552,927,622	14,800,237	1,445,278,805
Other liabilities	173,377,403	5,406,396	123,385,442	-	302,169,242
	862,829,460	217,117,093	676,419,166	14,800,237	1,771,165,957
On-Balance Sheet					
Liquidity Gap	(252,253,265)	177,417,522	(40,835,379)	198,536,352	82,865,231
Off-balance sheet					
Performance Guarantee	694,602	-	19,342,370	-	20,036,972
Contingent liabilities	1,749,765	-	-	-	1,749,765
Commitments	30,738,033	-	-	-	30,738,033
Government Treasury bond	-	-	1,750,000	-	1,750,000
	33,182,400	-	21,092,370	-	54,274,770
Net Liquidity Gap	(285,435,665)	177,417,522	(61,927,749)	198,536,352	28,590,461

	On demand or less than 3 months	3 to 12 months	Over one year	No specific Maturity	Total
2021	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Assets					
Cash and cash equivalents	188,245,265	-	-	-	188,245,265
Loan and advances to customers	337,019,899	152,477,842	431,359,005	-	920,856,746
Investment Securities	-	-	358,180,000	330,000	358,510,000
Other assets	61,244,718	46,453,186	4,962,175	102,000	112,762,078
	586,509,882	198,931,028	794,501,180	432,000	1,580,374,089

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

Liabilities					
Deposit from banks	26,800,377	18,025	102,998	-	26,921,399
Deposit from customers	487,914,979	214,559,273	489,032,615	-	1,191,506,868
Other liabilities	214,673,237	3,654,340	64,027,107	3,802,860	286,157,545
	729,388,594	218,231,638	553,162,720	3,802,860	1,504,585,812
On-Balance Sheet					
Liquidity Gap	(142,878,712)	(19,300,611)	241,338,460	(3,370,860)	75,788,277
Off-balance sheet					
Performance Guarantee	1,043,108	-	10,872,536	-	11,915,644
Contingent liabilities	1,243,422	-	-	-	1,243,422
Commitments	51,564,227	-	-	-	51,564,227
Government Treasury bond	-	-	1,750,000	-	1,750,000
Off-balance sheet					
Liquidity Gap	53,850,757	-	12,622,536	-	66,473,293
Net Liquidity Gap	(196,729,469)	(19,300,611)	228,715,924	(3,370,860)	9,314,984

The Bank	On demand or less than 3 months	3 to 12 months	Over one year	No specific Maturity	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2022					
Assets					
Cash and cash equivalents	251,656,813	-	-	-	251,656,813
Loan and advances to customers	276,810,884	307,087,783	263,575,081	211,295,474	1,058,769,222
Investment Securities	-	-	355,980,000	6,194,000	362,174,000
Other assets	81,630,519	86,381,451	110,737	1,609,115	169,731,822
	610,098,216	393,469,234	619,665,818	219,098,588	1,842,331,857
Liabilities					
Deposit from banks	23,593,240	18,568	106,102	-	23,717,910
Deposit from customers	666,526,192	211,692,129	552,927,622	14,800,237	1,445,946,180
Other liabilities	172,792,232	5,406,396	123,385,442	-	301,584,071
	862,911,664	217,117,093	676,419,166	14,800,237	1,771,248,161
On-Balance Sheet					
Liquidity Gap	(252,813,448)	176,352,141	(56,753,348)	204,298,352	71,083,696
Off-balance sheet					
Performance Guarantee	694,602	-	19,342,370	-	20,036,972
Contingent liabilities	1,749,765	-	-	-	1,749,765
Commitments	30,738,033	-	-	-	30,738,033
Off-balance sheet					
Liquidity Gap	33,182,400	-	19,342,370	-	52,524,770
Net Liquidity Gap	(285,995,848)	176,352,141	(76,095,718)	204,298,352	18,558,926

Notes to the Consolidated Financial Statements

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	On demand or less than 3 months	3 to 12 months	Over one year	No specific Maturity	Total
2021	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Assets					
Cash and cash equivalents	188,239,759	-	-	-	188,239,759
Loan and advances to customers	337,019,899	141,950,938	431,359,005	-	910,329,842
Investment Securities	-	-	355,980,000	6,194,000	362,174,000
Other assets	61,174,793	46,449,260	1,760,058	-	109,384,111
	586,434,451	188,400,198	789,099,063	6,194,000	1,570,127,712
Liabilities					
Deposit from banks	26,800,377	18,025	102,998	-	26,921,399
Deposit from customers	488,292,320	214,598,030	489,226,399	-	1,192,116,749
Other liabilities	214,667,648	3,577,534	63,764,352	3,802,860	285,812,395
	729,760,345	218,193,589	553,093,749	3,802,860	1,504,850,543
On-Balance Sheet					
Liquidity Gap	(143,325,894)	(29,793,390)	236,005,314	2,391,140	65,277,169
Off-balance sheet					
Performance Guarantee	1,043,108	-	10,872,536	-	11,915,644
Contingent liabilities	1,243,422	-	-	-	1,243,422
Commitments	51,564,227	-	-	-	51,564,227
Off-balance sheet					
Liquidity Gap	53,850,757	-	10,872,536	-	64,723,293
Net Liquidity Gap	(197,176,651)	(29,793,390)	225,132,778	2,391,140	553,876

Notes to the Consolidated Financial Statements

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5.3 Interest Rate Risk

Sensitivity to interest rates in banking activities arises from mismatches in the interest rate characteristics of the assets and their corresponding liabilities funding. One of the major causes of these mismatches is timing differences in the re-pricing of the assets and the liabilities.

