

uab bank Limited

(Incorporated in the Republic of the Union of Myanmar)

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**V ADVISORY LIMITED
CERTIFIED PUBLIC ACCOUNTANTS**

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION**

DIRECTORS

Ne Aung	Non-Executive Chairman
Khin Moe Nyunt	Non-Executive Director
Than Win Swe	Non-Executive Director
Sein Win	Non-Executive Senior Independent Director (deceased)
Thant Zin	Non-Executive Director
Hnin Hnin Aung	Non-Executive Director
Christopher Loh Meng Heng	Managing Director/Chief Executive Officer

REGISTERED OFFICE

No. 3, Bank Development Zone,
Corner of Kyaing Tone Road and Mawlamyine Road
Oaktaya Thiri Township, Nay Pyi Taw, Myanmar

AUDITOR

V Advisory Limited
Certified Public Accountants

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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 year ended 30th September 2020.

Principal Activities

The Bank 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 year.

Results

	Group (MMK'mil)	Bank (MMK'mil)
Profit Before Tax	20,713	20,083
Taxation	(5,125)	(4,891)
Profit After Tax for the Period (Attributable to Equity Holders)	15,168	15,192
Retained Earnings (Brought Forward)	6,602	6,006
Adjustments;		
- Transferred to Statutory Reserve (25%)	(3,798)	(3,798)
- Transferred to General Loan Loss Reserve	-	-
- Prior Year Dividend Paid Out	-	-
- Prior Year Adjustments	-	-
Retained Earnings (Carried Forward)	17,969	17,401

**Excluding Non-controlling Interest*

There were no material transfers to or from reserves, allowances or provisions during the financial year 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 year were not substantially affected by any item, transaction or event of a material and unusual nature.

Issuance of Shares

During the financial year, the Group 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 Group and 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:

- Ne Aung (Non-Executive Chairman)
- Khin Moe Nyunt (Non-Executive Director)

- Than Win Swe (Non-Executive Director)
- Sein Win (Non-Executive Senior Independent Director) (deceased)
- Thant Zin (Non-Executive Director)
- Hnin Hnin Aung (Non-Executive Director)
- Christopher Loh (MD/Chief Executive Officer)

Directors' Interest

According to the register of directors' shareholdings, Directors in office had no interest at the end of financial year in shares of the Bank, except as follows:

Directors' Interest	No. of Share	Share Each (MMK)	Share Value (MMK mil)
Ne Aung	97,200	500,000	48,600
Khin Moe Nyunt	10,800	500,000	5,400
Total	108,000		54,000

Business Outlook

At uab bank, the key priorities for 2020 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. The Bank is also prepared and ready for the adoption of IFRS in 2020-21 and will continue to keep its capital and liquidity positions strong.

Barring any unforeseen circumstances, the Group and the Bank are optimistic and confident of achieving its financial targets, on the back of the expected economic growth of Myanmar.

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.
- 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.
- e) As at the date of this report, there does not exist:
- any charge on the assets of the Group and the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability of the Group and 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 Group and 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 the 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 June 2021.



Than Win Swe

Director



Christopher Loh

MD/Chief Executive Officer



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INDEPENDENT AUDITOR'S REPORT
To the Members of uab bank Limited
(Incorporated in the Republic of the Union of Myanmar)
Report on the Audit of the Financial Statements

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 30th September 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 30th September 2020, 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 30th September 2020, and its performance, its changes in equity and its cash flows for the year 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.



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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 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 financial statements of the Bank adequately reflect the financial position of the Bank and its solvency.

Win Htut Aung
Certified Public Accountant
PAPP Registered No. 66
V Advisory Limited

**Complex 45, Tower B, #B 406, 45 Street,
Botahtaung, Yangon 11161, Myanmar**

Date: 30 July 2021
Yangon, Myanmar

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Consolidated Statement of Financial Positions as at 30 September 2020**

		The Group		The Bank	
	Notes	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Assets					
Cash and cash equivalents	8	180,195,288	173,216,911	179,691,282	173,209,957
Loan and advances to customers	9	820,522,373	746,133,055	809,522,373	734,133,055
Investment securities	10	285,760,000	182,300,000	289,424,000	186,664,000
Property, plant and equipment	11	50,705,358	48,906,673	50,700,593	48,898,005
Right-of-use assets	12	18,404,850	-	18,404,850	-
Investment properties	13	929,499	947,700	929,499	947,700
Intangible assets	14	646,675	966,745	496,584	694,524
Deferred tax assets	15	766,120	612,471	766,120	612,471
Other assets	16	108,526,650	45,042,029	105,970,892	43,126,369
Total Assets		1,466,456,812	1,198,125,585	1,455,906,192	1,188,286,081
Liabilities					
Deposits and placements with banks	17	33,719,849	6,972,023	33,719,849	6,972,023
Deposits from customers	18	1,118,886,040	1,008,371,946	1,118,987,619	1,009,485,773
Borrowings	19	120,352,800	48,090,291	120,352,800	48,090,291
Other liabilities	20	81,690,267	42,569,934	81,367,408	42,040,181
Lease liabilities	21	3,973,789	-	3,973,789	-
Total Liabilities		1,358,622,745	1,106,004,194	1,358,401,465	1,106,588,267
Equity					
Share Capital	22	54,000,000	54,000,000	54,000,000	54,000,000
Reserves	23	26,103,960	21,691,265	26,103,960	21,691,265
Retained earnings		17,969,158	6,602,301	17,400,767	6,006,549
Equity Attributable to Shareholders of the Bank		98,073,118	82,293,566	97,504,727	81,697,814
Non-controlling Interest		9,760,949	9,827,825	-	-
Total Equity		107,834,067	92,121,392	97,504,727	81,697,815
Total Equity and Liabilities		1,466,456,812	1,198,125,585	1,455,906,192	1,188,286,081
Off-Balance Sheet					
	24				
Performance Guarantee		62,266,013	45,593,555	62,266,013	45,593,555
Contingent Liabilities		4,927,653	35,583,640	4,927,653	35,583,640
Commitment		51,946,982	52,543,300	50,147,482	52,543,300

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

uab bank Limited

(Incorporated in the Republic of the Union of Myanmar)

Consolidated Statement of Comprehensive Income for the Year Ended 30 September 2020