Financial instruments which are issued at fixed rates expose the Bank to fair value interest rate risk. However, changes in market interest rates will not have an impact on the statement of profit or loss and other comprehensive income as all financial instruments are accounted for on an amortised cost basis.

The interest rates charged or granted by the Bank are determined by a committee with oversight by Board of Directors. These interest rates are set within a band determined by the Central Bank of Myanmar. As at 31 March 2022, the interest rates on loans are subject to the following maximum caps:

	New Rate*	
	Secured	Unsecured
• Loans and advances	10.00%	14.50%
• Overdraft	8.00%	14.50%
• Hire purchase	10.00%	14.50%
• Staff loan	8.50%	-
• Credit Card*	-	13% to 26%

*Credit usage charges of 13% applies

As at 31 March 2022, the interest rates on deposits are subject to the following minimums:

	New Rate*
• Saving deposits	6%
• Fixed deposits	
Thirty days	6.50%
Ninety days	6.75%
One hundred and eighty days	7.00%
Two hundred and seventy days	7.00%
One year	7.25%
• Interest rate on Call Deposit	5% up to 8%

The tables below summarises the Bank's exposure to interest rate repricing risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

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5.3 Interest Rate Risk (Continued)

The Group

	Within 3 months	3 months to 12 months	Over One year	Non-interest bearing	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2022					
ASSETS					
Cash and cash equivalents	2	4	23	252,076,322	252,076,352
Loans and advances	276,810,884	307,087,783	263,575,081	211,295,474	1,058,769,222
Investment securities	-	660,000	357,520,000	330,000	358,510,000
Other assets	-	81,788,000	-	-	81,788,000
	276,810,886	389,535,787	621,095,104	463,701,796	1,751,143,574
LIABILITIES					
Deposit from banks	7,958	18,568	106,102	23,585,282	23,717,910
Deposit from customers	464,603,768	211,692,129	552,927,622	216,055,286	1,445,278,805
Borrowings	25,000,000	75,393,588	-	-	100,393,588
	489,611,726	287,104,285	553,033,724	239,640,568	1,569,390,303
NET INTEREST RATE GAP	(212,800,840)	102,431,502	68,061,380	224,061,228	181,753,271

	Within 3 months	3 months to 12 months	Over One year	Non-interest bearing	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2021					
ASSETS					
Cash and cash equivalents	340,242	-	-	187,905,023	188,245,265
Loans and advances	337,019,899	152,477,842	431,359,005	-	920,856,746
Investment securities	-	-	358,180,000	330,000	358,510,000
Other assets	-	44,196,800	-	-	44,196,800
	337,360,141	196,674,642	789,539,005	188,235,023	1,511,808,811
LIABILITIES					
Deposit from banks	7,725	18,025	102,998	26,792,652	26,921,399
Deposit from customers	305,016,965	214,559,273	489,032,615	182,898,015	1,191,506,868
Borrowing	159,000,000	-	-	-	159,000,000
	464,024,689	214,577,298	489,135,613	209,690,667	1,377,428,267
NET INTEREST RATE GAP	(126,664,548)	(17,902,656)	300,403,392	(21,455,644)	134,380,544

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The Bank

	Within 3 months	3 months to 12 months	Over One year	Non-interest bearing	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2022					
ASSETS					
Cash and cash equivalents	-	-	-	251,656,813	251,656,813
Loans and advances	276,810,884	307,087,783	263,575,081	211,295,474	1,058,769,222
Investment securities	-	-	355,980,000	6,194,000	362,174,000
Other assets	-	81,788,000	-	-	81,788,000
	276,810,884	388,875,783	619,555,081	469,146,286	1,754,388,035
LIABILITIES					
Deposit from banks	7,958	18,568	106,102	23,585,282	23,717,910
Deposit from customers	465,271,143	211,692,129	552,927,622	216,055,286	1,445,946,180
Borrowings	25,000,000	75,393,588	-	-	100,393,588
	490,279,101	287,104,285	553,033,724	239,640,568	1,570,057,678
NET INTEREST RATE GAP	(213,468,217)	101,771,498	66,521,357	229,505,718	184,330,357

	Within 3 months	3 months to 12 months	Over One year	Non-interest bearing	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2021					
ASSETS					
Cash and cash equivalents	340,215	-	-	187,899,544	188,239,759
Loans and advances	337,019,899	141,950,938	431,359,005	-	910,329,842
Investment securities	-	-	355,980,000	6,194,000	362,174,000
Other assets	-	44,196,800	-	-	44,196,800
	337,360,114	186,147,738	787,339,005	194,093,544	1,504,940,401
LIABILITIES					
Deposit from banks	7,725	18,025	102,998	26,792,652	26,921,399
Deposit from customers	305,171,977	214,598,030	489,226,400	183,120,343	1,192,116,749
Borrowing	159,000,000	-	-	-	159,000,000
	464,179,702	214,616,054	489,329,398	209,912,995	1,378,038,149
NET INTEREST RATE GAP	(126,819,587)	(28,468,316)	298,009,607	(15,819,451)	126,902,252

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6 Capital Management

The objectives of the Group's capital management are to maintain an optimal level of capital, which is adequate to support business growth, commensurate with the Group's risk profile and meet the regulatory requirements. The management of capital funds is centralised in the Treasury department and monitored daily by the Finance department. During the financial year, the Bank has no issuance of paid-up capital in addition.

The Bank is subject to the maintenance of capital adequacy ratios as determined by the CBM. The capital adequacy ratios are based on the Bank's core capital, supplementary capital and risk weighted assets. The Bank considers its core capital to include issued and paid-up capital, reserves and retained profits. The Bank's risk weighted assets include loans and advances, fixed assets and other assets. The Bank reported the following capital adequacy ratios to the CBM as the end of each reporting period as set out below:

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Paid-up capital (Share each @ MMK 500,000)	54,000,000	54,000,000	54,000,000	54,000,000
Capital adequacy ratio (%)	11.61%	10.32%	9.87%	9.87%

The Bank met the minimum capital adequacy ratio requirement 8% set by Central Bank of Myanmar (CBM) as at 30 September 2021, the CAR calculation is based on CBM guidelines.

7 Related Party Transactions

Related party transactions are conducted on an arm's length basis and on normal commercial terms, which are not favourable than those generally available to the public. Detailed list of the related party transactions are shown in Annexure II.

7.1 Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Bank.

The following table sets out the compensation for Key Management Personnel of the Group in exchange for services rendered to the Group for the year they served:

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Director expenses	140,238	417,001	140,238	417,001
Short term employee benefits	8,275,133	17,035,593	8,254,077	16,931,973
	8,415,371	17,452,594	8,394,315	17,348,974

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8 Cash and Cash Equivalents

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Cash and balances with Central Bank of Myanmar	84,680,068	59,878,410	84,680,068	59,878,410
Cash and balances with other banks	37,870,162	85,909,563	37,450,977	85,904,433
Cash in hand	129,526,122	42,457,292	129,525,768	42,456,916
	252,076,352	188,245,265	251,656,813	188,239,759

9 Loans and Advances to Customers

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Credit cards	2,345,264	2,048,184	2,345,264	2,048,184
Hire purchase	8,917,531	10,201,632	8,917,531	10,201,632
Short-term loans	663,154,202	609,405,217	652,404,202	598,405,217
Loans and advances to banks	31,334,000	-	31,334,000	-
Overdrafts	361,718,689	311,257,284	361,718,689	311,257,284
Staff loans	2,049,536	1,368,592	2,049,536	1,368,592
Total loans and advances to customers	1,069,519,222	934,280,909	1,058,769,222	923,280,909
(-) Provision for bad and doubtful debt (SP)	23,120,317	13,424,164	22,217,082	12,951,068
Net loans and advances	1,046,398,905	920,856,746	1,036,552,140	910,329,842

10 Investment Securities

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Held to maturity				
Investment in Government Securities (Treasury bonds)	358,180,000	358,180,000	355,980,000	355,980,000
Investment in Government Securities (Treasury bills)	-	-	-	-
Available-for-sales securities				
- Investment in Myanmar Credit Bureau	130,000	130,000	130,000	130,000
- Investment in Myanmar Payment Union	200,000	200,000	200,000	200,000
- Investment in uab securities	-	-	5,864,000	5,864,000
	358,510,000	358,510,000	362,174,000	362,174,000

Available-for-sales securities are unquoted equity investments carried at cost, less impairment as the fair value cannot be reliably estimated using valuation techniques supported by observable market data.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



11 Property, Plant & Equipment

Details are shown in “Annexure (I)”, additions and disposals during the year had already been approved by the Board of Directors.

12 Right-of-use assets

Details are shown in “Annexure (II)”, additions and payments during the year had already been approved by the Board of Directors.