	Notes	The Group		The Bank	
		2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Interest income	25	111,278,986	106,417,652	109,948,487	104,838,846
Interest expense	26	(69,749,924)	(71,276,745)	(69,768,847)	(71,331,852)
Net interest income		41,529,062	35,140,907	40,179,640	33,506,994
Fee and commission income	27	8,759,838	7,054,774	8,656,765	6,904,977
Other income	28	4,406,727	6,543,743	4,721,691	6,542,468
Operating income		54,695,627	48,739,424	53,558,096	46,954,439
General and administrative expenses	29	(4,662,961)	(3,406,037)	(4,448,602)	(3,124,034)
Personnel expenses	30	(17,299,545)	(16,776,824)	(17,183,059)	(16,694,403)
Operating lease expenses	31	(414,348)	(1,873,106)	(404,233)	(1,863,750)
Depreciation and amortisation		(3,040,949)	(2,387,163)	(2,915,869)	(2,302,838)
Depreciation on Right-of-use assets		(2,377,944)	-	(2,377,944)	-
Other expenses	32	(126,425)	(181,692)	(85,135)	(181,692)
Finance cost	33	(312,102)	-	(312,102)	-
Operating expenses		(28,234,274)	(24,624,822)	(27,726,944)	(24,166,716)
Operating profit before allowance		26,461,353	24,114,602	25,831,152	22,787,723
Less: Allowance for credit and other losses	34	(5,748,009)	(4,663,561)	(5,748,009)	(4,663,561)
Net profit before tax		20,713,345	19,451,041	20,083,143	18,124,162
Taxation	35	(5,124,543)	(4,820,723)	(4,890,745)	(4,489,004)
Net profit after tax		15,588,800	14,630,318	15,192,398	13,635,159
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		15,588,800	14,630,318	15,192,398	13,635,159
Profit for the year attributable to:					
-Shareholders of the Bank		15,168,423	14,057,763	15,192,398	13,635,159
-Non-controlling interest		420,377	572,554	-	-
		15,588,800	14,630,318	15,192,398	13,635,159

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

uab bank Limited

(Incorporated in the Republic of the Union of Myanmar)

Consolidated Statement of Changes in Equity for the Year Ended 30 September 2020

The Group

	Attributable to equity holders of the Bank						Non-controlling Interests	Total Equity
	Share Capital	Statutory Reserve	General Loan Loss Reserve	Dividend	Retained Earnings	Total		
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Balance at 1 October 2019	54,000,000	7,438,914	14,252,351	-	6,602,301	82,293,566	9,827,825	92,121,392
Issued shares	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	15,168,423	15,168,423	420,377	15,588,800
Transfer to reserves	-	3,798,099	614,596	-	(3,798,099)	614,596	-	614,596
Prior year adjustment	-	-	-	-	(3,467)	(3,467)	-	(3,467)
Dividends	-	-	-	-	-	-	(487,253)	(487,253)
Balance at 30 September 2020	54,000,000	11,237,013	14,866,947	-	17,969,158	98,073,118	9,760,949	107,834,067
Balance at 1 October 2018	54,000,000	4,030,124	11,802,466	-	(4,124,970)	65,707,620	9,269,196	74,976,816
Issued shares	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	14,057,763	14,057,763	572,554	14,630,317
Transfer to reserves	-	3,408,790	2,449,885	-	(3,408,790)	2,449,885	-	2,449,885
Prior year adjustment	-	-	-	-	78,298	78,298	(13,925)	64,373
Dividends	-	-	-	-	-	-	-	-
Balance at 30 September 2019	54,000,000	7,438,914	14,252,351	-	6,602,301	82,293,566	9,827,825	92,121,391

The Bank

	Share Capital	Statutory Reserve	General Loan Loss Reserve	Dividend	Retained Earnings	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Balance at 1 October 2019	54,000,000	7,438,914	14,252,351	-	6,006,549	81,697,814
Issued shares	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	15,192,398	15,192,398
Transfer to reserves	-	3,798,099	614,596	-	(3,798,099)	614,596
Prior year adjustment	-	-	-	-	(80)	(80)
Dividends	-	-	-	-	-	-
Balance at 30 September 2020	54,000,000	11,237,013	14,866,947	-	17,400,767	97,504,727
Balance at 1 October 2018	54,000,000	4,030,124	11,802,466	-	(4,307,056)	65,525,534
Issued shares	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	13,635,159	13,635,159
Transfer to reserves	-	3,408,790	2,449,885	-	(3,408,790)	2,449,885
Prior year adjustment	-	-	-	-	87,236	87,236
Dividends	-	-	-	-	-	-
Balance at 30 September 2019	54,000,000	7,438,914	14,252,351	-	6,006,549	81,697,814

Authenticated by the Directors:


Than Win SWE
Director


Christopher Loh
MD/Chief Executive Officer


Leong Yang Yang
Head of Finance

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Consolidated Statement of Cash Flow for the Year Ended 30 September 2020**

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Cashflows from operating activities				
Profit before tax	20,713,345	19,451,041	20,083,143	18,124,162
Adjustment				
Prior year adjustment	(80)	64,373	(80)	87,236
Depreciation & amortisation expenses	3,040,949	2,387,163	2,915,869	2,302,838
Depreciation expenses of Right-of-use assets	2,377,944	-	2,377,944	-
Impairment on loan	614,596	3,708,185	614,596	3,708,185
Net gain on disposal of fixed assets	(272,690)	(279,760)	(272,623)	(279,760)
Write off fixed asset	63,705	-	63,705	-
Finance cost	312,102	-	312,102	-
Dividend received	-	-	(312,747)	-
Changes in				
Loan and advances	(74,389,318)	(84,326,482)	(75,389,318)	(84,326,482)
Other assets	(82,730,995)	(8,001,231)	(82,090,897)	(7,055,884)
Deposit from customers	137,261,920	100,669,499	136,249,673	101,783,326
Other liabilities	42,888,483	10,148,661	43,172,484	10,367,709
	49,879,960	43,821,450	47,723,850	44,711,331
Finance cost	(546,600)	-	(546,600)	-
Income tax paid	(5,795,078)	(3,390,363)	(5,635,000)	(3,090,363)
Net cash from (used in) operating activities	43,538,283	40,431,087	41,542,250	41,620,968
Cashflows from investing activities				
Acquisition of property, plant and equipment	(4,821,925)	(630,386)	(4,819,146)	(630,386)
Acquisition of Right-of-use assets	(558,000)	-	(558,000)	-
Disposal of fixed assets	532,536	617,233	528,736	617,233
Acquisition of Intangible asset	(27,772)	-	(27,772)	-
Purchase of Government treasury bonds	(103,460,000)	(35,000,000)	(102,760,000)	(35,000,000)
Dividend received	-	-	312,747	-
Net cash used in investing activities	(108,335,162)	(35,013,153)	(107,323,435)	(35,013,153)
Cashflows from financing activities				
Issue of share capital	-	-	-	-
Dividend paid	(487,253)	-	-	-
Borrowings /repayment of loan	72,262,509	8,264,791	72,262,509	8,264,791
Net cash from financing activities	71,775,256	8,264,791	72,262,509	8,264,791
Net increase/(decrease) in cash and cash equivalents	6,978,377	13,682,724	6,481,325	14,872,605
Cash and cash equivalents at beginning of the year	173,216,911	159,534,187	173,209,957	158,337,352
Cash and cash equivalents at end of the year	180,195,288	173,216,911	179,691,282	173,209,957

Authenticated by the Directors:



Than Win Swe
Director



Christopher Loh
MD/Chief Executive Officer



Leong Yang Yang
Head of Finance

uab bank Limited

(Incorporated in the Republic of the Union of Myanmar)

Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020

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).

2 Summary of Significant Accounting Policies**2.1 Accounting Period**

The accounting period is from 1 October 2019 to 30 September 2020, the fiscal year under the existing Law of Myanmar.

- 2.2** Opening Balances as at 1 October 2019 are carried forward from the financial statements for the financial year ended 30 September 2019, 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

2.3 Basis of Accounting (continued)

- Level 3 inputs are unobservable inputs for the asset or liability.

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.

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 an 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

2.8 Investment Property (Continued)

An investment property is measure 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

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.

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.

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.

4 Financial Instruments**4.1 Categories of Financial Instruments**

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'00	MMK'000	MMK'000
Loans and receivables	1,106,282,373	928,433,055	1,098,946,373	920,797,055
Financial liabilities	1,272,958,689	1,063,434,260	1,273,060,268	1,064,548,086

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.

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 of 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	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Cash and cash equivalents	180,195,288	173,216,911	179,691,282	173,209,957
Loan and advances	820,522,373	746,133,055	809,522,373	734,133,055
Investment securities	285,760,000	182,300,000	289,424,000	186,664,000
Other assets	108,526,650	45,042,029	105,970,892	43,126,369
	1,395,004,310	1,146,691,995	1,384,608,547	1,137,133,381
Off-balance sheet				
Performance guarantee	62,266,013	45,593,555	62,266,013	45,593,555
Contingent liabilities	4,927,653	35,583,640	4,927,653	35,583,640
Commitments	51,946,982	52,543,300	50,147,482	52,543,300
	119,140,647	133,720,495	117,341,147	133,720,495
Total maximum exposure to credit risk	1,514,144,958	1,280,412,490	1,501,949,694	1,270,853,876

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	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Agricultural	1,513,428	929,077	1,513,428	929,077
Livestock	1,746,331	999,052	1,746,331	999,052
Manufacturing	88,214,849	81,129,977	88,214,849	81,129,977
Trading	317,173,651	304,397,222	317,173,651	304,397,222
Transportation	7,478,425	2,724,557	7,478,425	2,724,557
Construction	134,095,445	162,024,680	134,095,445	162,024,680
Service	185,863,806	131,899,810	185,863,806	131,899,810
Housing loan	12,846,036	9,854,338	12,846,036	9,854,338
Pledge	1,548,620	428,150	1,548,620	428,150
Hire purchase	11,885,602	3,739,169	11,885,602	3,739,169
Staff loan	1,645,213	1,458,673	1,645,213	1,458,673
General	41,161,356	35,310,342	30,161,356	23,310,342
Loans to other banks	19,852,800	10,526,400	19,852,800	10,526,400
Credit cards	1,774,016	1,969,908	1,774,016	1,969,908
Total	826,799,579	747,391,355	815,799,579	735,391,355

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.

5.1. Credit Quality of Loans and Advances (continued)

The Group

CBM's

notification no.

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			2020			2019		
			MMK'000			MMK'000		
Classification of loans & advances	Days past due	Provision on shortfalls in security value	NPL * loans & advances	Interest in suspense	Valuation of security	NPL * loans & advances	Interest in suspense	Valuation of security
Standard	30	0%	745,261,772	-	1,121,279,693	674,059,591	-	1,056,009,172
Watch	31-60	5%	3,832,566	-	2,024,440	1,281,030	-	1,648,903
Substandard	61-90	25%	14,018,950	-	16,805,250	28,681,951	-	44,402,344
Doubtful	91-180	50%	2,719,046	314,704	3,213,210	2,335,634	266,851	4,327,828
Loss	over 180	100%	60,967,246	41,448,466	54,952,080	41,033,149	17,867,152	46,606,160
			826,799,579	41,763,171	1,198,274,673	747,391,355	18,134,004	1,152,994,408
Gross NPL %			=			5.52%		
						4.90%		

The Bank

CBM's

notification no.

17/2017

			2020			2019		
			MMK'000			MMK'000		
Classification of loans & advances	Days past due	Provision on shortfalls in security value	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%	734,261,772	-	1,121,279,693	662,059,591	-	1,056,009,172
Watch	31-60	5%	3,832,566	-	2,024,440	1,281,030	-	1,648,903
Substandard	61-90	25%	14,018,950	-	16,805,250	28,681,951	-	44,402,344
Doubtful	91-180	50%	2,719,046	314,704	3,213,210	2,335,634	266,851	4,327,828
Loss	over 180	100%	60,967,246	41,448,466	54,952,080	41,033,149	17,867,152	46,606,160
			815,799,579	41,763,171	1,198,274,673	735,391,355	18,134,004	1,152,994,408
Total NPL % =						5.60%		
						4.98%		

The Group

Neither past due nor impaired

Past due but not impaired

Individually past due and impaired

30.9.2020		30.9.2019	
MMK'000		MMK'000	
Loans & advances	Investment securities	Loans & advances	Investment securities
745,261,772	285,760,000	674,059,591	182,300,000
17,851,516	-	29,962,981	-
63,686,291	-	43,368,783	-
826,799,579	285,760,000	747,391,355	182,300,000

The Bank

Neither past due nor impaired

Past due but not impaired

Individually past due and impaired

30.9.2020		30.9.2019	
MMK'000		MMK'000	
Loans & advances	Investment securities	Loans & advances	Investment securities
734,261,772	289,424,000	662,059,591	186,664,000
17,851,516	-	29,962,981	-
63,686,291	-	43,368,783	-
815,799,579	289,424,000	735,391,355	186,664,000

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.

5.2 Liquidity Risk (continued)

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.

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Liquidity ratio	31.36%	26.14%	30.40%	24.18%

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

5.2. 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.