13 Investment Properties

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Balance at the beginning of year	911,297	929,499	911,297	929,499
Transfers	-	-	-	-
Disposals	-	-	-	-
Depreciation charge	(9,101)	(18,202)	(9,101)	(18,202)
Balance at the end of year	902,196	911,297	902,196	911,297
Represented by:				
Cost	1,029,123	1,029,123	1,029,123	1,029,123
Accumulated depreciation	(126,927)	(117,826)	(126,927)	(117,826)
Net carrying amount	902,196	911,297	902,196	911,297
Freehold property	-	-	-	-
Leasehold property	902,196	911,297	902,196	911,297
Balance at 30 September	902,196	911,297	902,196	911,297

14 Intangible Assets

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Balance at the beginning of year	335,631	646,675	289,081	496,584
Acquisition	76,154	-	76,154	-
Transfer/ adjustment	-	(27,772)	-	(27,772)
Amortised	(108,933)	(283,272)	(83,803)	(179,731)
Balance at the end of year	302,852	335,631	281,432	289,081

This includes the cost of banking software and data processing software.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

15 Deferred Tax

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Deferred tax liabilities on:				
Unrealised gain on AFS financial assets	-	-	-	-
Accelerated tax depreciation	-	-	-	-
Unrealised gain on financial instruments FV through P&L	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Deferred tax assets on:				
Unrealised loss on AFS financial assets	-	-	-	-
Allowance for impairment	-	766,120	-	766,120
Tax losses	-	-	-	-
Unrealised loss on financial instruments FV through P&L	-	-	-	-
Others	-	-	-	-
	-	766,120	-	766,120

16 Other Assets

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Interest receivables	11,043,091	9,482,616	7,458,596	6,328,641
Prepaid and advances	37,320,168	31,877,703	37,217,770	31,771,234
Card receivables	953,875	580,124	953,875	580,124
Inventories	310,789	352,061	310,789	352,061
Fixed Deposits - 1 year	81,788,000	44,196,800	81,788,000	44,196,800
Others	42,174,161	25,506,653	42,002,794	25,389,130
	173,590,084	111,995,958	169,731,824	108,617,991

17 Deposits and Placements with Banks

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Current deposits	23,585,282	26,792,652	23,585,282	26,792,652
Saving deposits	132,628	128,747	132,628	128,747
Fixed deposits	-	-	-	-
	23,717,910	26,921,399	23,717,910	26,921,399

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



18 Deposits from Customers

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Current deposits	201,133,134	182,898,015	201,255,049	183,120,343
Saving deposits	524,238,965	543,137,957	524,238,992	543,137,984
Fixed deposits	454,379,282	374,838,150	454,379,282	374,838,150
Call deposits	265,527,424	90,632,746	266,072,857	91,020,272
	1,445,278,805	1,191,506,868	1,445,946,180	1,192,116,749

19 Borrowings

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Borrowings from Foreign Banks in local (Foreign Currency)	75,393,588	142,000,000	75,393,588	142,000,000
Borrowing from Local Private Banks (Local Currency)	25,000,000	17,000,000	25,000,000	17,000,000
	100,393,588	159,000,000	100,393,588	159,000,000

20 Other Liabilities

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Accrued interest payable	8,174,038	7,485,953	8,174,038	7,485,953
Accrued operating expenses	1,524,442	1,836,351	1,504,745	1,814,981
Provision for income taxes	5,406,396	1,610,107	5,406,396	1,539,331
Provision for others	807,800	817,543	800,000	800,000
Sundry creditors	55,897,811	46,478,255	55,897,811	46,478,255
Deferred income	9,963	9,572	9,963	9,572
Others	129,955,204	68,919,765	129,397,530	68,684,304
	201,775,654	127,157,545	201,190,483	126,812,395

21 Lease liabilities

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Lease Liability of Building Lease	1,233,420	1,203,493	1,233,420	1,203,493
Lease Liability of Leasing Cars	1,456,383	1,684,160	1,456,383	1,684,160
Lease Liability of Dismantlings	887,696	915,207	887,696	915,207
	3,577,499	3,802,860	3,577,499	3,802,860

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

22 Share Capital

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Ordinary shares, MMK 500,000 per share				
Issued and fully paid-up				
Beginning of year				
2021 - 108,000 shares; 2020 - 108,000 shares	54,000,000	54,000,000	54,000,000	54,000,000
Shares issued during the year				
2021 - Nil shares ; 2020 - Nil shares	-	-	-	-
Balance at end of year				
2021 - 108,000 shares; 2020 - 108,000 shares	54,000,000	54,000,000	54,000,000	54,000,000

The amount of issued and paid-up capital at 31 March 2022 was MMK 54 billion divided into 108,000 shares at MMK 500,000 each and owned by the following shareholders as per the records filed with the Registrar of companies (Directorate of Investment and Company Administration).