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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
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2020					
Assets					
Cash and cash equivalents	179,695,288	500,000	-	-	180,195,288
Loan and advances to customers	240,562,816	286,778,592	293,180,966	-	820,522,373
Investment Securities	-	10,000,000	275,430,000	330,000	285,760,000
Other assets	48,428,943	48,157,215	12,604,611	102,000	109,292,770
	468,687,047	345,435,807	581,215,577	432,000	1,395,770,431
Liabilities					
Deposit from banks	33,590,683	19,237	109,928	-	33,719,849
Deposit from customers	410,509,439	238,854,984	469,521,617	-	1,118,886,040
Other liabilities	161,369,820	9,364,075	31,309,072	3,973,889	206,016,856
	605,469,941	248,238,296	500,940,618	3,973,889	1,358,622,745
On-Balance Sheet					
Liquidity Gap	(136,782,894)	97,197,510	80,274,959	(3,541,889)	37,147,686
Off-balance sheet					
Performance Guarantee	740,008	-	4,035,138	-	4,775,146
Contingent liabilities	2,045,813	-	172,784	-	2,218,597
Commitments	50,147,482	4,500	1,795,000	-	51,946,982
Off-balance sheet					
Liquidity Gap	52,933,303	4,500	6,002,922	-	58,940,725
Net Liquidity Gap	(189,716,197)	97,193,010	74,272,037	(3,541,889)	(21,793,039)
	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)
2019					
Assets					
Cash and cash equivalents	173,216,911	-	-	-	173,216,911
Loan and advances to customers	173,212,166	261,103,736	311,817,153	-	746,133,055
Investment Securities	23,000,000	8,300,000	150,670,000	330,000	182,300,000
Other assets	19,459,010	21,598,868	4,494,622	102,000	45,654,500
	388,888,088	291,002,603	466,981,775	432,000	1,147,304,466
Liabilities					
Deposit from banks	6,450,440	77,683	443,900	-	6,972,023
Deposit from customers	341,176,039	269,362,379	397,833,529	-	1,008,371,946
Other liabilities	71,682,884	5,567,464	13,409,777	100	90,660,224
	419,309,363	275,007,525	411,687,207	100	1,106,004,193
On-Balance Sheet					
Liquidity Gap	(30,421,274)	15,995,079	55,294,568	431,900	41,300,272
Off-balance sheet					
Performance Guarantee	949,280	-	6,851,935	-	7,801,215
Contingent liabilities	22,427,622	-	6,188,917	-	28,616,539
Commitments	52,543,300	-	-	-	52,543,300
Off-balance sheet					
Liquidity Gap	75,920,202	-	13,040,852	-	88,961,054
Net Liquidity Gap	(106,341,476)	15,995,079	42,253,716	431,900	(47,660,782)

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5.2.1 Maturity Analysis

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)
2020					
Assets					
Cash and cash equivalents	179,691,282	-	-	-	179,691,282
Loan and advances to customers	240,562,816	280,778,592	288,180,966	-	809,522,373
Investment Securities	-	10,000,000	273,230,000	6,194,000	289,424,000
Other assets	48,184,524	45,957,921	12,594,568	-	106,737,013
	468,438,622	336,736,512	574,005,533	6,194,000	1,385,374,667
Liabilities					
Deposit from banks	33,590,683	19,237	109,928	-	33,719,849
Deposit from customers	410,566,026	238,862,408	469,559,186	-	1,118,987,619
Other liabilities	161,354,861	9,132,737	31,232,610	3,973,789	205,693,997
	605,511,570	248,014,383	500,901,724	3,973,789	1,358,401,465
On-Balance Sheet					
Liquidity Gap	(137,072,948)	88,722,130	73,103,809	2,220,211	26,973,202
Off-balance sheet					
Performance Guarantee	740,008	-	4,035,138	-	4,775,146
Contingent liabilities	2,045,813	-	172,784	-	2,218,597
Commitments	50,147,482	-	-	-	50,147,482
Off-balance sheet					
Liquidity Gap	52,933,303	-	4,207,922	-	57,141,225
Net Liquidity Gap	(190,006,251)	88,722,130	68,895,887	2,220,211	(30,168,023)
	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)
2019					
Assets					
Cash and cash equivalents	173,209,957	-	-	-	173,209,957
Loan and advances to customers	173,212,166	249,103,736	311,817,153	-	734,133,055
Investment Securities	23,000,000	8,300,000	149,170,000	6,194,000	186,664,000
Other assets	19,405,573	19,854,218	4,479,050	-	43,738,840
	388,827,696	277,257,953	465,466,203	6,194,000	1,137,745,852
Liabilities					
Deposit from banks	6,450,440	77,683	443,900	-	6,972,023
Deposit from customers	341,578,508	269,477,880	398,429,385	-	1,009,485,773
Other liabilities	71,619,220	5,101,475	13,409,777	-	90,130,472
	419,648,168	274,657,038	412,283,062	-	1,106,588,268
On-Balance Sheet					
Liquidity Gap	(30,820,472)	2,600,916	53,183,141	6,194,000	31,157,585
Off-balance sheet					
Performance Guarantee	949,280	-	6,851,935	-	7,801,215
Contingent liabilities	22,427,622	-	6,188,917	-	28,616,539
Commitments	52,543,300	-	-	-	52,543,300
Off-balance sheet					
Liquidity Gap	75,920,202	-	13,040,852	-	88,961,054
Net Liquidity Gap	(106,740,674)	2,600,916	40,142,289	6,194,000	(57,803,470)

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 30 September 2020, the interest rates on loans are subject to the following maximum caps:

	Old Rate		New Rate*	
	Secured	Unsecured	Secured	Unsecured
• Loans and advances	13.00%	16.00%	10.00%	14.50%
• Overdraft	13.00%	16.00%	10.00%	14.50%
• Hire purchase	13.00%	16.00%	10.00%	14.50%
• Staff loan	9.25%	9.25%	8.50%	8.50%
• Credit Card*	-	13.0%	-	13.00%

*Credit usage charges of 13% applies

*New Rate is applicable from 1 April 2020 onwards

As at 30 September 2020, the interest rates on deposits are subject to the following minimums:

	Old Rate	New Rate*
	8.25% - 8.6%	6%
• Saving deposits		
• Fixed deposits		
Thirty days	8.50%	6.50%
Ninety days	8.75%	6.75%
One hundred and eighty days	9.00%	7.00%
Two hundred and seventy days	9.00%	7.00%
One year	9.00%	7.25%
• Interest rate on Call Deposit	6.00%	5.00%

*New Rate is applicable from 1 April 2020 onwards

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.

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)
2020					
ASSETS					
Cash and cash equivalents	319,262	500,000	-	179,376,026	180,195,288
Loans and advances	240,562,816	286,778,592	293,180,966	-	820,522,373
Investment securities	-	10,000,000	275,430,000	330,000	285,760,000
Other assets	-	45,808,000	-	-	45,808,000
	240,882,078	343,086,592	568,610,966	179,706,026	1,332,285,661
LIABILITIES					
Deposit from banks	7,008,245	19,237	109,928	26,582,438	33,719,849
Deposit from customers	309,805,376	238,854,984	469,521,617	100,704,063	1,118,886,040
Borrowings	112,500,000	7,852,800	-	-	120,352,800
	429,313,621	246,727,022	469,631,546	127,286,501	1,272,958,689
NET INTEREST RATE GAP	(188,431,543)	96,359,570	98,979,420	52,419,524	59,326,972

	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)
2019					
ASSETS					
Cash and cash equivalents	7,674,369	-	-	165,542,543	173,216,911
Loans and advances	173,212,166	261,103,736	311,817,153	-	746,133,055
Investment securities	23,000,000	8,300,000	150,670,000	330,000	182,300,000
	203,886,535	269,403,736	462,487,153	165,872,543	1,101,649,966
LIABILITIES					
Deposit from banks	33,293	77,683	443,900	6,417,147	6,972,023
Deposit from customers	257,599,291	269,362,379	397,833,529	83,576,748	1,008,371,947
Borrowing	48,090,291	-	-	-	48,090,291
	305,722,874	269,440,061	398,277,430	89,993,895	1,063,434,260
NET INTEREST RATE GAP	(101,836,339)	(36,325)	64,209,723	75,878,647	38,215,706

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5.3 Interest Rate Risk (Continued)

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)
2020					
ASSETS					
Cash and cash equivalents	319,262	-	-	179,372,019	179,691,282
Loans and advances	240,562,816	280,778,592	288,180,966	-	809,522,373
Investment securities	-	10,000,000	273,230,000	6,194,000	289,424,000
Other assets	-	45,808,000	-	-	45,808,000
	240,882,078	336,586,592	561,410,966	185,566,019	1,324,445,655
LIABILITIES					
Deposit from banks	7,008,245	19,237	109,928	26,582,438	33,719,849
Deposit from customers	309,832,820	238,862,408	469,559,186	100,733,206	1,118,987,619
Borrowings	112,500,000	7,852,800	-	-	120,352,800
	429,341,065	246,734,445	469,669,114	127,315,644	1,273,060,268
NET INTEREST RATE GAP	(188,458,987)	89,852,146	91,741,851	58,250,376	51,385,386

	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)
2019					
ASSETS					
Cash and cash equivalents	7,637,641	-	-	165,572,316	173,209,957
Loans and advances	173,212,166	249,103,736	311,817,153	-	734,133,055
Investment securities	23,000,000	8,300,000	149,170,000	6,194,000	186,664,000
	203,849,807	257,403,736	460,987,153	171,766,316	1,094,007,012
LIABILITIES					
Deposit from banks	33,293	77,683	443,900	6,417,147	6,972,023
Deposit from customers	257,969,550	269,477,880	398,429,384	83,608,958	1,009,485,772
Borrowing	48,090,291	-	-	-	48,090,291
	306,093,134	269,555,563	398,873,284	90,026,106	1,064,548,086
NET INTEREST RATE GAP	(102,243,327)	(12,151,827)	62,113,869	81,740,211	29,458,926

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	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Authorised Capital	75,000,000	75,000,000	75,000,000	75,000,000
Paid-up capital (Share each @ MMK 500,000)	54,000,000	54,000,000	54,000,000	54,000,000
Capital adequacy ratio (%)	10.49%	9.58%	9.97%	8.99%

The Bank met the minimum capital adequacy ratio requirement 8% set by Central Bank of Myanmar (CBM) as at 30 September 2020, 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	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Director expenses	162,000	12,000	162,000	12,000
Short term employee benefits	16,905,620	16,737,494	16,789,134	16,655,690
	17,067,620	16,749,494	16,951,134	16,667,690

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020****8 Cash and Cash Equivalents**

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Cash and balances with Central Bank of Myanmar	59,690,141	93,212,521	59,690,141	93,212,521
Cash and balances with other banks	48,370,580	20,213,818	47,867,075	20,209,300
Cash in hand	72,134,567	59,790,572	72,134,066	59,788,136
	180,195,288	173,216,911	179,691,282	173,209,957

9 Loans and Advances to Customers

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Credit cards	1,774,016	1,969,908	1,774,016	1,969,908
Hire purchase	11,885,602	3,739,169	11,885,602	3,739,169
Short-term loans	510,093,081	437,449,705	499,093,081	425,449,705
Loans and advances to banks	19,852,800	10,526,400	19,852,800	10,526,400
Overdrafts	281,548,868	292,247,500	281,548,868	292,247,500
Staff loans	1,645,213	1,458,673	1,645,213	1,458,673
Total loans and advances to customers	826,799,579	747,391,355	815,799,579	735,391,355
(-) Provision for bad and doubtful debt (SP)	6,277,207	1,258,300	6,277,207	1,258,300
Net loans and advances	820,522,373	746,133,055	809,522,373	734,133,055

10 Investment Securities

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Held to maturity				
Investment in Government Securities (Treasury bonds)	285,430,000	181,970,000	283,230,000	180,470,000
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
	285,760,000	182,300,000	289,424,000	186,664,000

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.