Shareholder	%	Numbers of share	"Value MMK'000"
Capital Link Investment Company Limited	40%	43,200	21,600,000
Future Growth Investment Company Limited	60%	64,800	32,400,000
	100%	108,000	54,000,000

During the period, there were share transfers in the company as previous two shareholders transfer all the shares to Capital Link Investment Company Limited 40% and Future Growth Investment Company Limited 60% with the approval of Central Bank of Myanmar.

23 Reserves

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Statutory reserve fund				
Opening balance	13,456,583	11,237,013	13,456,583	11,237,013
Addition for the year	2,551,762	2,219,570	2,551,762	2,219,570
Closing balance	16,008,345	13,456,583	16,008,345	13,456,583
Reserve for contingencies				
Opening balance	-	-	-	-
Addition for the year	-	-	-	-
Closing balance	-	-	-	-
General Loan Loss Provision (GP)				
Opening balance	40,808,050	14,866,947	40,808,050	14,866,947
Addition for the year	8,915,670	25,941,103	8,915,670	25,941,103
Transferred	(34,856,773)	-	(34,856,773)	-
Closing balance	14,866,947	40,808,050	14,866,947	40,808,050
Total	30,875,292	54,264,633	30,875,292	54,264,633

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



Statutory Reserve

The Bank has reserved 25% of its net profit after tax for statutory reserve in compliance with Section 35(a) of the Financial Institutions Law of Myanmar.

General Loan Loss Provision

The Bank has reserved 2% of its total loans and receivables as a general loan loss provision at the end of each financial year in accordance with the Notification No. 17/2017 of Central Bank of Myanmar. The Bank presented general loan loss provision as a statutory provision under shareholders' equity and yearly adjustment amounts were transferred from/back to retained earnings as part of the movements in shareholders' equity. Starting from 2018-2019 financial year, yearly adjustment to general loan loss provision were charged/credit to profit or loss as adjustment to expected credit loss. Starting from 2020-2021 financial year, the over reserve were transferred from the reserves account to others account under other liabilities and treated as an item of liabilities.

24 Off-balance sheet

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Performance guarantees	78,151,935	80,843,186	78,151,935	80,843,186
Contingent liabilities	2,850,204	2,250,600	2,850,204	2,250,600
Commitment	30,738,033	51,564,227	30,738,033	51,564,227
Government Treasury bond	1,750,000	1,750,000	-	-

Performance Guarantees

Performance related guarantees represent undertakings that oblige the Bank to pay third parties should a customer fail to fulfill a contractual non-monetary obligation.

Contingent Liabilities

Contingent liabilities represent liabilities arising from letters of credit which are undertakings by the Bank to pay or accept drafts drawn by a supplier of goods against presentation of documents in the event of payment default by a customer.

Commitment

Overdraft commitments are defined amounts (unutilised credit lines or undrawn portions of credit lines) against which clients can borrow money under defined terms and conditions. Upon the drawdown by the counterparty, amount of the overdraft is accounted for in accordance with the Bank's accounting policies. The commitment also includes the value of government bond payable to customers in retail bond.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

25 Interest Income

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Interest on loans to customers	45,389,935	87,689,573	44,959,414	86,812,896
Interest on money market	2,406,004	4,265,671	2,405,995	4,240,598
Interest on deposit auction and SWAP	-	-	-	-
Interest on Treasury Bonds	16,303,009	31,916,205	16,204,405	31,722,059
	64,098,948	123,871,450	63,569,814	122,775,553

	The Group		The Bank	
	2022	2021	2022	2021
Interest rate on loans and advances	8% to 14.5%	8% to 14.5%	8% to 14.5%	8% to 14.5%
Interest rate on Government Securities (Five years Treasury Bonds)	7.5% to 9.75%	7.5% to 9.75%	7.5% to 9.75%	7.5% to 9.75%

26 Interest Expenses

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Interest on saving deposit	13,478,335	30,128,683	13,478,336	30,128,707
Interest on call deposit	4,050,431	1,799,945	4,063,921	1,808,547
Interest on fixed deposit	13,605,530	29,515,247	13,605,530	29,515,247
Interest on Inter-bank deposit	3,881	91,030	3,881	91,030
Interest on borrowing	4,058,103	11,000,201	4,058,103	11,000,201
Interest expenses (T Bond)	-	1,755	-	-
	35,196,280	72,536,860	35,209,771	72,543,732

27 Fees and Commission Income

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Commission on payment order	56,408	60,249	56,408	60,249
Commission on remittance	151,300	186,918	151,300	186,918
Commission on cards	967,017	621,993	967,017	621,993
Service fees	3,754,346	5,783,280	3,754,346	5,783,280
Commitment fees	187,232	557,510	187,232	557,510
Commission on trade related	8,961,521	4,575,086	8,961,521	4,493,104
Commission on brokerage and IB advisory fees	86,200	32,708	-	-
Commission on others	207,622	304,976	207,622	304,976
	14,371,646	12,122,719	14,285,446	12,008,029.68

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



28 Other Income

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Treasury (Forex) trading income	1,490,113	6,472,598	1,496,910	6,472,598
Interest on other (Operating Lease)	-	810,800	-	810,800
Extension fees on loans and advances	629,513	1,304,375	629,513	1,304,375
Exchange gain/(loss) on cards	237,901	(31,680)	237,901	(44,862)
Disposal gain/(loss) on fixed assets	305,396	44,705	304,950	44,705
Miscellaneous	254,592	392,972	259,173	399,883
Dividend income from Subsidiary (uab sc)	2,917,515	8,993,769	2,928,447	8,987,498
	8,993,769	4,406,727	8,987,498	4,721,691

29 General and Administrative Expenses

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Maintenance and repairs	333,796	337,816	333,046	335,799
Miscellaneous expenses	226,491	822,785	226,217	821,578
Supplies and services	1,405,574	1,103,905	1,404,883	1,103,422
Rates and taxes	265,148	504,954	263,798	502,253
Insurance expenses	8,337	16,754	8,337	16,754
Technology expenses	533,062	787,182	427,738	608,295
	2,772,408	3,573,396	2,664,019	3,388,102

30 Personnel Expenses

	The Group		The Bank	
	2022 MMK'000	2021 MMK'000	2022 MMK'000	2021 MMK'000
Salaries and allowances	6,395,389	12,751,939	6,374,625	12,659,802
Staff welfare contribution	300	73,669	300	73,669
Staff social security contribution	80,123	166,059	79,831	165,375
Recruitment expenses	1,800,000	4,043,997	1,800,000	4,033,197
Staff bonus and rewards	6,008	440	6,008	440
Training expenses	140,238	417,001	140,238	417,001
Director fees and expenses	8,422,058	17,453,104	8,401,002	17,349,484
	17,453,104	17,299,545	17,349,484	17,183,059

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

31 Operating Lease Expenses

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Rent - Building	86,435	64,590	86,435	64,590
Rent - Others	155,537	301,548	155,537	295,368
	241,972	366,138	241,972	359,959

32 Other Expenses

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Auditor fees and expenses	5,420	31,143	3,500	27,450
Legal expenses	3,399	1,930	3,399	1,930
Travelling expenses	51,908	12,210	51,898	11,971
Consultant fees	95,000	152,711	95,000	152,711
Others	20,753	48,822	-	10,000
	176,480	246,816	153,797	204,062

33 Finance Cost

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Finance Cost of ROU Lease Building	37,819	76,494	37,819	76,494
Finance Cost of ROU Leasing Cars	80,025	194,263	80,025	194,263
Finance Cost on Dismantling	12,591	29,201	12,591	29,201
	130,435	299,958	130,435	299,958

34 Allowance for Credit and Other Losses

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Specific allowance on / (write-back) of:				
Loans	9,696,154	7,146,957	9,266,015	6,673,861
Cash shortage	-	-	-	-
Inventory shortage/adjustments	-	-	-	-
Obsolete Inventory	-	10,619	-	10,619
Write-off fixed assets	38,752	50,857	38,752	50,857
General allowance (2%)	8,915,670	25,941,103	8,915,670	25,941,103
	18,650,576	33,149,536	18,220,437	32,676,440

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



35 Taxation

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Tax expense/(credit) attributable to profit or (loss) is made up of:				
Corporate income tax 25%	3,148,605	3,019,622	3,145,076	2,946,016
Capital gain tax 10%	30,495	4,470	30,495	4,470
Current income tax	3,179,100	3,024,092	3,175,571	2,950,486
Deferred income tax	-	-	-	-
	3,179,100	3,024,092	3,175,571	2,950,486
Under/(over) provision in prior financial years				
Current income tax	-	-	-	-
Deferred income tax	-	-	-	-
	3,179,100	3,024,092	3,175,571	2,950,486

36 Investment in Subsidiary

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Unlisted share, at cost (11,728 shares @ MMK 500,000 each)	5,864,000	5,864,000	5,864,000	5,864,000

The following list contains only the particulars of principal subsidiary:

Name of company	Place of incorporation and operation	Normal value of issued ordinary shares	Group's effective interest	Percentage held by the bank	Principal activities
uab securities ltd.	Yangon, Myanmar	15,000,000	100%	39%	Brokerage, Underwriting & IB services

uab securities Limited is registered on 20 November 2015 under the Myanmar Companies Act 1914, re-registered under new Myanmar Companies Law 2017 and obtained new registration number 113292180. uab bank limited has significant influent and control over uab securities Limited obtained securities license No.006 dated 20th November 2016 from Securities and Exchange Commission of Myanmar. Principal business for uab securities Limited is for financial service activities except for insurance and pension funding.