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	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Balance at 1 October	947,700		947,700	-
Transfers	-	952,251	-	952,251
Disposals	-	-	-	-
Depreciation charge	(18,202)	(4,550)	(18,202)	(4,550)
Balance at 30 September	929,499	947,700	929,499	947,700
Represented by:				
Cost	1,029,123	1,029,123	1,029,123	1,029,123
Accumulated depreciation	(99,624)	(81,423)	(99,624)	(81,423)
Net carrying amount	929,499	947,700	929,499	947,700
Freehold property	-	-	-	-
Leasehold property	929,499	947,700	929,499	947,700
Balance at 30 September	929,499	947,700	929,499	947,700

14 Intangible Assets

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Balance at the beginning of year	966,745	1,144,302	694,524	790,661
Acquisition	27,772	100,141	27,772	100,141
Transfer/ adjustment	-	(9,898)	-	(9,898)
Amortised	(347,842)	(267,800)	(225,712)	(186,380)
Balance at the end of year	646,675	966,745	496,584	694,524

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

15 Deferred Tax

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 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	612,471	766,120	612,471
Tax losses	-	-	-	-
Unrealised loss on financial instruments FV through P&L	-	-	-	-
Others	-	-	-	-
	766,120	612,471	766,120	612,471

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020****16 Other Assets**

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Interest receivables	9,626,000	9,943,479	7,300,581	8,445,446
Prepaid and advances	40,036,412	28,141,235	39,926,218	27,723,609
Card receivables	247,154	292,288	247,154	292,288
Inventories	394,651	195,399	394,651	195,399
Fixed Deposits - 1 year	45,808,000	-	45,808,000	-
Others	12,414,433	6,469,628	12,294,289	6,469,627
	108,526,650	45,042,029	105,970,892	43,126,369

17 Deposits and Placements with Banks

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Current deposits	26,582,438	6,417,147	26,582,438	6,417,147
Saving deposits	137,411	554,876	137,411	554,875
Fixed deposits	7,000,000	-	7,000,000	-
	33,719,849	6,972,023	33,719,849	6,972,023

18 Deposits from Customers

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Current deposits	100,704,063	83,576,748	100,733,206	83,608,958
Saving deposits	561,462,708	490,085,030	561,467,209	490,268,521
Fixed deposits	440,616,368	423,179,158	440,616,368	423,179,158
Call deposits	16,102,902	11,531,010	16,170,836	12,429,136
	1,118,886,040	1,008,371,946	1,118,987,619	1,009,485,773

19 Borrowings

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Borrowings from Foreign Banks in local (Foreign Currency)	7,852,800	3,830,000	7,852,800	3,830,000
Borrowing from Local Private Banks (Local Currency)	112,500,000	44,260,291	112,500,000	44,260,291
	120,352,800	48,090,291	120,352,800	48,090,291

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020****20 Other Liabilities**

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Accrued interest payable	4,821,279	4,764,094	4,821,279	4,764,094
Accrued operating expenses	1,196,647	744,344	1,169,685	676,925
Provision for income taxes	1,455,877	5,551,983	1,228,261	5,101,475
Provision for others	851,677	800,000	851,677	800,000
Sundry creditors	39,331,257	14,793,964	39,315,760	14,793,963
Deferred income	17,857	28,474	17,857	28,473
Others	34,015,673	15,887,076	33,962,889	15,875,251
	81,690,267	42,569,934	81,367,408	42,040,181

21 Lease liabilities

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Lease Liability of Building Lease	950,424	-	950,424	-
Lease Liability of Leasing Cars	2,234,818	-	2,234,818	-
Lease Liability of Dismantlings	788,546	-	788,546	-
	3,973,789	-	3,973,789	-

22 Share Capital

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Ordinary shares, MMK 500,000 per share				
Issued and fully paid-up				
Beginning of year				
2020 - 108,000 shares; 2019 - 108,000 shares	54,000,000	54,000,000	54,000,000	54,000,000
Shares issued during the year				
2020 - Nil shares ; 2019 - Nil shares	-	-	-	-
Balance at end of year				
2020 - 108,000 shares; 2019 - 108,000 shares	54,000,000	54,000,000	54,000,000	54,000,000

The Bank has authorised capital of MMK 75 billion and the amount of issued and paid-up capital as of 30 September 2020 was MMK 54 billion divided into 108,000 shares at MMK 500,000 each. The Bank has not issued any additional shares during the year from 1 October 2019 to 30 September 2020.

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020****23 Reserves**

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Statutory reserve fund				
Opening balance	7,438,914	4,030,124	7,438,914	4,030,124
Addition for the year	3,798,099	3,408,790	3,798,099	3,408,790
Closing balance	11,237,013	7,438,914	11,237,013	7,438,914
Reserve for contingencies				
Opening balance	-	-	-	-
Addition for the year	-	-	-	-
Closing balance	-	-	-	-
General Loan Loss Provision (GP)				
Opening balance	14,252,351	11,802,466	14,252,351	11,802,466
Addition for the year	614,596	2,449,885	614,596	2,449,885
Closing balance	14,866,947	14,252,351	14,866,947	14,252,351
Total	26,103,960	21,691,265	26,103,960	21,691,265

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 reserve for bad and doubtful debts at the end of financial year in accordance with Central Bank Instruction No. 17/2017.

24 Off-balance sheet

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Performance guarantees	62,266,013	45,593,555	62,266,013	45,593,555
Contingent liabilities	4,927,653	35,583,640	4,927,653	35,583,640
Commitment	51,946,982	52,543,300	50,147,482	52,543,300

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.

25 Interest Income

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Interest on loans to customers	89,285,632	87,486,240	88,161,052	86,046,240
Interest on money market	2,041,750	3,237,283	1,988,499	3,237,281
Interest on deposit auction and SWAP	327,658	172,337	327,658	172,337
Interest on Treasury Bonds	19,623,946	15,521,792	19,471,278	15,382,988
	111,278,986	106,417,652	109,948,487	104,838,846

	The Group		The Bank	
	2020	2019	2020	2019
Interest rate on loans and advances	8% to 14.5%	9.25% to 16%	8% to 14.5%	9.25% to 16%
Interest rate on Government Securities (Five years Treasury Bonds)	7.5% to 9.75%	9.5% to 9.75%	7.5% to 9.75%	9.5% to 9.75%

26 Interest Expenses

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Interest on saving deposit	31,501,717	31,074,468	31,504,580	31,096,403
Interest on call deposit	726,168	784,203	742,255	817,375
Interest on fixed deposit	33,132,252	33,895,558	33,132,252	33,895,558
Interest on Inter-bank deposit	134,425	307,557	134,425	307,557
Interest on borrowing	4,255,363	5,214,959	4,255,336	5,214,959
	69,749,924	71,276,745	69,768,847	71,331,852

27 Fees and Commission Income

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Commission on payment order	58,276	52,026	58,276	52,026
Commission on remittance	250,728	339,621	250,728	339,621
Commission on cards	635,368	603,258	635,368	603,258
Service fees	4,040,605	2,578,109	4,040,605	2,578,109
Commitment fees	497,725	488,890	497,725	488,890
Commission on trade related	3,062,563	2,743,865	3,024,063	2,743,865
Commission on brokerage and IB advisory fees	64,573	149,798	-	-
Commission on others	150,000	99,207	150,000	99,207
	8,759,838	7,054,774	8,656,765	6,904,977