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

37 Non-controlling interest

	The Group		The Bank	
	2022	2021	2022	2021
	MMK'000	MMK'000	MMK'000	MMK'000
Investment shares, at cost	9,136,000	9,136,000	-	-
Retained earning	768,080	624,949	-	-
Prior year adjustment	-	-	-	-
Dividend paid	-	-	-	-
Profit for the year	(1,674)	143,131	-	-
Profit for the period	3,753	142,522	-	-
URP Adjustment	(5,427)	609	-	-
	9,902,406	9,904,080	-	-

Group

Property, Plant and Equipment

Annexure I

2022	Land and Building	Office Machine and Equipment	Furniture, Fixture and Fitting	Electrical Equipment and Computer Accessories	Motor Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
At 1 October 2021	50,841,229	6,154,271	1,297,385	3,533,478	833,963	62,660,326
Additions during the year	3,090,000	68,025	-	365,569	530,000	4,053,594
Transfer during the year	(5,245,380)	-	-	-	-	(5,245,380)
Disposal	(880,000)	(17,143)	(17,944)	(54,419)	(123,646)	(1,093,152)
Write off	(34,800)	(88,196)	(24,427)	(102,107)	-	(249,530)
Provision	(73,092)	(138,786)	(83,023)	(182,021)	(1,025)	(477,947)
Donations	-	-	-	-	-	-
As at 31 March 2022	47,697,957	5,978,171	1,171,991	3,560,500	1,239,292	59,647,911
Accumulated Depreciation						
At 1 October 2021	5,507,546	3,483,320	847,199	2,831,476	488,759	13,158,300
Charged for the year	252,731	330,946	71,264	174,790	58,232	887,963
Transfer during the year	(1,887,098)	-	-	-	-	(1,887,098)
Disposal	-	(11,859)	(12,870)	(51,861)	(78,158)	(154,748)
Write off	(34,800)	(70,300)	(21,603)	(99,803)	-	(226,506)
Provision	(73,091)	(138,786)	(83,023)	(182,021)	(1,024)	(477,945)
Donations	-	-	-	-	-	-
As at 31 March 2022	3,765,288	3,593,321	800,967	2,672,581	467,809	11,299,966
NBV as at 31 March 2022	43,932,669	2,384,850	371,024	887,919	771,483	48,347,945

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



2021	Land and Building	Office Machinery and Equipment	Furniture, Fixture and Fitting	Electrical Equipment and Computer Accessories	Motor Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
At 1 October 2020	49,957,344	6,381,282	1,406,482	3,507,436	780,073	62,032,618
Additions during the year	883,885	116,373	19,362	48,061	134,700	1,202,381
Transfer during the year	-	(181,491)	-	184,044	-	2,553
Disposal	-	(29,839)	(59,310)	(33,410)	(80,810)	(203,368)
Write off	-	-	-	(938)	-	(938)
Provision	-	(132,055)	(69,149)	(169,651)	-	(370,856)
Donations	-	-	-	(2,064)	-	(2,064)
As at 30 September 2021	50,841,229	6,154,270	1,297,385	3,533,478	833,963	62,660,326
Accumulated Depreciation						
At 1 October 2020	4,555,980	2,999,760	771,893	2,550,301	449,326	11,327,260
Charged for the year	951,566	651,856	175,946	437,843	89,660	2,306,871
Transfer during the year	-	(36,298)	-	36,298	-	-
Disposal	-	(24,133)	(48,675)	(29,901)	(50,349)	(153,058)
Write off	-	-	-	(297)	-	(297)
Provision	-	(107,865)	(51,965)	(160,932)	123	(320,639)
Donations	-	-	-	(1,837)	-	(1,837)
As at 30 September 2021	5,507,546	3,483,320	847,199	2,831,475	488,759	13,158,300
NBV as at 30 September 2021	45,333,684	2,670,950	450,187	702,003	345,204	49,502,027

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

The Bank Property, Plant and Equipment

Annexure I

2022	Land and Building	Office Machine and Equipment	Furniture, Fixture and Fitting	Electrical Equipment and Computer Accessories	Motor Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
At 1 October 2021	50,841,229	6,150,287	1,294,128	3,507,576	833,963	62,627,183
Additions during the year	3,090,000	68,025	-	364,513	530,000	4,052,538
Transfer during the year	(5,245,380)	-	-	-	-	(5,245,380)
Disposal	(880,000)	(17,143)	(17,944)	(51,935)	(123,646)	(1,090,668)
Write off	(34,800)	(88,196)	(24,427)	(102,107)	-	(249,530)
Provision	(73,092)	(138,786)	(83,023)	(182,021)	(1,025)	(477,947)
Donations	-	-	-	-	-	-
As at 31 March 2022	47,697,957	5,974,187	1,168,734	3,536,026	1,239,292	59,616,196
Accumulated Depreciation						
At 1 October 2021	5,507,546	3,480,280	844,096	2,810,158	488,759	13,130,839
Charged for the year	252,731	330,765	71,259	174,172	58,232	887,159
Transfer during the year	(1,887,098)	-	-	-	-	(1,887,098)
Disposal	-	(11,859)	(12,870)	(49,996)	(78,158)	(152,883)
Write off	(34,800)	(70,300)	(21,603)	(99,803)	-	(226,506)
Provision	(73,091)	(138,786)	(83,023)	(182,021)	(1,024)	(477,945)
Donations	-	-	-	-	-	-
As at 31 March 2022	3,765,288	3,590,100	797,859	2,652,510	467,809	11,273,566
NBV as at 31 March 2022	43,932,669	2,384,087	370,875	883,516	771,483	48,342,630