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020****28 Other Income**

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Treasury (Forex) trading income	1,657,366	2,279,390	1,659,650	2,278,115
Interest on other (Operating Lease)	1,055,477	2,965,202	1,055,477	2,965,202
Extension fees on loans and advances	960,180	709,994	960,180	709,994
Exchange gain/(loss) on cards	180,520	135,510	180,520	135,510
Disposal gain/(loss) on fixed assets	247,906	279,760	247,839	279,760
Miscellaneous	305,278	173,888	305,278	173,888
Dividend income from Subsidiary (uab sc)	-	-	312,747	-
	4,406,727	6,543,743	4,721,691	6,542,468

29 General and Administrative Expenses

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Maintenance and repairs	489,768	620,233	488,426	619,659
Miscellaneous expenses	1,296,939	364,908	1,296,321	364,908
Supplies and services	1,353,804	1,162,804	1,353,053	1,111,017
Rates and taxes	558,123	454,667	552,822	452,637
Insurance expenses	18,144	19,105	18,144	19,105
Technology expenses	946,182	784,319	739,836	556,706
	4,662,961	3,406,037	4,448,602	3,124,034

30 Personnel Expenses

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Salaries and allowances	13,474,194	13,339,127	13,368,725	13,269,469
Staff welfare contribution	90,445	100,386	90,295	100,259
Staff social security contribution	175,166	179,139	174,419	178,315
Recruitment expenses	2,520	210	2,520	210
Staff bonus and rewards	3,165,815	3,118,842	3,155,695	3,107,647
Training expenses	229,406	27,120	229,406	26,502
Director fees and expenses	162,000	12,000	162,000	12,000
	17,299,545	16,776,824	17,183,059	16,694,403

31 Operating Lease Expenses

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Rent - Building	49,796	1,365,500	42,097	1,356,144
Rent - Others	364,552	507,606	362,136	507,606
	414,348	1,873,106	404,233	1,863,750

uab bank Limited

(Incorporated in the Republic of the Union of Myanmar)

Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020

32 Other Expenses

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Auditor fees and expenses	23,250	21,196	21,150	21,196
Legal expenses	1,486	10,161	1,486	10,161
Travelling expenses	63,203	146,243	62,499	146,243
Consultant fees	-	4,092	-	4,092
Others	38,486	-	-	-
	126,425	181,692	85,135	181,692

33 Finance Cost

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Finance Cost of ROU Lease Building	63,482	-	63,482	-
Finance Cost of ROU Leasing Cars	201,022	-	201,022	-
Finance Cost on Dismantling	47,598	-	47,598	-
	312,102	-	312,102	-

34 Allowance for Credit and Other Losses

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Specific allowance on / (write-back) of:				
Loans	5,018,907	1,000,398	5,018,907	1,000,398
Cash shortage	-	800,000	-	800,000
Inventory shortage/adjustments	-	335,816	-	335,816
Obsolete Inventory	51,677	-	51,677	-
Write-off fixed assets	62,830	77,462	62,830	77,462
General allowance (2%)	614,596	2,449,885	614,596	2,449,885
	5,748,009	4,663,561	5,748,009	4,663,561

35 Taxation

	The Group		The Bank	
	2020	2019	2020	2019
	MMK'000	MMK'000	MMK'000	MMK'000
Tax expense/(credit) attributable to profit				
Corporate income tax 25%	5,253,408	5,405,292	5,019,610	5,073,572
Capital gain tax 10%	24,784	27,903	24,784	27,903
Current income tax	5,278,192	5,433,194	5,044,394	5,101,475
Deferred income tax	(153,649)	(612,471)	(153,649)	(612,471)
	5,124,543	4,820,723	4,890,745	4,489,004
Under/(over) provision in prior financial years				
Current income tax	-	-	-	-
Deferred income tax	-	-	-	-
	5,124,543	4,820,723	4,890,745	4,489,004

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020****36 Investment in Subsidiary**

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 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.

37 Non-controlling interest

	The Group		The Bank	
	2020 MMK'000	2019 MMK'000	2020 MMK'000	2019 MMK'000
Investment shares, at cost	9,136,000	9,136,000	-	-
Retained earning	691,825	133,196	-	-
Prior year adjustment	-	(13,925)	-	-
Dividend paid	(487,253)	-	-	-
Profit for the year	420,377	572,554	-	-
Profit for the period	431,919	606,118	-	-
URP Adjustment	(11,542)	(33,564)	-	-
	9,760,949	9,827,825	-	-

38 Impact of COVID-19 Pandemic

The COVID-19 Pandemic has significantly impacted global economics, resulting in workforce and travel restrictions, supply chain and production disruptions and spending across many sectors.

These factors began having an adverse impact on the bank's operations. Such effects and required mitigating actions will continue to be monitored and evaluated by the management during the FY 2020-2021.

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Notes to the Consolidated Financial Statements for the period ended 30 September 2020
The Group
2020
Property, plant & equipment
Annexure - I

	Land & Building	Office Machine & Other Machine Equipment	Furniture, Fixture & Fitting	Electrical Equipment & Computer Accessories	Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
As at 1 October 2019	45,961,054	5,976,415	1,351,633	3,370,476	1,327,177	57,986,754
Additions during the year	4,014,475	523,797	88,976	205,096	14,400	4,846,744
Transfer during the year	(18,185)	(65,599)	(26,230)	(60,228)	-	(170,242)
Adjustment during the year	-	-	-	-	-	-
Disposal	-	(52,844)	(7,897)	(4,177)	(561,504)	(626,421)
Allowance for impairment	-	(486)	-	-	-	(486)
Donation	-	-	-	(3,732)	-	(3,732)
As at 30 September 2020	49,957,344	6,381,282	1,406,482	3,507,436	780,073	62,032,618
Accumulated depreciation						
As at 1 October 2019	3,581,745	2,377,907	344,163	2,154,150	622,115	9,080,081
Charged for the year	978,311	686,211	438,938	457,428	114,018	2,674,906
Transfer during the year	(4,076)	(65,599)	(26,162)	(60,134)	10,711	(145,261)
Adjustment during the year	-	-	-	-	-	-
Disposal	-	(40,279)	(2,480)	(1,515)	(297,518)	(341,792)
Allowance for impairment	-	41,520	17,435	3,608	-	62,563
Donation	-	-	-	(3,236)	-	(3,236)
As at 30 September 2020	4,555,980	2,999,760	771,894	2,550,301	449,326	11,327,260
Net book value as at 30 September 2020	45,401,365	3,381,522	634,589	957,135	330,747	50,705,358

2019
Property, plant & equipment

	Land & Building	Office Machine & Other Machine Equipment	Furniture, Fixture & Fitting	Electrical Equipment & Computer Accessories	Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
As at 1 October 2018	46,951,761	5,917,156	1,348,262	2,986,330	2,684,654	59,888,162
Additions during the year	36,654	97,063	31,093	467,302	-	632,111
Transfer during the year	(1,027,361)	6,754	(1,083)	(9,936)	-	(1,031,627)
Adjustment during the year	-	-	-	-	-	-
Disposal	-	(1,931)	(2,399)	-	(1,357,477)	(1,361,807)
Allowance for impairment	-	(42,626)	(14,879)	(73,220)	-	(130,726)
Donation	-	-	(9,360)	-	-	(9,360)
As at 30 September 2019	45,961,054	5,976,415	1,351,633	3,370,476	1,327,177	57,986,754
Accumulated depreciation						
As at 1 October 2018	2,842,069	1,786,648	265,002	1,787,154	1,436,222	8,117,095
Charged for the year	812,506	583,711	68,076	441,051	209,468	2,114,813
Transfer during the year	(76,762)	2,978	1,019	(4,337)	-	(77,102)
Adjustment during the year	-	3,861	-	-	-	3,861
Disposal	-	(228)	(531)	-	(1,023,574)	(1,024,334)
Allowance for impairment	3,932	936	12,624	(69,717)	-	(52,225)
Donation	-	-	(2,028)	-	-	(2,028)
As at 30 September 2019	3,581,745	2,377,907	344,163	2,154,150	622,115	9,080,081
Net book value as at 30 September 2019	42,379,309	3,598,508	1,007,470	1,216,325	705,062	48,906,673

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The Bank
2020
Property, plant & equipment
Annexure I

	Land & Building	Office Machine & Other Machine Equipment	Furniture, Fixture & Fitting	Electrical Equipment & Computer Accessories	Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
As at 1 October 2019	45,961,054	5,972,431	1,348,376	3,349,707	1,312,777	57,944,344
Additions during the year	4,014,475	523,797	88,976	202,317	14,400	4,843,964
Transfer during the year	(18,185)	(65,599)	(26,230)	(60,228)	-	(170,242)
Adjustment during the year	-	-	-	-	-	-
Disposal	-	(52,844)	(7,897)	(3,977)	(547,104)	(611,822)
Allowance for impairment	-	(486)	-	-	-	(486)
Donation	-	-	-	(3,732)	-	(3,732)
As at 30 September 2020	49,957,344	6,377,299	1,403,225	3,484,087	780,073	62,002,028
Accumulated Depreciation						
As at 1 October 2019	3,581,745	2,375,589	341,080	2,135,321	612,605	9,046,340
Charged for the year	978,311	685,850	438,928	456,049	112,818	2,671,955
Transfer during the year	(4,076)	(65,599)	(26,162)	(60,134)	10,711	(145,261)
Adjustment during the year	-	-	-	-	-	-
Disposal	-	(40,279)	(2,480)	(1,359)	(286,807)	(330,925)
Allowance for impairment	-	41,520	17,435	3,608	-	62,563
Donation	-	-	-	(3,236)	-	(3,236)
As at 30 September 2020	4,555,980	2,997,081	768,800	2,530,249	449,326	11,301,435
Net book value as at 30 September 2020	45,401,365	3,380,218	634,425	953,838	330,747	50,700,593

2019
Property, plant & equipment

	Land & Building	Office Machine & Other Machine Equipment	Furniture, Fixture & Fitting	Electrical Equipment & Computer Accessories	Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
As at 1 October 2018	46,951,761	5,913,172	1,345,005	2,965,562	2,670,254	59,845,753
Additions during the year	36,654	97,063	31,093	467,302	-	632,111
Transfer during the year	(1,027,361)	6,754	(1,083)	(9,936)	-	(1,031,627)
Adjustment during the year	-	-	-	-	-	-
Disposal	-	(1,931)	(2,399)	-	(1,357,477)	(1,361,807)
Allowance for impairment	-	(42,626)	(14,879)	(73,220)	-	(130,726)
Donation	-	-	(9,360)	-	-	(9,360)
As at 30 September 2019	45,961,054	5,972,431	1,348,376	3,349,707	1,312,777	57,944,344
Accumulated Depreciation						
As at 1 October 2018	2,842,069	1,784,270	261,900	1,770,049	1,427,972	8,086,260
Charged for the year	812,506	583,771	68,095	439,327	208,208	2,111,908
Transfer during the year	(76,762)	2,978	1,019	(4,337)	-	(77,102)
Adjustment during the year	-	3,861	-	-	-	3,861
Disposal	-	(228)	(531)	-	(1,023,574)	(1,024,334)
Allowance for impairment	3,932	936	12,624	(69,717)	-	(52,225)
Donation	-	-	(2,028)	-	-	(2,028)
As at 30 September 2019	3,581,745	2,375,589	341,080	2,135,321	612,605	9,046,340
Net book value as at 30 September 2019	42,379,309	3,596,842	1,007,296	1,214,385	700,172	48,898,005

uab bank Limited*(Incorporated in the Republic of the Union of Myanmar)***Notes to the Consolidated Financial Statements for the Year Ended 30 September 2020****Right-of-use assets****Annexure II****The Group****Right-of-use assets**

MMK'000	Land and buildings	Vehicles	Total
2020			
Balance at 1 October 2019	18,252,136	2,530,658	20,782,794
Depreciation charge for the year	(1,996,575)	(381,369)	(2,377,944)
Balance at 30 September 2020	16,255,560	2,149,289	18,404,850

Lease liabilities

MMK'000	Land and buildings	Vehicles	Total
2020			
Balance at 1 October 2019	1,677,629	2,530,658	4,208,288
Finance cost for the year	111,080	201,022	312,102
Payments during the year	(49,738)	(496,862)	(546,600)
Balance at 30 September 2020	1,738,971	2,234,818	3,973,789

Amount recognised in profit and loss

MMK'000	Land and buildings	Vehicles	Total
Depreciation	1,996,575	381,369	2,377,944
Finance cost	111,080	201,022	312,102

Amount recognised in cash flow statement

MMK'000	Land and buildings	Vehicles	Total
Total cash outflow for lease	49,738	496,862	546,600

The Bank**Right-of-use assets**

MMK'000	Land and buildings	Vehicles	Total
2020			
Balance at 1 October 2019	18,252,136	2,530,658	20,782,794
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Amount recognised in cash flow statement

MMK'000	Land and buildings	Vehicles	Total
Total cash outflow for lease	49,738	496,862	546,600