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022



2021	Land and Building	Office Machinery and Equipment	Furniture, Fixture and Fitting	Electrical Equipment and Computer Accessories	Motor Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
At 1 October 2020	49,957,344	6,377,299	1,403,225	3,484,087	780,073	62,002,028
Additions during the year	883,885	116,373	19,362	48,061	134,700	1,202,381
Transfer during the year	-	(181,491)	-	181,491	-	-
Disposal	-	(29,839)	(59,310)	(33,410)	(80,810)	(203,368)
Write off	-	-	-	(938)	-	(938)
Provision	-	(132,055)	(69,149)	(169,651)	-	(370,856)
Donations	-	-	-	(2,064)	-	(2,064)
As at 30 September 2021	50,841,229	6,150,287	1,294,128	3,507,576	833,963	62,627,183
Accumulated Depreciation						
At 1 October 2020	4,555,980	2,997,081	768,800	2,530,249	449,326	11,301,435
Charged for the year	951,566	651,495	175,936	436,578	89,660	2,305,234
Transfer during the year	-	(36,298)	-	36,298	-	-
Disposal	-	(24,133)	(48,675)	(29,901)	(50,349)	(153,058)
Write off	-	-	-	(297)	-	(297)
Provision	-	(107,865)	(51,965)	(160,932)	123	(320,639)
Donations	-	-	-	(1,837)	-	(1,837)
As at 30 September 2021	5,507,546	3,480,280	844,096	2,810,158	488,759	13,130,838
NBV as at 30 September 2021	45,333,684	2,670,007	450,033	697,418	345,204	49,496,345

Notes to the Consolidated Financial Statements

for the Period Ended 31 March 2022

Right-of-use assets					Annexure II
The Group	ROU Prepaid	ROU Lease liab	ROU Rest	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Balance at 1 October 2021	22,126,186	1,083,086	448,729	2,501,904	26,159,905
Additional	384,390	-	-	20,586	404,976
Transfer/Adjust	5,245,380	-	-	-	5,245,380
Retained Earning	-	-	-	-	-
Contract End	(777,920)	-	-	-	(777,920)
Balance at 31 March 2022	26,978,036	1,083,086	448,729	2,522,490	31,032,341
Balance at 1 October 2021	5,249,388	272,398	270,178	987,932	6,779,896
Charges for the Year	1,072,972	49,902	23,982	252,739	1,399,595
Transfer/Adjust	1,887,097	-	-	-	1,887,097
Retained Earning	-	-	-	-	-
Contract End	(777,920)	-	-	-	(777,920)
Balance at 31 March 2022	7,431,537	322,300	294,160	1,240,671	9,288,668
Net Book Value as at 30 September 2021	16,876,798	810,688	178,551	1,513,972	19,380,009
Net Book Value as at 31 March 2022	19,546,499	760,786	154,569	1,281,819	21,743,673

Lease liabilities	Lease Liab-build	Lease Liab-Rest	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000	MMK'000
Within one year	228,071	103,350	535,418	866,839
More than one year	1,005,350	784,346	920,965	2,710,661
Balance at 30 September 2021	1,233,420	887,696	1,456,383	3,577,500
Within one year	29,914	46,256	501,576	577,746
More than one year	1,173,579	868,951	1,182,584	3,225,115
Balance at 30 September 2020	1,203,493	915,207	1,684,160	3,802,860

Amount recognised in profit and loss	Lease Liab	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000
Depreciation	1,146,856	252,738	1,399,594
Finance cost	50,410	80,025	130,434

Amount recognised in cash flow statement	Lease Liab	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000
Total cash outflow for lease	120,000	328,388	448,388

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2022



Right-of-use assets

Annexure II

The Bank	ROU Prepaid	ROU Lease liab	ROU Rest	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Balance at 1 October 2020	22,126,186	1,083,086	448,729	2,501,904	26,159,905
Additional	384,390	-	-	20,586	404,976
Transfer/Adjust	5,245,380	-	-	-	5,245,380
Retained Earning	-	-	-	-	-
Contract End	(777,920)	-	-	-	(777,920)
Balance at 30 September 2021	26,978,036	1,083,086	448,729	2,522,490	31,032,341
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Transfer/Adjust	1,887,097	-	-	-	1,887,097
Retained Earning	-	-	-	-	-
Contract End	(777,920)	-	-	-	(777,920)
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